aFRR capacity market – status of implementation

NBM stakeholder reference group meeting 11.02.21
Status Nordic aFRR IT implementation
Status Nordic aFRR capacity market implementation

### Activity
- IT development/test – original scope
- ACER feedback – gap analysis
- IT development/test – new scope
- On-boarding national markets

### Timeline
- Nordic platform finalized and approved (June '21)
- Today
- TSOs start on-boarding national markets (Sep '21)
Utilize Nordic platform for national markets

• TSOs need to wait for results from flow based external parallel run before moving forward with Nordic go-live

• Flexible IT platform; supports national, Nordic, aFRR and mFRR capacity markets

• Statnett as market operator

• Stepwise on-boarding

• What are the benefits of starting national markets before a Nordic market?
Involving BSPs – implementation and testing

• Implementation guide – step by step "recipe" for how to connect to Nordic IT solution for aFRR CM

• Testing
  • Integrate with the Nordic solution
  • End to end test
Involving BSPs – webinar 5.Feb '21

• 70+ participants from over 40 BSPs <Pål to update after webinar 5.Feb '21>
• Updated implementation guide
• Demo of IT solution
• How to technically integrate with Nordic IT solution
• Q&A (next slide)

• Presentations and video recording from the webinar can be found here
Webinar – questions from BSPs

• <Pål Haug to fill in after the webinar is finished, 5.Feb '21>
Gate closure time – TSOs' decision
Stakeholder consultation for aFRR gate closure time

• TSOs shall publicly consult stakeholders before setting the exact time of the balancing capacity gate closure time in accordance with ACER decision No 19/2020
  
  • TSOs consulted for 1,5 months (18.11–31.12.2020)

• Proposal: aFRR balancing gate closure time at 7:30 CET (D-1)
  
  • 13 responses were received during the public consultation
  
  • TSOs’ proposal of gate closure time is acceptable for five respondents
  
  • Most of the remaining respondents proposed to have balancing gate closure at 8:00 CET (D-1) or later
TSOs’ decision of gate closure time

• TSOs have to announce the gate closure time at the latest four weeks before aFRR go-live (ACER decision)

• TSOs have decided to have gate closure time at 7:30 CET (D-1) at the aFRR go-live
  
  • Reassessment when more experience of the aFRR CM clearing is achieved after go-live and alignment also with FB calculation process timings

• TSOs have published the announcement together with consultation results and justification
Amendment to ACER decision by 08/2021

Calculation of dynamic mark-up value for forecasted market value of cross-zonal capacity
Determination of the forecasted market value of cross-zonal capacity

Initial forecasted market value

- equal to the positive market spread for each day-ahead market time unit of the reference day for the direction of the positive market spread
- equal to zero otherwise

Mark-up

- mark-up will be 1 EUR/MWh for a positive market spread
- mark-up will be 0.1 EUR/MWh for a negative or zero market spread
- Mark-up is dynamic between 1 – 5 EUR/MWh

Amendment by August 2021 and shall at least include a calculation of a dynamic mark-up value
Content of dynamic mark-up assessment

• accuracy of the forecasted market value when applying *different ranges of historical time series* as input data for determining the mark-ups

• accuracy of the forecasted market value when applying *different time intervals* for defining and updating the mark-ups

• accuracy of the forecasted market value when applying *different reference days*;

• accuracy of the forecasted market value when applying *additional relevant factors* influencing demand and generation patterns in the different bidding zones;

• estimated welfare effect for a range of confidence levels of the positive forecast errors
Planned amendment timeline

• Finalisation of assessment (February 2021)
• Drafting consultation documentation (February 2021 – March 2021)
• Stakeholder consultation (April 2021)
• Finalisation amendment proposal (May 2021)
• Submission of amendment proposal to NRAs (June 2021)
Thanks!

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