

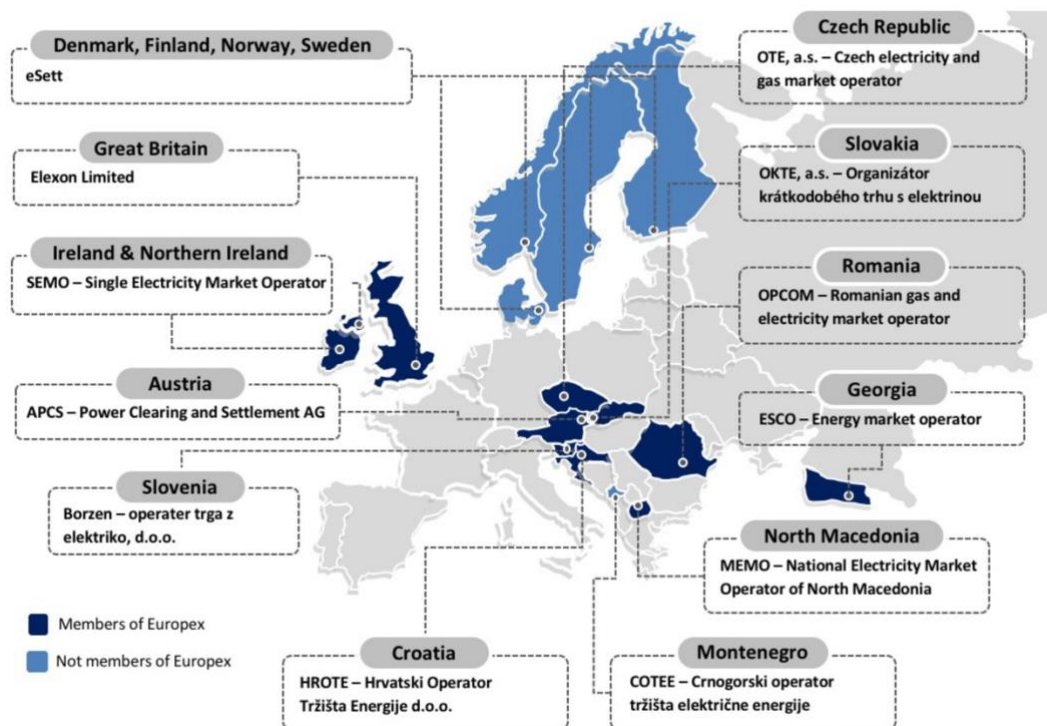
The Essential Tasks of Delegated Operators in the Electricity Market

- Overview Paper [2023 Update] -

Brussels, 12 January 2023 | In a number of EU / EEA Member States, Energy Community Contracting Parties¹ and Great Britain, certain essential functions related to the operation of the balancing market are carried out by third parties rather than by the Transmission System Operators (TSOs). These “**delegated operators**” are recognised in the EU Electricity Regulation (EU 2019/943), the Electricity Balancing Guideline (EU 2017/2195) and the Network Code on Electricity Emergency and Restoration (2017/2196).

The tasks performed by delegated operators include, among others, imbalance calculation and settlement, data publication related to electricity balancing markets and issuing of the rules related to balancing markets and imbalance settlement. These tasks are essential for the electricity market to work efficiently and represent the link between the physical exchange of electricity and the financial outcomes.

