

SOUTH-WEST REGION

ELECTRICITY REGIONAL INITIATIVE

WORK PLAN 2011-2014

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# Introduction

The SW region of the ERI comprises Portugal, France and Spain and is led by the Spanish National Regulatory Authority (CNE).

The SW region launched its work in 2007. The first Action Plan of the region covered the period 2007-2009. After that, a new Action Plan 2010-2012 was agreed and published in April 2010. At that stage, the timing of several deliverables could not be detailed due to several reasons. In February 2011, the timetables of those deliverables were defined and updated.

According to the conclusions of the European Council of 4th February 2011, the internal energy market should be completed by 2014. For this purpose, the EC requested to elaborate a “European Energy Work Plan 2011-2014” by the end of June for each region and to address it jointly to the EC (DG ENER) and to ACER. In this context, ACER supports and coordinates NRAs and lead regulators in the development of this Work Plan, both for electricity and gas.

The mentioned SW Action Plan 2010-2012 has been extended until 2014 and adapted in order to answer to that request.

ACER and the Electricity Regional Initiative coordination group have completed the elaboration of the European Energy Workplan 2011-2014. The European Energy Workplan consists of four cross-regional action plans which identify milestones and responsibilities for implementation of a common European approach to cross-border electricity trading by 2014.

To agree the four cross-regional action plans, the seven electricity regions developed a regional input to the European Energy Workplan. The seven regional inputs were developed in discussion with TSOs and Member States and consulted on with regional stakeholders. The regional inputs explain each regions contribution to completing the internal electricity market. The four cross-regional action plans have been developed and agreed on the basis of the regional inputs.

As a result of this process the cross-regional action plans and regional inputs may not be completely consistent. However, **ACER and the National Regulatory Authorities have agreed that the European Energy Workplan consists of only the four cross-regional action plans. This means that, if any inconsistency remains between the seven regional inputs and the four cross-regional action plans, stakeholders should consider that the cross-regional action plans prevail.**

## Review of progress achieved in the period 2007-2009

In the previous Action Plan 2007-2009, the following achievements were attained:

**Priority I: Interconnections and available transmission capacity**

A key achievement in the SW region is the Governmental agreement signed in the France-Spain summit held in Zaragoza, 27 June 2008, to build a new interconnection line between France and Spain, which will help to reach 2600 MW of cross-border capacity for 2014. The long term objective of 4000 MW NTC could be achieved with another interconnection through central-western Pyrenees[[1]](#footnote-2).

Regulators offered their full support to governments and TSOs in charge of developing new interconnections.

As far as the interconnection Portugal-Spain is concerned, there are projects under development in order to reach 3000 MW of cross-border capacity in 2014.

**Priority II: Analysis of convergence in transparency and information management**

This priority relates to compliance with transparency requirements under EU legislation.

The first draft SW transparency report for public consultation was released in July 2008. The final SW transparency report was published in September 2008 and presented to the 3rd High Level Group meeting of the SW region. By June 2009 overall compliance with most of the transparency requirements had been achieved. Only some particular aspects could be pointed out:

* REE: interconnection lines outages and limiting constraints are not published in detailed way due to national security reasons, but are available for regulators.
* RTE: Two remaining points:
  + - RTE is working to improve transparency concerning unavailability forecasts for production units. Regarding generation data actually, RTE currently publishes both forecast and ex-post availability data, from one week to 3 years ahead. Today these data are provided for each generation type only (nuclear, hydro, thermal…); the detailed data for individual production units of more than 100 MW should be available on RTE’s website by mid-2010 (in accordance with UFE’s announcement).
    - The limiting constraints explaining where and why the congestions occur are not published by RTE but are available to the NRA. However, monthly NTCs are already published while indicating if the limiting constraint is encountered on the French side, on a neighbouring country side or on the interconnection itself. Moreover, RTE intends to update in 2010 this information on a weekly basis.

**Priority III: Improvement of cross-border congestion management methods**

Under this priority, the SW region has worked in the evolution of the mechanisms for congestion management in the France-Spain interconnection and coordination with procedures in the MIBEL.

