

ACER consultation on the Framework Guidelines on Capacity Allocation and Congestion Management for Electricity

Response from the European Wind Energy Association

General remarks:

EWEA welcomes the timely uptake of the Framework Guidelines on Capacity Allocation and Congestion Management for Electricity (FG CACM) by ACER shortly after the draft FG on the same topic by ERGEG and hereby provides its view on this matter, as the deployment of renewables, particularly wind power, and the integration of European electricity markets, are mutual drivers. EWEA has already commented on the ERGEG Framework Guidelines on the same topic giving our views on selected questions where deemed relevant, in particular on general issues and on intraday capacity allocation: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/ELECTRICITY/draft%20Framework%20Guideline%20CACM%20Electricity/RR/CACM-E_EWEA.pdf

For this reason these comments will only focus on actual issues in the ACER FG CACM and refer to the previous EWEA response where relevant.

Regarding the scope of these FG, EWEA would like to point out that these FG should be carefully coordinated and consistent with the upcoming Framework Guidelines on balancing and subsequent network code(s) as the functioning and design of intraday and balancing markets are closely interrelated.

Furthermore, there is still no consistent use of the terms "intermittent" and "variable" generation in the regulators' documents. As already stated in the ERGEG consultation, EWEA recommends using the qualifier "variable" when referring to wind power generation, rather than "intermittent", which means starting and stopping at irregular intervals.

Capacity allocation and EU priority access and dispatch provisions in the RES Directive 2009/28/EG

According to European Directive 2009/28/EC producers using renewable energy sources have priority access or guaranteed access to the grid and system operators will give priority dispatch to renewable electricity installations, and that appropriate grid and market-related operational measures are taken in order to minimise the curtailment of



THE EUROPEAN WIND ENERGY ASSOCIATION

electricity produced from renewable energy sources¹. In order to ensure consistency with these provisions EWEA calls for a reference in the FG CACM to this Directive.

In view of these legal requirements in the Renewable Energy Directive EWEA urges ACER and ENTSO-E to proceed with electricity market integration on a basis that does not jeopardise the deployment of renewable electricity necessary to deliver Europe's agreed decarbonisation objectives.

Priority access or guaranteed access and dispatch for renewable electricity is required by EU legislation in view of the incompleteness of a liberalised power sector in Europe. The European power sector is still dominated by large incumbents in their respective control zones with very high concentration rates on the electricity wholesale markets². Due to this lack of market access in the power sector in general, EWEA regards priority access or guaranteed access for renewable electricity, and dispatch to the grid as justified.

However, EWEA is also confident that progression is under way to a truly liberalised European electricity system, where most renewable energy sources will have a natural priority in dispatch due to their near to zero marginal cost. This aspect together with additional transmission capacity will eventually help ensure the proper functioning of integrated electricity markets with the design features envisaged in the FG CACM.

Intraday capacity allocation

EWEA sees no evidence that implementing implicit auctions on top of continuous trading will necessarily improve the intra-day market. Additional views from our side on intraday markets have been already outlined in our previous response to the ERGEG FG CACM (see the link on the previous page). Importantly, instant access to any available capacity must be allowed for and any auctioning delays in intraday markets must be avoided.

In addition, EWEA recommends ACER to be more prescriptive in the current FG CACM on the intraday market design features: gate closure times for the intraday capacity allocation could be one hour before real time.

Moreover, a clear reference to the respective provisions on priority/guaranteed access and dispatch, together with the minimisation of curtailment, should be included as discussed above. To this end EWEA recommends to amend the sentence in the FG CACM

¹ Article 16(2)(c) states: "Member States shall ensure that when dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources in so far as the secure operation of the national electricity system permits and based on transparent and non-discriminatory criteria. Member States shall ensure that appropriate grid and market-related operational measures are taken in order to minimise the curtailment of electricity produced from renewable energy sources.(...)"

² See page 70, EU energy markets in gas and electricity - state of play of implementation and transposition: http://www.europarl.europa.eu/meetdocs/2009_2014/documents/itre/dv/a_itre_st_2009_14_eu_energy_markets/a_itre_st_2009_14_eu_energy_markets_en.pdf



THE EUROPEAN WIND ENERGY ASSOCIATION

on page 11 in italics: The matching rules and algorithm should avoid undue discrimination in matching the different types of intraday products, *whilst respecting priority dispatch and access for RES according to European Directive 2009/28/EG.*

For further information please contact: Paul Wilczek, EWEA: pwi@ewea.org



The European Wind Energy Association (EWEA) is the voice of the wind industry, actively promoting the utilisation of wind power in Europe and worldwide. Over 650 members from nearly 60 countries, including manufacturers, developers, research institutes, associations, electricity providers, finance organisations and consultants, make EWEA the world's largest wind energy network.