Figure 1: Delegated operators active across European markets



Source: Europex

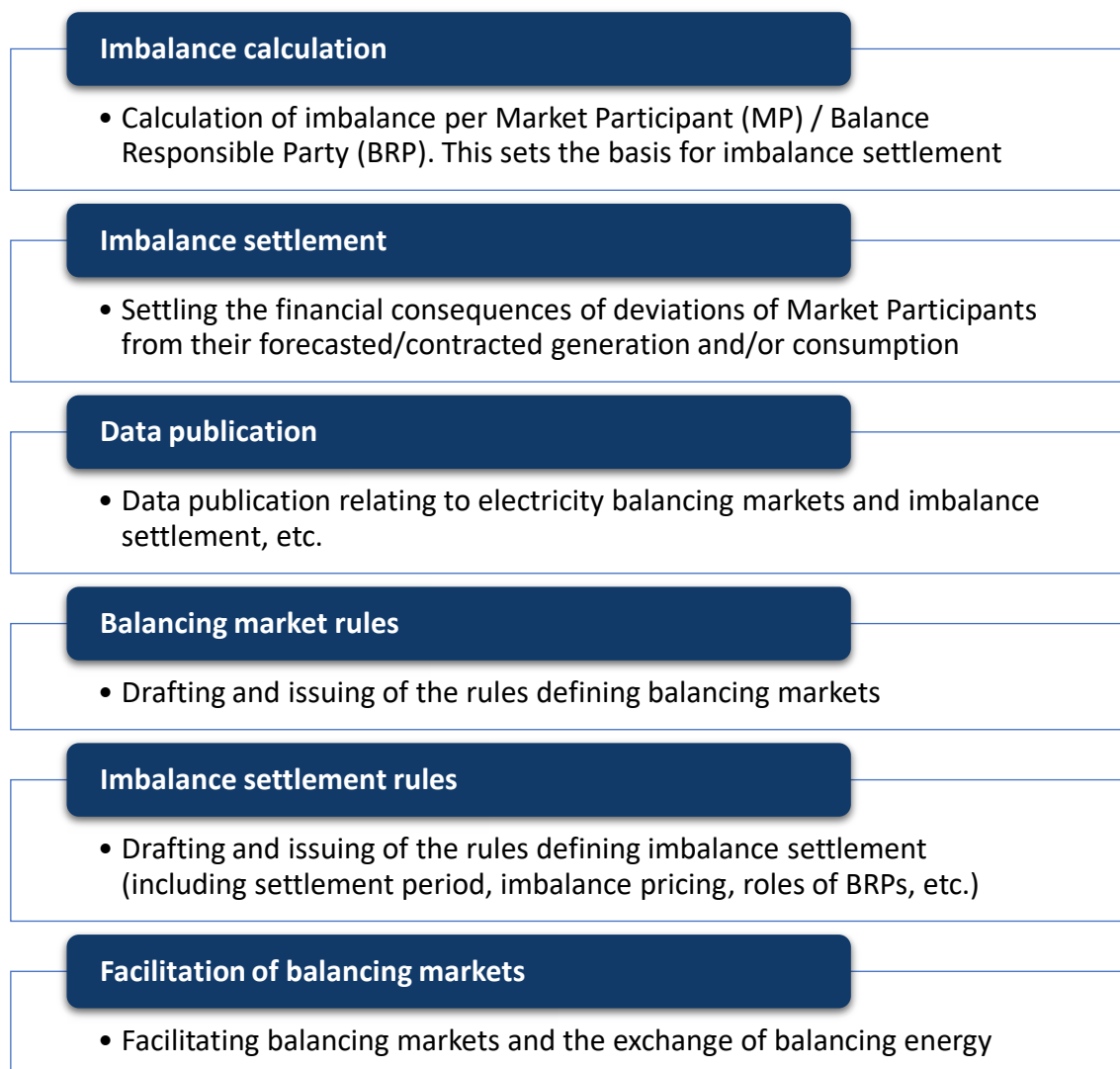
¹ Beyond the relevant EU Member States, there are similar arrangements in Great Britain, Norway (EEA) and the following Energy Community Contracting Parties: Georgia, Montenegro and North Macedonia.

These third-party arrangements have been established across Europe over the previous two decades and represent indispensable functions in support of European electricity markets. Delegated operators provide expertise in their areas of responsibility and contribute to increased competition and innovation. This type of arrangement currently exists in eleven EU/EEA Member States: Austria, Croatia, Czech Republic, Ireland, Romania, Slovakia, Slovenia as well as Denmark, Finland, Norway and Sweden.

a) Common tasks of delegated operators

The tasks which are undertaken by the listed delegated operators do vary depending on the EU Member State and likewise in the other noted countries. An overview of tasks currently performed by Europex members, including delegated operators, is given in the annexed document *“Overview of balancing market functions - Europex members”*. Figure 2 provides an overview of tasks related to balancing performed in the electricity market. All listed tasks are not necessarily performed by all delegated operators.

Figure 2: Tasks related to balancing undertaken by delegated operators



Source: Europex

b) Legal recognition of delegated operators / third parties












Delegated operators, as they are now known, have been playing an active role throughout the drafting process of the Network Codes and Guidelines for the European internal electricity market. They have been actively participating in public consultations and stakeholder advisory groups, providing their technical knowhow and sharing their long experience in facilitating electricity markets.

The distinct and important role of third parties was first recognised in two of the Network Codes and Guidelines, namely the **Electricity Balancing Guideline** and the **Electricity Emergency & Restoration Network Code**². The Network Codes and Guidelines stipulate that TSOs can delegate all or part of certain tasks to a third party. Likewise, the Member States, or in some cases the National Regulatory Authorities (NRAs), can assign tasks and obligations to a third party.

These arrangements were subsequently recognised in the most recent recast of the **Electricity Regulation (EU) 2019/943** as part of the Clean Energy for All Europeans Package. In Article 2 (33) of the Regulation ‘delegated operators’ are defined as *“an entity to whom specific tasks or obligations entrusted to a transmission system operator or nominated electricity market operator under this Regulation or other Union legal acts have been delegated by that transmission system operator or NEMO or have been assigned by a Member State or regulatory authority.”*

² For example, Article 13 of the Guideline on Electricity Balancing sets out rules on the delegation and assignment of these tasks. They are also referred to in the Emergency & Restoration Network Code, for instance in Article 38.

c) List of delegated operators – members of Europex

 <p>APCS – Power Clearing and Settlement •Austria</p>	 <p>Borzen – Slovenian Power Market Operator •Slovenia</p>
 <p>COTEE – Electricity Market Operator of Montenegro •Montenegro</p>	 <p>Elexon •Great Britain</p>
 <p>ESCO – Energy Market Operator •Georgia</p>	 <p>HROTE – Croatian Energy Market Operator •Croatia</p>
 <p>MEMO – National Electricity Market Operator of North Macedonia •North Macedonia</p>	 <p>OTE – Czech Electricity and Gas Market Operator •Czech Republic</p>
 <p>OKTE – Short-term Electricity Market Operator •Slovakia</p>	 <p>OPCOM – Romanian Gas and Electricity Operator •Romania</p>
 <p>SEMO – Single Electricity Market Operator •Ireland and N.I.³</p>	

³ SEMO operates under the single Electricity Market (SEM) on the Island of Ireland.

About

Europex is a not-for-profit association of European energy exchanges with 31 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

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