There have been several advances in CB congestion management methods, namely, the new version of the auction rules for the French-Spanish interconnection, implemented 1st of June 2009.

The main improvements in the new version of the rules include:

* New compensation scheme in case of capacity reduction (based on the market spread)
* New compensation scheme in case of cancellation of daily auction (based on the market spread)
* Secondary market: introduction of automatic resale at daily auction
* More precise definition of long-term products
* Physical firmness for daily and intraday capacity from the communication of auction results
* Improvement of transparency with new publications
* Clarification of TSOs’ liabilities
* Bank guarantees

Besides, a public consultation on intraday CB capacity allocation methods took place in summer 2008. The answers however did not allow concluding a clear view by stakeholders[[2]](#footnote-3).

OMEL, EPEX SPOT and NordPool announced an agreement on price-coupling as the proper solution to integrate MIBEL, CWE and NordPool[[3]](#footnote-4). The PXs are developing a feasibility study and an implementation plan. In a joint presentation made for the 5th SW IG, 27 May 2009, OMEL and EPEXSpot proposed a schedule where SWE and CWE regions would couple in 2010 after the countries within the CWE region couple together under a ATC-approach[[4]](#footnote-5). An update on the current status of the project was made during the 6th SW IG meeting on the 15th of February 2010. More details on the way the PXs shall cooperate were given. Moreover, the results of the current simulations were positive according to OMEL. By the way, OMEL underlined the necessary involvement of the regulators to deal with the regulatory issues. Concerning the schedule, the participation of the PXs and TSOs in other regions did not allow the setting of a final calendar.

The TSOs presented a proposal for cross-border balancing integration with a TSO-TSO approach which was welcomed by the 5th SW IG[[5]](#footnote-6). The RCC have requested from TSOs to develop this model and provide a detailed output for the end of 2009 as well as a realistic timetable for implementation. During the 6th SW IG meeting, TSOs identified as key issues in this subject the need to agree on compatible products definition and on a shared schedule that allows allocation of non-commercially used interconnection capacity within time slots adequate for a coordinated bid updating process. TSOs detailed all the changes to be implemented. The issues concerning the compatibility and the cost/benefit analysis of this project were raised.

**Priority IV: Analysis of the compatibility of the rules of the MIBEL and French markets**

This topic was addressed in the context of market coupling between MIBEL and CWE. In the 2nd IG meeting, regulators reviewed the existing legal, technical and regulatory barriers to implement market coupling and stated that none of them was insuperable[[6]](#footnote-7). PXs are currently studying what aspects of market rules must be harmonized in the work done for the previous priority.

**Additional deliverable: Analysis of the administrative procedures for the changing of the legislation in force in each country**

This deliverable was presented during the 1st SG meeting in October 2007. The lack of competences of CNE in cross-border issues (compared to CRE and ERSE) is a key result of the study.

In addition to the action plan 2007-2009, the RCC of the SW has produced in 2009 the first regional report on interconnections’ use and management.

# Priorities and deliverables for 2011-2014

The main driver for this Work Plan –and therefore the main priority– is the implementation of the target model for capacity allocation and congestion management. The target model as defined by the draft FG CACM will be implemented in the SW region according to the milestones and deadlines included in this Work Plan.

In the SW region, other priorities have been identified and developed in the Work Plan:

* Interconnections and available transmission capacity
* Transparency
* Regional report on the management and use of interconnections

## Priority I. Implementation of the target model

Capacity allocation and congestion management is a key issue for market integration and increasing competition. A target model has been defined for electricity with the help of the PCG and AHAG process which fed into the draft FG CACM. Furthermore, cross-border balancing is addressed within this priority.

The vision is to converge towards this model in Europe, through progressive implementation, by 2014. The main references for the implementation of the target model are the four cross-regional roadmaps[[7]](#footnote-8) that have been prepared under the coordination of ACER. The purpose of these deliverables is guiding and facilitating the related work in the SW region and to tackle the regional particularities.

Once the integrated internal electricity market is reached, the consumers will benefit from improved competition, sustainable prices and secure supply. The efficient utilisation of the transmission system is essential to achieve these objectives.

