

INFORMATION MANAGEMENT AND TRANSPARENCY IN ELECTRICITY MARKETS

THE ERGEG GUIDELINES

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SEE MARKET MONITORING WORKSHOP
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GENERAL PRINCIPLES

OF TRANSPARENCY IN ELECTRICITY

MARKETS

- Information shall be made available to market participants unless there is a strong reason against it (only legitimate commercial concerns or system security issues should be considered, Art.12 of the Electricity Directive applies) or the proven cost of providing it significantly exceeds the expected benefit,
- Information not to be made available must be ring-fenced in an effective way,

GENERAL PRINCIPLES OF TRANSPARENCY IN ELECTRICITY MARKETS

- Information must be released Timely, in an Easily accessible way, and Simultaneously to all market participants (ensure no-discrimination),
- Information Governance mechanisms are required to allow market participants to propose relevant modifications and allow needed regulatory oversight of such modifications

ERGEG Guidelines

“GGP on IMT”

- On 2nd August 2006, ERGEG issued **Guidelines for Good Practice on Information Management and Transparency in Electricity Markets** ([C05-EMK-06-10](#)). GGP focus on wholesale markets. *Information to retail customers is the subject of separate work.*
- **Objective:** Establish across Europe a consistent approach for the provision of market related information to wholesale market participants - suppliers, generators, energy traders, large customers and demand side participants.

The Guidelines :

- set out the required level of transparency that shall, at the minimum, be in place across the European market.
- provide a set of rules required, as a minimum, for the organisation of information and its dissemination across the European market.

The Guidelines :

- define general principles governing information release, either through publication or through information released to market participants on request
- apply analytical approach to determine information/data to be released and their key characteristics.

Key Characteristics of information

- Required information :information/data required and described including aggregation level,
- Timing of publication : timescale in which the information needs to be made available,
- Information timeframe : the time period to which the information refers,

Key Characteristics of information

- Key benefits : why the information is justifiably needed and by whom,
- Information source : the organisation to be the source/originator of the specific information,
- Information provider : the organisation to be assigned the responsibility for providing the specific information,

Specific requirements

Required information falls under five domains and for each domain the Guidelines specify (Annex) detailed needs. The five domains are :

- System Load (Load per Control Area)
(ex-ante/ex-post values, applicable timeframes, unified method over EU to calculate load data proposed by TSOs (and if necessary DSOs) approved by Regulators)

Specific requirements

- Transmission and Access to Interconnections (infrastructure and operation)

(network investment and planning including for outages / capacity allocation and management / network operation)

Directly relevant are the

- Regulation (EC) 1228/2003, and the
- Congestion Management Guidelines (approved recently by the Commission)

Specific *requirements*

- Generation
(availability and utilization of generation capacities and possibly certain dynamic generators' data such as ramping characteristics)

Specific *requirements*

- Balancing

(the GGP refer only to info required from a market and market operation perspective (e.g. imbalance volumes and prices etc.)

Guidelines for Good Practice on Balancing Markets Integration under preparation to cover specific issues.

Specific requirements

- Wholesale markets

(supply and demand curves/prices and volumes for each standard traded product, prices and volumes for OTC markets)

The way of implementation

- Regulators favor enforcement of the Guidelines in a legally binding way, “mandatory” vs “voluntary”, that
 - ensures greater harmonisation across the EU, and
 - guarantees their simultaneous implementation.

The way of implementation

- Legally binding rules must be enacted, beyond the Transparency Chapter of the Congestion Management Guidelines (cover network and congestion management issues),
i.e. amend the CBT Regulation 1228/2003 to cover transparency issues but only of cross-border relevance, and/or introduce a new Regulation on Information management & transparency based on the “GGP on IMT”

The way of implementation

- In the meantime efforts to improve transparency must be undertaken on a “voluntary” basis

ETSO debates the issue on the 17Nov,
“Electricity Market Transparency
Conference”, while ERGEG and the
Commission shall co-host a stakeholders
meeting on the implementation of the GGP
on IMT

Conclusions

- The establishment of a pan-european framework for Information Management & Transparency is of utmost importance for the development & functioning of integrated competitive markets
- The ERGEG “GGP on IMT” define general principles governing information release and establish a consistent approach to the provision of market related information to wholesale market participants across MS.

Conclusions

- The GGP specify the required level of transparency that shall at the minimum be in place and provide a minimum set of rules required for the organisation of information and its dissemination across the European market.
- Their mandatory nature ensures harmonised and simultaneous implementation & enhances their effectiveness.

Conclusions

- Mandatory implementation requires new/amended legally binding measures.
- In the meantime a ‘voluntary’ approach, unless properly and effectively monitored, may result in an non harmonised situation with negative effects on the proper functioning of wholesale markets