

Network Codes as the way forward for the implementation of the Internal Energy Market Target Model

Central European Energy Conference

Bratislava, 24-26 November 2013

Kaja Hollstein

Convenor of the Market Integration Group



Reliable Sustainable Connected

ENTSO-E's legal mandates defined in the 3rd Internal Energy Market Package

41 TSO members from 34 countries (534 million people)

Promote the completion and functioning of the internal market in electricity and cross-border trade

- **Draft 10 to 15 Network Codes (which become Regulations) in connection, operations, market areas**
- **Ten-Year Network Development Plans**
- **Adequacy Forecasts**
- **R&D Plans**
- **Tools for market integration**



System Development



System Operation

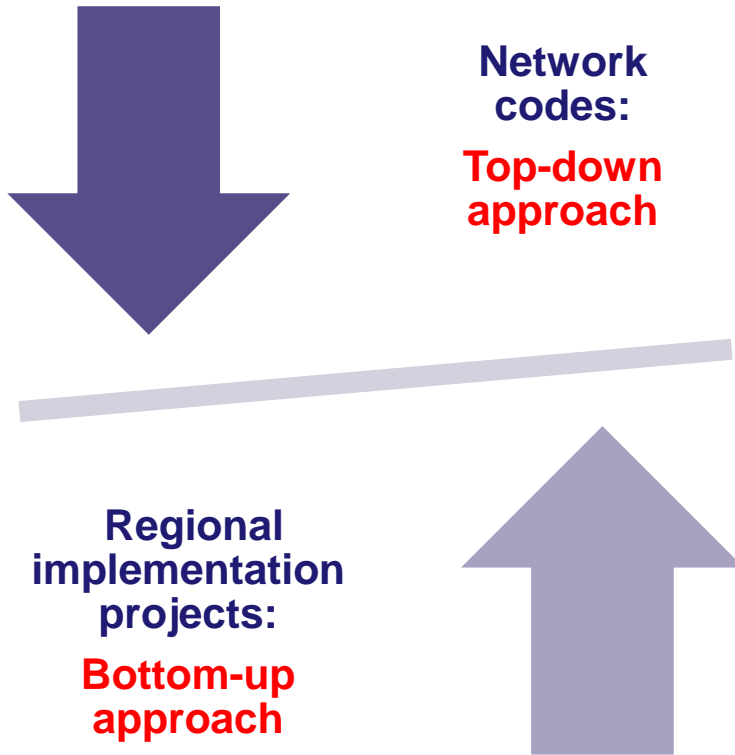


Electricity Market



Research and
Development

A combination of a bottom up and a top down approach is essential

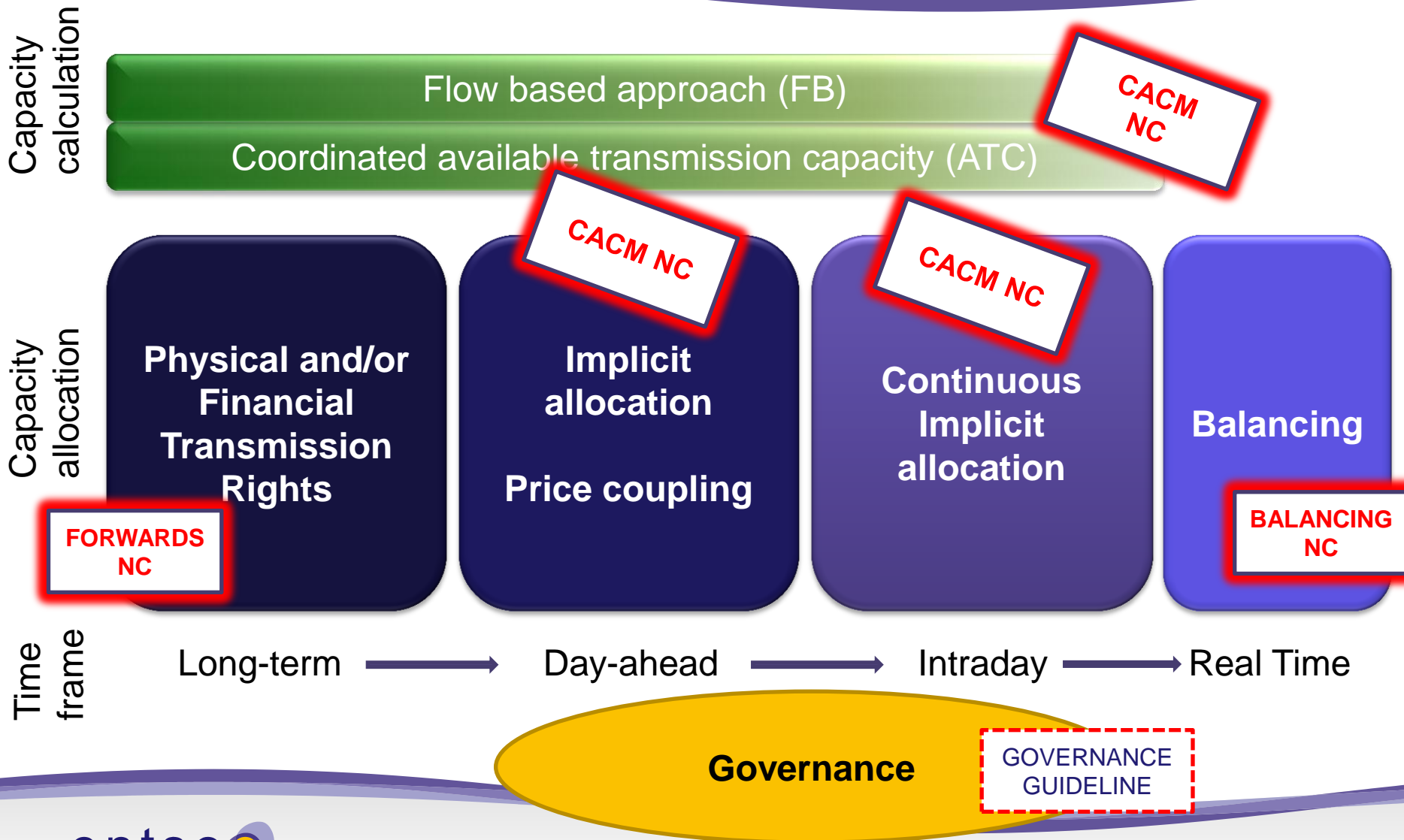


Network codes and implementation projects are complements.

Experience gained via projects is reflected in the codes, and the codes facilitate the projects.

Both are essential for the completion of the Internal Electricity Market by 2014.

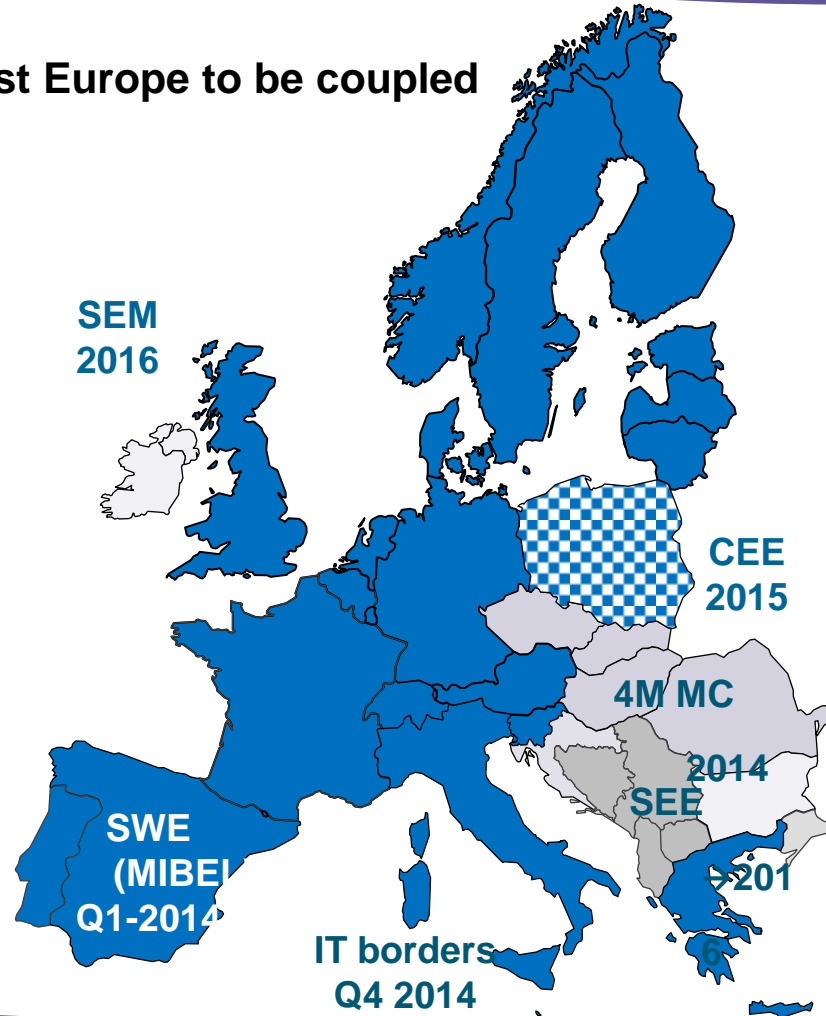
The EU Target Model and Market Related NCs



