

Capacity Allocation and Congestion Management (CACM) Code Overview



William Kirk-Wilson

Introduction

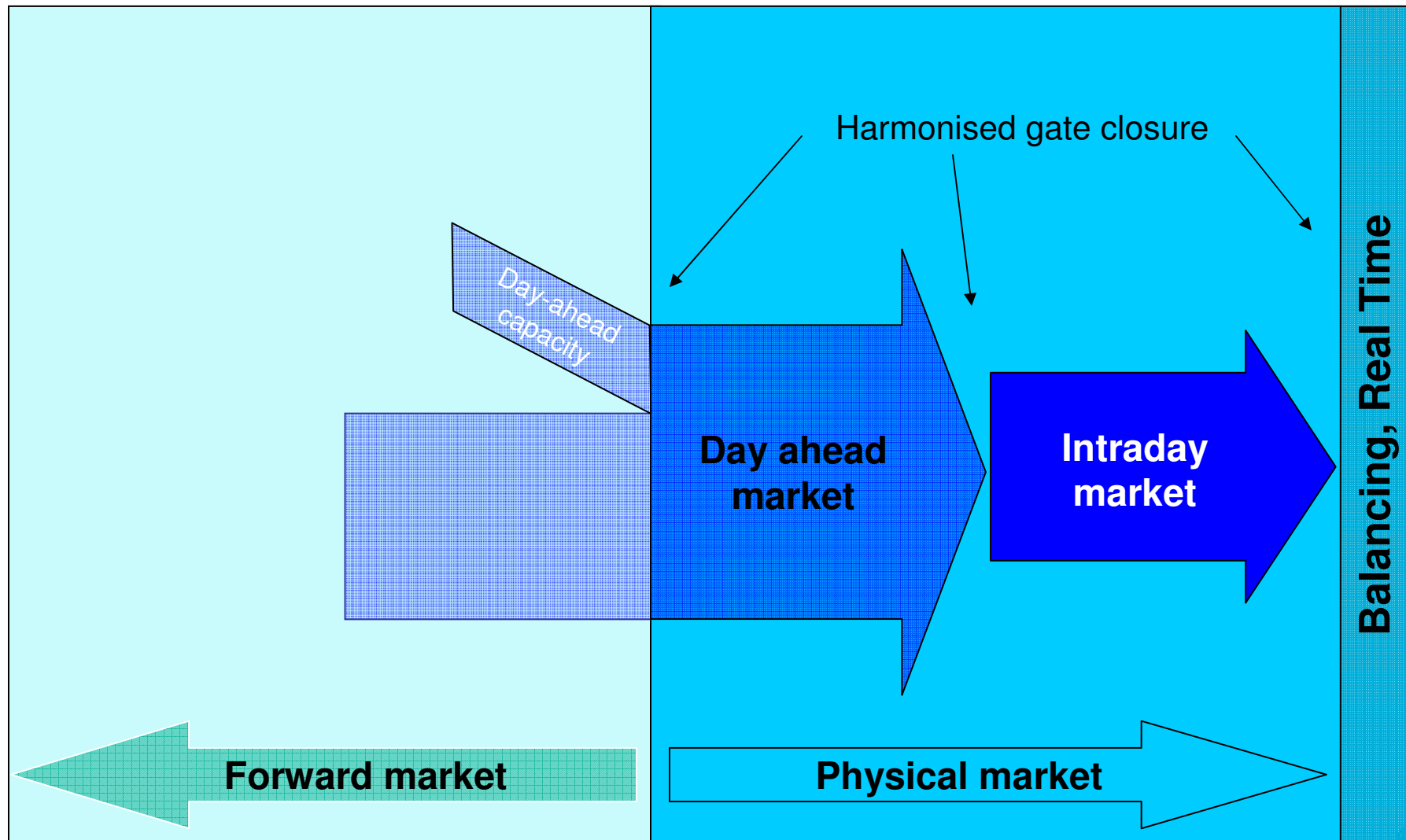
- CACM objectives
- European target model
- Timetable for implementation
- Status update
- How to get involved
- NOTE – currently under development, therefore can still change

