Electricity Target Model

Getting to 2014

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Internal Market I: Networks and Regional Initiatives
Outline

- About the electricity Target Model
- Capacity calculation
- Day ahead market coupling
- Intraday
- Electricity Regional Initiatives
A strong momentum...

“The internal market should be completed by 2014 so as to allow gas and electricity to flow freely.”

European Council conclusion of February 4, 2011
The Target Model

“Informal” reference model for developing the Internal Electricity Market through Comitology Guidelines, Framework Guidelines, Network Codes and other instruments
The Target model

Main features of the target model

Focuses on:
- Capacity calculation
- Capacity allocation and congestion management
- Balancing
- Governance
...for a Clear Target

Internal Electricity Market

Capacity calculation and Allocation

Day-Ahead Capacity Allocation

Intraday Capacity Allocation

Balancing Markets
Stepping Stone

Pilots

bottom-up

Framework Guidelines & Network Codes

Internal Energy Market

Specific regional issues

top-down

Stepping Stone
Capacity calculation

- Two models Available transfer Capacity (ATC) and Flow based (FB)
Day ahead market coupling

- **Optimising the use of available – Implicit auctions**
  
  Focus on the CACM target models implementation:

  The choice of a single algorithm that meets the TSOs’ requirements in terms of efficient allocation and can be approved by every Member State, is one of the most important.
Intraday

allows for adjustments after the closure of the day-ahead market until gate closure – typically one hour before real closure
Electricity Regional Initiatives

**Why?**

More *project-oriented*, with newly designated *project lead regulators*

- Focus on the CACM target model implementation: *4 key priority projects*

Stronger *Pan-European* dimension, with the elaboration of *ambitious but realistic* *cross-regional roadmaps as the main reference to the market integration process,*
Electricity Regional Initiatives

How they work

The Regional Initiatives as a *complementary process* to the development of FGs and NCs, enabling

- Pilot testing of provisions from draft Framework Guidelines and Network Codes
- Early implementation of Network Codes
- Facilitating implementation of other EU regulation, e.g. 3rd Package transparency requirements, GRIPs, EIP provisions
Electricity Regional Initiatives