



Union Française de l'Électricité

4th April 2018

UFE answer to consultation on the proposal for the implementation framework for the exchange of balancing energy from Replacement Reserves

UFE welcomes this opportunity to comment on some crucial aspects of the implementation of the TERRE platform by TSOs.

7. Please add here your feedback on Article 3: High-level design of the RR-Platform

UFE would welcome more details on the criteria which will be used to assess whether an offer is coherent with the RR standard products. Those criteria should indeed be known *ex ante* by BSPs.

UFE is also of the view that transmission of activation orders by TSOs to BSPs should be described in the RR implementation framework. UFE considers in particular that BSPs should receive these orders no later than 30 minutes before the beginning of delivery period.

Regarding data to be published on the central ENTSO-E transparency platform, UFE would appreciate the publication of the following data:

- Clearing prices (when appropriate, per bidding zone);
- The activated upward and downward volumes per bidding zone;
- The need expressed by each TSO (including flexibility and elasticity curve) and the level of satisfied/unsatisfied need;
- “Interconnection controllability” usage
- The cross-zonal capacity available and used (per border)

Finally, UFE believes that making the optimisation algorithm (referred to in the article 3-1-d) available in an open source way would increase the transparency of the platform (provided legal confidentiality rules are complied with).



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8. Please add here your feedback on Article 4: The roadmap and timeline for the implementation of the RR-Platform

In the explanatory document (§6), it is stated that some TSOs may not allow all bid formats at the beginning of the RR-Platform operation. So as not to deteriorate the level playing field, UFE would like all bid formats to be available to all BSPs since the go-live of TERRE or, at least, block offers and linking offers in time which are necessary for unit-based bidding.

UFE notes that the RR implementation framework only describes the first version of RR-platform, which will later evolve to more frequent clearings and smaller cross-border scheduling periods. UFE believes that stakeholders should be given visibility on the evolution of the platform, and be associated to any future changes so as to be able to assess their technical feasibility.

10. Please add here your feedback on Article 6: Definition of the RR Standard Products

UFE would appreciate more clarity on why the definition of the “maximum quantity in case of indivisible bids” is left to national rules, as differences in the ability of BSPs to offer a volume of indivisible bids could impact the level playing field on the RR-Platform.

11. Please add here your feedback on Article 7: Gate closure time for RR standard product energy bids

UFE notes that there are several arguments in favor of leaving a sufficient time between the ID GCT and the TERRE GCT for market participants to adjust their bids, otherwise they would likely need to make a choice between their participation to the last minutes of XBID or the RR-platform, thereby impacting the liquidity of the ID market.

UFE understands that the TERRE GCT should however leave sufficient time for TSOs and the TERRE platform to perform the necessary actions. Therefore, UFE considers that leaving at least 5 minutes before ID GCT and TERRE GCT should be set as a minimum target.

12. Please add here your feedback on Article 8: TSO energy bid submission gate closure time for RR

UFE understands the issue of the GCT should be seen in coordination with the GCT for market parties, so as to facilitate the objective underlined in the previous question.



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13. Please add here your feedback on Article 9: Common merit order lists to be organised by the activation optimisation function

The Explanatory Document defines the unavailable offers as offers flagged by a local TSO and caused by local congestion issues, lack of margin or the fulfilling of local requirements for Frequency Restoration Reserves.

UFE is of the view that the RR implementation framework itself should be more precise on bid filtering criteria, which should be made explicit. Furthermore, when any given offer is filtered, the specific rationale for doing so should then be provided to BSPs.

Furthermore, UFE considers that BSPs should be compensated for the opportunity loss they suffer whenever their offers are filtered. Such compensatory mechanism should of course be designed so as to prevent any type of market abuse. To favor the creation of a level playing field for BSPs across the RR countries, UFE deems necessary for this issue to be tackled in the RR implementation framework.

14. Please add here your feedback on Article 10: Rules for governance and operation of entity operating the platform and proposed designated entity

UFE deems that stakeholders should be fully involved at all stages of the platform design, and would appreciate if governance rules could therefore explicitly mention stakeholders' involvement.

15. Please add here your feedback on Article 11: Framework for harmonization of terms and conditions

The RR implementation framework mentions that TSO can notify to the system an exemption to the maximum size rule under "certain conditions". UFE believes that those conditions should be further detailed.

UFE considers that the prequalification and qualification criteria, financial penalties in case of deviations, as well as the "accepted shape" should be sufficiently harmonized in a way that ensures a level playing field between BSPs. As this should be performed in an all TSOs / all balancing processes proposal, reference to this proposal should be included in the RR implementation framework so as to ensure consistency.