CACM objectives

- Remove barriers for cross border trading ensuring the cheapest generation is used to satisfy demand (subject to practical constraints)
- *“Integrate, coordinate and harmonise congestion management regimes to facilitate electricity trade within the EU”¹. While:*
 - Maintaining Security of Supply
 - Delivering benefits to ALL customers
 - Facilitating the penetration of renewable generation
- Does NOT integrate the electricity balancing markets
- Mindful of potential crossover with locational signals

¹ Edited extracts from ACER’s CACM frame work guidelines

European target model



Day ahead market

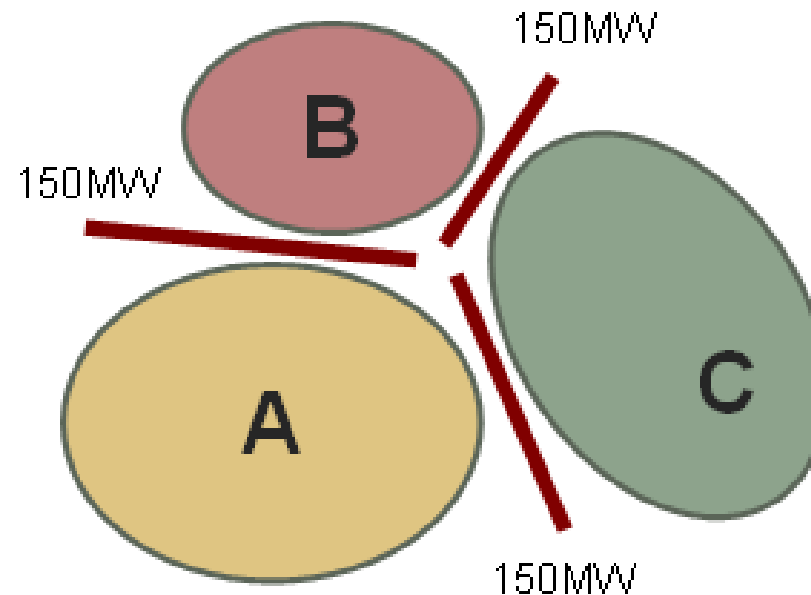
- Harmonised day ahead market closure times
- Each market has a price stack AND transfer capabilities between markets
- Shared order book function across Europe
- Entire Europe market solved using single price coupling algorithm
- Transfers between markets sold via implicit auctions
- Each market price based on last generator used to supply load
- Market results are firm

Intraday market

- Allows market participants to optimise position as close to real time as possible
- Common intraday gate closure time set
- Pan European shared order book (SOB)
- Pan-European intraday platform supporting continuous implicit intraday capacity allocation
- Firm allocation of intraday capacity

Capacity calculation

- Two options being considered –
 - Available Transfer Capability (ATC) –
fixed limit between each market e.g. $\leq 150\text{MW}$
 - Flow Based (FB) capability –
limit based on a function of the flows between all relevant markets e.g. [Limit of flow from B to A is] $\leq 150\text{MW} + k[\text{flow B to C}]$



Implementation timeline

Deliverable	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ACER delivers framework guidelines	■											
ENTSO-E writes network code				■	■							
ENTSO-E consults with stakeholders					✘							
ACER evaluation of network code								■				
Comitology process									■			

- 16th September – European Commission has requested ENTSO-E start work on drafting the network code

Current Status

- Day Ahead – First draft under development
Consultation planned for March
Market coupling algorithm under investigation
Impact of losses being assessed
- Intraday – First draft under development
Consultation planned for March
- Capacity calculation – Issues identified and sub groups set up to propose solutions
- Forwards – No work group formed as yet

National Grid is participating in all three groups

How to get involved...

- Industry meetings
 - Joint European Standing Group (JESG)
- Industry consultations
 - Network code consultation (Spring)
- Internet resources
 - Our website
<http://www.nationalgrid.com/uk/electricity/codes/encdevt>
 - ENTSO-E website
<https://www.entsoe.eu/resources/publications/former-associations/etso/congestion-management/>
 - EU regulations (inc 3rd package)
http://ec.europa.eu/energy/gas_electricity/legislation/legislation_en.htm
 - ACER website
http://www.energy-regulator.eu/portal/page/portal/ACER_HOME

Any questions?



Will Kirk-Wilson

01926 655424

William.kirkwilson@uk.ngrid.com