
Public consultation amended proposal for common and harmonised rules and processes for the exchange and procurement of FCR balancing capacity in accordance with Article 33(1) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

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1. Introduction

The amended proposal for common and harmonised rules and processes for the exchange and procurement of FCR balancing capacity in accordance with Article 33(1) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter referred to as “the amended methodology”) was publicly consulted between the 3rd of October until the 2nd of November, 2023.

This document includes the responses received from the public consultation. Three responses were received, written in Swedish.

2. Consultation responses and Svenska kraftnät and Energinet response

General comments

- **Modity:** Modity Energy Trading AB ser positivt på införandet av marginalprissättning och framför allt möjligheten att erbjuda delbara kapacitetsbud. Vi vill understryka vikten av att bud hanteras utifrån principerna för effektiv konkurrens, icke-diskriminering och transparens som beskrivs närmare i ändringsförslaget.
- **Jämtkraft:** Kommer historiska marginalpriser att publiceras i samband med övergång från PAB till PAC? Utan historiska FCR-priser blir prissignalerna otydligare för resursägaren som deltar på flera balansmarknader. Det blir svårare att planera sitt agerande så att resursen nyttjas optimalt i elsystemet. Att publicera historiska marginalpriser underlättar även vid kalkyler vid investeringar för att leverera FCR.

Svenska kraftnät and Energinet response: Svenska kraftnät and Energinet (TSOs) appreciates the feedback and the general comments and will take them into account in our future work. The implementation of pay-as-cleared is planned to February 1st 2024. Divisibility of FCR capacity bids will be implemented no later than 12 months after a decision has been made by the relevant regulatory authorities.

The TSOs will not publish historical marginal prices from the FCR capacity market. The marginal price refers to the price the TSOs pays for the highest accepted bid for one hour and thus corresponds to an individual bid placed by an individual actor.

If individual bids are published, the TSOs assessment is that one market actors could calculate other actors' bid strategies and pricing. Svenska kraftnät's assessment is that marginal prices for FCR balancing capacity are covered by confidentiality according to 31 kap. 16 § offentlighets- och sekretesslagen (2009:400), as there is an increased risk of market abuse if they are disclosed.

When pay-as-cleared (PAC) is introduced the market clearing price will be published, this is stated in Article 13(2) in the amended methodology.

Article 6(1) – Addition of attributes to FCR capacity bids

- **Fortum:** Artikel 6 C) som beskriver vad varje FCR bud skall innehålla består nu av följande text: ”attributes of the FCR balancing capacity bid”

Vi läser i explanatory document att det relaterar till ett godkänt förslag under SO GL 154.2 men finner inte en slutgiltig förklaring på exakt vilka attribut som menas.

Vi menar att två saker bör förklaras noggrannare:

1. Exakta attribut som begärs per bud bör finnas i själva FCR metodbeskrivningen och inte bara beskrivet som ”attributes”
2. Det bör vara klargjort i regelverket till vad dessa så kallade ”attribut” används till. I.o.m. att dessa krävs för varje bud individuellt kan man anta att de har påverkan på vilka bud som väljs, detta bör i så fall beskrivas i dokumentet. Som det nu ser ut under artikel 8 verkar det som om attributen inte har en påverkan då efterfrågan(artikel 8) från TSO bara beskrivs som per produkt, var produkterna är FCR-N respektive FCR-D (uppåt och nedåt). Ifall attributen inte har påverkan på själva aktiveringen så anser vi att artikel 6C) bör utelämnas.

Svenska kraftnät and Energinet response: The attributes that shall be defined in the bids refers to static/dynamic provision of FCR-D upwards and FCR-D downwards capacity. This has been clarified in the amended methodology, Article 6(2).

In order to ensure compliance with required system stability requirements, the dynamic and static attributes will need to be specified in the bids. Adding the attributes to the bids is proposed to be a common requirement in bidding zone Denmark 2 (DK2) and Sweden, therefore the TSOs argue that it shall be part of the common methodology.

The regulatory approved proposal for Article 153 in the SO Regulation states that dynamic FCR-D shall make up minimum share of the LFC block FCR-D capacity, this applies for FCR-D upwards and FCR-D downwards separately. The bid attributes will not have an impact on bid selection or clearing result. However, to ensure a minimum share of dynamic response the TSOs will need to develop the bid selection process in the future in order to take the dynamic/static attribute into account. Such a change will be publically consulted before any changes are made to the methodology.