Day-ahead electricity market in Europe

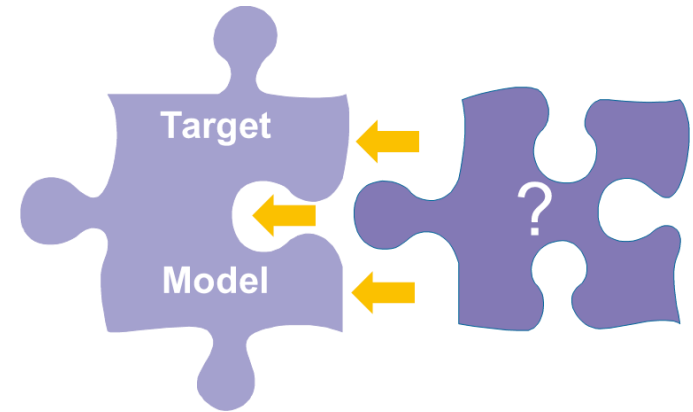


2014 as target for most Europe to be coupled



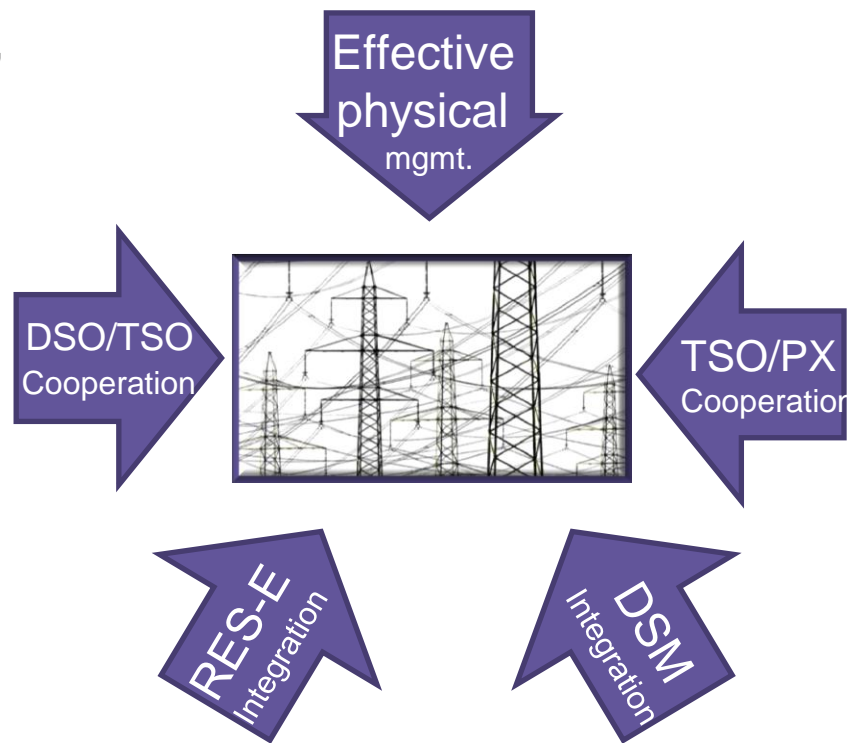
Augmenting the target model with a consistent and coordinated EU approach

- The **European Target Model** should be implemented as planned. However, it should be **augmented with additional elements** in order to address the future market challenges.
- **Undue distortions** of electricity markets should be **avoided** – in particular when complementing the European Target Model.
- **Policies/interventions** on national and European level need to be **consistent**.
- **Regulatory and/or support mechanisms** should be **coordinated** between member states to the highest possible degree.



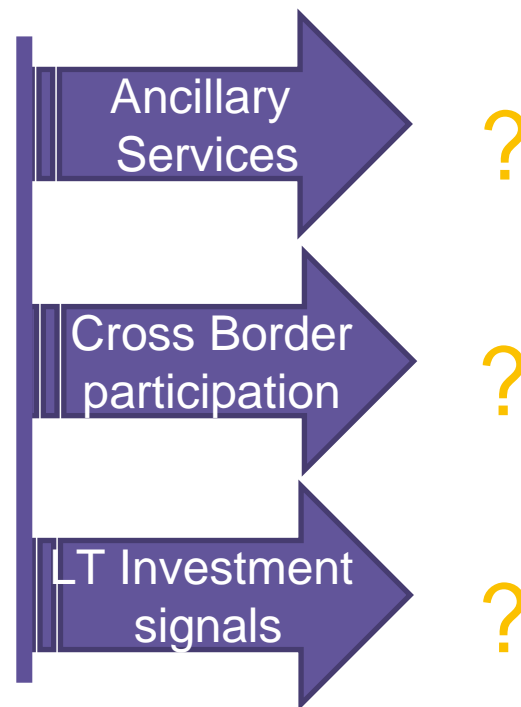
Ensuring the resilience of the physical system and redefining and/or clarify responsibilities

- **Markets** should contribute more to **system management** in all time frames,
 - Requiring strong **TSO/PX cooperation** in D-1 and ID time frames.
 - Interface between **TSO and DSOs** should also be further clarified.
- TSOs responsibilities on **physical system security** have to go along with **effective** possibilities of **physical management**, including generation units and distribution networks.
- Balancing responsibility for **RES-E** as well as full integration of **DSM** into the market design will be necessary.



Ensuring adequacy with different market design elements

- **Ancillary services** need to be further developed regarding market orientation (e.g. cross border markets) and technical system needs (e.g. products)
- **Cross-border** participation must be tackled, where and as long as local capacity mechanisms exist.
- Market design should deliver **investment signals** for adequacy, flexibility and for generation localization in the long term.
- Market design elements must be **consistent** (holistic approach)



Thank you for your attention!

www.entsoe.eu