### Deliverable I.1 Long term

The SW region will promote a single auction platform that can accommodate (if needed) physical and financial long term interconnection capacity products (but not necessarily both types on the same border).

Since 2007, market players have demanded a single auction platform which provides the market with a common interface for acquiring long term products in (at least) the two borders of the region in a simple and user-friendly way.

Currently, physical products exist in the French-Spanish interconnection and non-coordinated financial products exist in the Spanish market relating to the Portuguese-Spanish interconnection.

* **IPE:** In the context of MIBEL, the Spanish Government has launched explicit auctions of financial products for the interconnection capacity. Order ITC 1549/2009 foresees financial products as options or obligations.

However, there was a previous agreement between Portugal and Spain, in terms of PTRs, expressed in the Spanish Order ITC/843/2007, which modified the Order ITC/4112/2005, and in the Portuguese regulation, namely the RARI (Regulamento de Acesso às Redes e Interligações) and its subsequent developments. The agreement consisted in “allocation of physical capacity rights through explicit auctions in different time horizons”.

The MIBEL Regulatory Council (CR MIBEL, composed of National Regulatory Authorities and Financial Services Authorities of Spain and Portugal) elaborated a coordinated proposal of a joint mechanism (FTR-options) for the long term management of the interconnection Spain-Portugal, and submitted it to the respective governments[[8]](#footnote-9).

The Spanish Ministry of Industry, Tourism and Commerce (MITyC) submitted a technical assessment of the coordinated proposal for a joint mechanism, in which it valued positively the CR MIBEL report, and requested the CNE to develop an implementation proposal of a joint mechanism for the long term management of the IPE, taking into account both the CR MIBEL report and the MITyC technical assessment. In the same way, the Work Programme approved by the MIBEL Presidents’ Committee for the second half of year 2011, includes the elaboration of the implementation proposal of such a mechanism.

Recently, after discussion at regional level, the CR MIBEL has acknowledged that IPE could be the pilot project for auctioning FTRs in CASC.EU. This proposal needs the prior acceptance of the Spanish Ministry (as Third Package has not been transposed yet in Spain) and a positive conclusion of the feasibility analysis of FTRs performed by ACER and by ENTSO-E. Therefore, the deadlines given in the table for IPE are just an estimation that may suffer changes.

* **IFE:** Since 2006, capacity has been allocated through explicit auctions. Nowadays, the 3rd version of the auctions rules agreed by CRE, CNE and the Spanish Ministry manages the coordinated capacity allocation.

Along with the development of liquid markets and reliable prices at the day-ahead time frame, PTRs may be replaced by FTRs together with the implementation of market coupling / market splitting. In line with the final objective of implementing a unique electricity market in Europe, the products for the SWE region may be allocated by an interregional auction platform. In this regard, the SW region is promoting the transfer of the IFE long term auctions to CASC-EU first with physical treatment but foreseeing the evolution towards FTRs.

There are EU-wide issues which somehow affect the development of long term products in the SW region:

* Interpretation of firmness before and after nomination defined in the FG CACM.
* Can CASC.EU auction FTRs?
* Future of the EU single auction platform and how it will be created: Could CASC and CAO merge eventually in a single platform?
* When and how the move towards FTRs will happen?

Timetable:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| DELIVERABLE I.1 Long term | | | | | |
| **ACTION** | | **RESPONSIBLE** | | **DEADLINE** | |
| Decision on long term products and single interface for auctions. | | RCC | | 1st quarter 2011 | |
| **IFE** | | | | | |
| REE becomes shareholder of CASC.EU.  Approval of new IFE rules. | | CRE, Spanish competent authorities and CASC.EU. | | 1st quarter 2012 | |
| IFE included in CASC HAR. | | CASC-EU and TSOs | | 2nd quarter 2012 | |
| IFE monthly auctions to be performed by CASC.EU | | CASC.EU and TSOs | | End of May 2012 (auction capacities for June 2012) | |
| **IPE** | | | | | |
| Clarification of feasibility of FTRs in CASC.EU.  Approval of IPE rules for long term coordinated products | | CASC.EU, ERSE and Spanish competent authorities | | 4th quarter 2011 (delay is possible) | |
| REN becomes shareholder of CASC.EU. | | ERSE, REN and CASC.EU | | Depending on previous step (around 2nd quarter 2012) | |
| IPE long term coordinated products to be auctioned by CASC.EU | | CASC.EU and TSOs | | Depending on previous step (around 3rd quarter 2012) | |

### Deliverable I.2 Day-ahead: Single European price market coupling

The target model for the day-ahead congestion management by 2015 is Price Coupling, which is planned to be implemented between MIBEL and CWE after the implementation of ATC-based market coupling within CWE. NordPool has also entered in this particular initiative with EPEX Spot and OMEL to integrate the SW, the CWE and the Nordic region.

This day-ahead target model requires harmonised gate closure time, compatible bids, single pricing algorithm and sharing of all bid data between PX. This model establishes reference prices for transmission rights with financial settlement and financial contracts.

The implementation of DA price coupling between MIBEL and CWE would mean implicit allocation of capacities (as foreseen in the target model) in the two borders of the SW region.

EU-wide issues that may delay the coupling between the SW and CWE regions are:

* Governance of the EU-wide price coupling.
* Ongoing work within the NWE region
* Losses and firmness on DC cables
* Priority extension: The SW region will be ready to couple with CWE/NWE in July 2012. The region will advance as fast as possible and will put pressure at European level by showing its readiness to couple.

Timetable:

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| --- | --- | --- | --- | --- | --- |
| DELIVERABLE I.2 Day-ahead: Single European price market coupling | | | | | |
| **ACTION** | | **RESPONSIBLE** | | **DEADLINE** | |
| Project Launch decision | | IG (TSOs & PXs) | | (After CWE ATC-based market coupling)  November 2010 | |
| Preparation of regulatory changes | | IG | | 4th quarter 2011 | |
| Legal approval of regulatory changes (including cost-sharing, single algorithm and IFE rules considering day-ahead price coupling in IFE) | | IGs of SW region and NWE | | 2nd quarter 2012 | |
| Testing phase (operational changes) | | IG (TSOs & PXs) | | 2nd quarter 2012 | |
| MIBEL GCT moved to 12:00 CET.  Implementation of single price coupling algorithm | | IG (PXs) | | 2nd quarter 2012 | |
| SW region ready to couple with CWE/NWE | | IG | | Jul 2012 | |
| Market coupling go-live in NWE | | NWE | | Dec 2012 | |

### Deliverable I.3 Intraday

The SW region developed a public consultation on intraday cross-border capacity allocation methods (finished in July 2008) following TSOs’ and PXs’ proposals. However, the answers received do not allow concluding a clear view by stakeholders. The IG agreed on the fact that a new scheme for CB intraday trading is not a priority for the region especially when the SW region is more advanced in this context that other regions as intraday market based allocation methods are in place.Indeed, between Spain and Portugal, intraday cross-border capacity is implicitly auctioned through 6 sessions. Between France and Spain, the intra-day cross-border capacity is explicitly auctioned through two sessions.

The target for the intraday market presented during the 5th SG for regional feedback is divided in two layers. According to the PCG proposal, the first layer, that represents the interregional level, is handled by implicit continuous trading possible up to H-1. However, the intraday approach should not impact the ability of the TSO to ensure grid security.

In the same proposal, the second layer that represents the intra regional level, was not defined and left to the RCC choice.

The schedule of this deliverable was subject to the definition of the target model by the FG on Congestion Management and Capacity Allocation. In addition, the Florence Forum launched a project chaired by ENTSO-E to develop the target model for intraday trade as well as means for its implementation where appropriate.

The target model for intraday according to the FG CACM: implicit continuous trading with reliable pricing of intraday transmission capacity reflecting congestion. Regional auctions may complement the implicit continuous allocation mechanism. Where implemented, implicit auctions should have adequate gate closures to provide the necessary flexibility to the market and be coordinated with, and linked to, the pan-European platform. The challenge of the region is to make compatible implicit auctions and implicit continuous trade.

TSOs will deliver the CMM and PXs will prepare the SOB function under the coordination of AESAG. In this context, the pilot project of NWE is a key milestone. Given the tight timing, the TSOs and PXs of the SW region will be updated by the TSOs and PXs of NWE on how developing the CMM and the SOBF for implementing the solution within the SW region by end of 2012.

EU-wide issues that may delay the integration between the SW and CWE regions are:

* Definition of the SOBF and CMM.
* Way to assess the capacity in continuous trading
* Lack of clarity and harmonisation needs concerning internal and cross-border regulation amongst member states e.g. nomination rules
* Extension priority

A local issue to be solved by MIBEL is the compatibility between continuous trading and implicit auctions. However, this will not delay the implementation of the Pan-European continuous intraday trade as it will be a second layer. The pan-European continuous allocation will be prioritised.

Another issue that must be taken into account is that some borders may accept OTC access to the CMM. However, CNE does not allow OTC access to the interconnection capacity of IPE and IFE.

Timetable:

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| DELIVERABLE I.3 Intraday | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| Agreement on a target model for the regional interconnections in accordance with the FG on Congestion Management and Capacity Allocation | IG | 1st quarter 2011 |
| Consultation through SG. | SG | 3rd quarter 2011 |
| Compatibility analysis between MIBEL and French ID markets (what needs to be changed for continuous CB trade).  Design phase and preparation of regulatory changes (in context of ENTSO-E – Europex work).  REE and REN to participate in the development of the CMM with NWE TSOs.  OMIE to participate in the development of the SOB with NWE PXs. | IG | 1st quarter 2012 |
| Legal approval of regulatory changes | RCC and Spanish Ministry if needed | 2nd quarter 2012 |
| Local implementation (in SWE but coordinated with NWE and other regions/countries) | PXs and TSOs | 3rd – 4th Q 2012 |
| Go live of interim solution | PXs and TSOs | 4th Q 2012 |
| Following steps until the implementation of the enduring model defined in the FG CACM: Sophisticated products (and capacity pricing). Please, see the cross-regional roadmap for intraday. | IG | Before end 2014 |

### Deliverable I.4: Cross-border balancing among TSOs

Although balancing is out of the scope of the FG CACM, it is related to the so called “target model”.

According to the PCG, the target model for cross-border balancing is based on a TSO – TSO model. The balancing markets include all kinds of reserves. Compatibility of timeframes is needed and a pragmatic approach in harmonisation of imbalance settlement could be applied. There will be no reservation of interconnection commercial capacity for balancing purposes and no charges for using interconnectors for cross-border balancing.

Within MIBEL, there is an action plan consisting of three stages:

1. Exchange of energy for system support.
2. Exchange of balancing energy between TSOs used only when the receiving operator has already used all the bids for upwards/downwards of its own system.
3. Bids for upwards/downwards regulation are offered from one TSO to the other TSO and are incorporated in the merit order list of the receiving system.

The stage 1 has already been completed. Stage 2 is in progress.

Within the France-United Kingdom-Ireland region, the first step of the BALIT (BALancing Inter TSO) project was in effect from March 2009 until November 2010. During this period, RTE and National Grid exchanged balancing offers under a defined bilateral framework. In the second step of the project launched the 1st December 2010, both TSOs exchange standardized balancing offers every hour through a single platform extendable to any TSO.

The TSO-TSO approach, where agents interact only with their respective TSO seems to be the preferable model for the SW region in line with all parties’ position so far. The proposal presented by the three TSOs of the region in the 5th IG meeting will be developed but taking into account efficiency, complexity, interest of the final solution and compatibility with the ongoing projects. During the 6th SW IG meeting, TSOs identified as key issues in this subject the need to agree on compatible products definition and on a shared schedule that allows allocation of non-commercially used interconnection capacity within time slots adequate for a coordinated bid updating process. TSOs detailed all the changes to implement. The issues concerning the compatibility and the cost/benefit analysis of this project were raised.

Finally, the region agreed to follow a two-steps approach for the implementation of a cross-border balancing mechanism:

1. The first step is an interim solution using the BALIT platform composed by two bilateral mechanisms:
   1. An interim solution between REE and RTE.
   2. An interim solution between REE and REN (in the framework of the MIBEL).
2. The second step is the implementation of a multi-TSO enduring solution (Since FG balancing is being developed, there are still uncertainties).

The fact that the FG on balancing will be developed between 2011 and 2012 implies that, at this stage, there are uncertainties on the details of the cross-border balancing model.

Timetable:

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| DELIVERABLE I.4 Cross-border balancing among TSOs | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| Step 1. Interim solution REE-RTE using the BALIT platform and interim solution between REE and REN in the framework of the MIBEL. Model Design: preparation of operational and contractual agreements, IT specifications and preparation of regulatory changes. | IG | Q3 2011 |
| IT development and testing phase | IG | Q2 2012 |
| Legal approval of regulatory changes | RCC and Governments | Q2 2012 |
| Interim bilateral CB balancing TSO-TSO solutions go-live | IG | Q3 2012 |
| Step 2. Implementation of a multi-TSO enduring solution. Model Design: preparation of operational and contractual issues | IG | Q3 2011 |
| Identification of Regulatory and IT system changes | IG | Q4 2011 |
| Comments on ACER Balancing Guideline, preparation for ENTSO-E NC drafting | IG | Q1 2012 |
| Review of the model design | IG | Q4 2013 |
| IT development and testing phase | IG | Q3 2014 |
| Legal approval of regulatory changes | RCC and Governments | Q3 2014 |
| Multi TSO CB balancing enduring solution go-live | IG | Q4 2014 |

Note:

The SW region will not work on capacity calculation since a flow-based model will not be applied (because it is not needed). ATC-based capacity calculation is more appropriate in this region. Anyway, the TSOs of the region will have to comply with the relevant Network Code as far as the common grid model is concerned.

## Priority II. Interconnections and available transmission capacity

This priority will focus on two aspects, first the global figure and second, specific projects:

* Regional investment plan
* Concrete interconnection projects

The article 12.1 of Regulation (EC) 714/2009 requires the TSOs to publish a regional investment plan every two years. These regional investment plans must feed the EU-wide TYNDP.

The Community-wide ten-year network development plan shall include the modelling of the integrated network, scenario development, European generation adequacy outlook and assessment of the resilience of the system. At regional level, the coherence and consistence of network investment plans will be assessed.

More specifically, in the two borders, there are concrete interconnection projects that are essential to integrate the markets of the three countries. The TSOs will be invited to update on these projects.

The following deliverables will be produced on this priority:

### Deliverable II.1: Regional investment plan

The aim is to assess whether the investment plans in the three countries of the region address the real needs as regards transmission networks in order to solve congestions and promote the integration of the three countries as regards electricity market.

This topic has an important interrelation with the 2020 sustainability targets as it is recognised that massive investments in networks will be needed so as to accommodate the deployment in renewable power generation required to comply with the 2020 national targets set forth by the Directive 2009/28/CE.

Furthermore, the increase in interconnection capacity is essential in order to take advantage of renewable generation that can be exported in moments of low internal demand and high renewable output.

Since regional investment plans must be published every two years, the following timetable considers the first edition (late 2011) and the second edition (late 2013).

Timetable:

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| --- | --- | --- |
| DELIVERABLE II.1. Regional investment plan | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| **First regional investment plan (2012)** | | |
| Information on structural congestions | TSOs | 4th quarter 2010 |
| Update on process and content of the regional investment plan | TSOs | 1st quarter 2011 |
| TSOs to hold a regional workshop | TSOs – regional TSO group within ENTSO-E | 4th quarter 2011 |
| TSOs to hold a public consultation on the draft regional investment plan | TSOs – regional TSO group within ENTSO-E | 1st quarter 2012 |
| Feedback from regulators | RCC | 1st quarter 2012 |
| TSOs to deliver the final regional investment plan | TSOs – regional TSO group within ENTSO-E | 2nd quarter 2012 |
| **Second regional investment plan (2014)** | | |
| Key update on investment needs for the region | TSOs | 4th quarter 2012 |
| Update on process and content of the regional investment plan | TSOs | 1st quarter 2013 |
| TSOs to hold a public consultation on the draft regional investment plan | TSOs – regional TSO group within ENTSO-E | 1st quarter 2014 |
| Feedback from regulators | RCC | 1st quarter 2014 |
| TSOs to deliver the final regional investment plan | TSOs – regional TSO group within ENTSOE | 2nd quarter 2014 |

### Deliverable II.2: Analysis of concrete interconnection projects

The TSOs of the region made a presentation on this topic in December 2010. The region will follow-up on the ongoing regional interconnection projects.

* French-Spanish interconnection (IFE)

The Regional Co-ordination Committee supports the Governmental agreement signed in the France-Spain summit held in Zaragoza, 27 June 2008, to build a new interconnection line between France and Spain. Although it was a milestone, it meant the beginning of the implementation stage. A Joint Venture equally owned by RTE and REE will carry out the technical and environmental studies, take care of the financing of costs related to the study, the administration procedures and the construction of the line. This new company, named INELFE, is working on the design of the project.

In order to be able to assess in an objective and transparent manner from a regional perspective the status of the on-going project, INELFE and/or the TSOs in the South West region will be invited to jointly present the design of the project, a recall of the identified structural congestions and finally, the proposed investment plan within the regional transport network to cope with the project as well as the progress in building the line.

* Portuguese-Spanish interconnection (IPE)

The region will analyse how the projects in the Portuguese-Spanish interconnection are being developed, what will be the specific features of the new infrastructures, the deadlines for construction and deadlines for becoming operational.

In this interconnection, the aim is to reach 3000 MW in 2014.

Timetable:

|  |  |  |
| --- | --- | --- |
| DELIVERABLE II.2. Analysis of concrete interconnection projects | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| Follow-up on the current situation of the projects and works | By TSOs to the IG | 1st quarter 2013 |

## Priority III. Transparency

Thanks to the work done under the 2007-2009 Action Plan, both clarifications about the expected information and data as well as an evaluation of compliance degree were done. Although full transparency is almost reached in the region, the topic is not closed. First, monitoring must be carried out in order to check whether the remaining issues are solved. Secondly, in line with the ERGEG Work Programme 2010 and more particularly to the topic EWG-5 Input to the framework guideline on transparency in electricity, more information and data may have to be available.

The main references to build a sound cross-national monitoring on information management compliance are:

* Chapter 5 of the Congestion Management Guidelines[[9]](#footnote-10) (CMG) deals with transparency issues. The publication in due time of information such as planning and security standards, infrastructure deployment, forecasts on demand and possible outages, available and allocated capacity in different time horizons, etc. is crucial to facilitate the integration of market actors in a cross-border scenario. These guidelines are binding as of 3 September 2009.

* ERGEG’s Guidelines on Good Practice on information management and transparency in electricity markets[[10]](#footnote-11) (GGP) have established a consistent approach addressing specifically the topic of transparency in provision of market related information across Member States. Incorporation of these Guidelines into legal framework is still being discussed and therefore they are not binding yet.
* ERGEG’s Input to the framework guideline on transparency in electricity: The document will set out rules for transparency concerning physical market information on electricity. Transparency was considered a high-priority issue by stakeholders in the 2008 autumn consultation. The European energy regulators will also take into consideration that there are interrelations with the financial markets in this area.

The main objective will be to identify and discuss any implementation problems that are relevant for the South-West region. Furthermore, the RCC will focus on questions such as:

* Which type of information should be disclosed, by whom and in what time frame?
* How to get definitions aligned,
* How to organise data collection,
* How and in what format to disclose this information and
* Whether the requirements will be fulfilled by regulation or self-regulation of the market players concerned.

In the first South-West transparency report, those questions were implicitly answered by taking the Central-South report as a basis. However, the conclusions of the working group on transparency on electricity may lead to new discussions. Furthermore, the Regional Co-ordination Committee will closely monitor the implementation of the new transparency requirements. However, the prime action to implement the transparency requirements will remain on each of the TSOs and will be supervised by its National Regulatory Authority.

### Deliverable III.1: Regional transparency report assessing compliance with new transparency requirements

Once the Transparency Comittology Guidelines are approved, a report assessing the compliance with new transparency requirements will be produced. As there is no certainty on the date for the approval of the Guidelines, the following timetable only describes the main lines.

In the context of transparency, the REMIT will have to be taken into account as well.

Timetable:

|  |  |  |
| --- | --- | --- |
| DELIVERABLE III.1. Regional transparency report assessing compliance with new transparency requirements | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| Questionnaire issued to TSOs and PXs | RCC | Timing to be decided when the new transparency comitology guidelines are approved.  Probably during 2011-2012 |
| Response to the questionnaire | TSOs & PXs |
| First paper on main findings from replies from the questionnaire | RCC |
| Public consultation | Through SG |
| Conclusions from the public consultation. Final report | RCC |
| Regulatory proposal | RCC |
| Presentation to the SG | RCC |

## Priority IV. Regional report on the management and use of interconnections

The region will keep monitoring the efficiency in the use of interconnections in line with the regional reports on the management and use of interconnectors produced with 2008 and 2009 data[[11]](#footnote-12).

### Deliverable IV.1. Regional report on the management and use of interconnections

This regional report on electricity interconnections management and use mainly aims to provide “a detailed evaluation of the economic efficiency of congestion management methods” at a regional level.

This regional report should also help National Regulatory Authorities to reach not only a common understanding about the functioning of congestion management methods, but also a common view about the best way to further improve their functioning.

Regulators of the SW region will work with other regions and ACER to agree a coordinated approach to producing regional reports on the management and use of interconnectors. The key challenge in producing the regional report is access to consistent and up to date data.

Timetable:

|  |  |  |
| --- | --- | --- |
| DELIVERABLE IV.1. Regional report on the management and use of interconnections | | |
| **ACTION** | **RESPONSIBLE** | **DEADLINE** |
| Data request issued to TSOs and PXs | RCC/ACER | 1st quarter |
| Responses to the questionnaire | TSOs & PXs | 2nd quarter |
| First draft on main findings from computations | RCC | 3rd quarter |
| Public consultation | Through the SG | 3rd quarter |
| Conclusions from the public consultation | RCC | 4th quarter |
| Presentation to the SG | RCC | 4th quarter |

1. <http://www.entsoe.eu/fileadmin/user_upload/_library/publications/ce/otherreports/tdp09_report_ucte.pdf> [↑](#footnote-ref-2)
2. <http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/ERI/South-West/Public_consultations/CD> [↑](#footnote-ref-3)
3. <http://static.epexspot.com/document/5683/20091005_EPEX_PCR.pdf> [↑](#footnote-ref-4)
4. <http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/ERI/South-West/Meetings1/IG_meetings/5supthsup%20SW%20IG/DD/02_20090527%205th%20IG_SWE%20OMEL_EPEX%20MC_v3.pdf> [↑](#footnote-ref-5)
5. <http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/ERI/South-West/Meetings1/IG_meetings/5supthsup%20SW%20IG/DD/05_5th%20IG%20Point%205%20-%20X-border%20access%20to%20balancing%20markets.pdf> [↑](#footnote-ref-6)
6. <http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/ERI/South-West/Meetings1/IG_meetings/2supndsup%20SW%20IG/AD/080128_Conclusions_2nd_IG_Meeting_SW_REM_v5%20clean.pdf> [↑](#footnote-ref-7)
7. http://www.acer.europa.eu/portal/page/portal/ACER\_HOME/Activities/Regional\_Initiatives/Electricity\_Regional\_Initiatives/PROJECTS.

   In case of inconsistency, first the FG CACM and then the cross-regional roadmaps will prevail over the regional Work Plans. [↑](#footnote-ref-8)
8. That report is available in the websites of the authorities composing the CR MIBEL. [↑](#footnote-ref-9)
9. Regulation (EC) No 714/2009 of the European parliament and of the council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 [↑](#footnote-ref-10)
10. Guidelines on Good Practice on Information Management and Transparency in Electricity Markets, ERGEG document Ref.: E05-EMK-06-10, as of 2 august 2006. [↑](#footnote-ref-11)
11. <http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/ERI/South-West/Final%20docs> [↑](#footnote-ref-12)