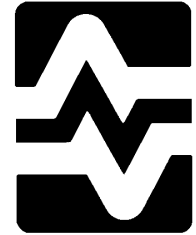




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# Legacy Financial Transmission Rights

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## Outline

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## Summary

The general context and features of Legacy Financial Transmission Rights (Legacy FTR) in accordance with the provisions of the Market Rules (MR) of Wholesale Electricity Market of Mexico are presented.

A brief description of the features and considerations for the calculation of allocation Legacy FTR is included.

Finally the results of allocation Legacy FTR are presented.

## Context

- ❑ MR described in Rule 13 Financial Transmission Rights (FTR) which will be provided through:
  - Allocation (legacy)
  - Auctions
  - Funding the network expansion
  
- ❑ The FTR give their owners the right and the obligation to collect or pay the difference resulting from the value of the components of marginal congestion of Local Marginal Prices (LMP) between a Source Node (injection) and a Sink Node (consumption).

## Financial Transmission Rights (FTR)

- ❑ The FTR be transferable, subject to the guarantee requirements established in the MR.
- ❑ Source Node and Sink Node may be simple grid nodes, distributed nodes, or load zones.
- ❑ The FTR do not grant the right to use physical transmission system.
- ❑ The Market Participant (MP) can structure contracts of Electricity Coverage, which generate the same rights and obligations as the FTR issued by the CENACE, without such contracts should be subject to the procedures established by MR.

## Financial Transmission Rights (FTR) Cont.

- FTRs are balanced: the amount evaluated at the Source Node is always equal to the amount evaluated at the Sink Node.
- FTRs do not include the cost of marginal losses.
- FTRs do not include transmission access charges (regulated rates) or charges for ancillary services.
- The value of FTRs held by MP will be calculated by CENACE for each operating day and included in the settlement for the given day.

## FTR features

- Name (ID) of the holder
- Source Node
- Sink Node
- Energy in which the FTR is valid. (In terms of 1 MWh)
- Effective Period
- Time Block

## Legacy FTR

- ❑ Legacy FTRs will be assigned to two groups:
  - Holders of Legacy Interconnection Contracts (CIL).
  - Basic Service Retailers (SB)
  
- ❑ Only CIL holders who choose to convert their Legacy Interconnection Contracts to contracts regulated by MR will receive Legacy FTR.
  
- ❑ Legacy FTRs, corresponding to CIL holders that choose not to convert their Legacy Interconnection Contracts, will be assigned to Intermediation Generators.



## Considerations to calculated Legacy FTR

- Time blocks, season and average use of grid to calculate allocation Legacy FTR:

4 seasons X 6 time blocks = 24  
grid configurations by year

<b>Block 1</b> 00:00 at 04:00 hrs.	<b>Block 2</b> 04:00 at 08:00 hrs.	<b>Block 3</b> 08:00 at 12:00 hrs.	<b>Block 4</b> 12:00 at 16:00 hrs.	<b>Block 5</b> 16:00 at 20:00 hrs.	<b>Block 6</b> 20:00 at 24:00 hrs.		
<b>Season 1</b> January - March		<b>Season 2</b> April - June		<b>Season 3</b> July - September		<b>Season 4</b> October - December	
<b>Annual calculation of 2016-2035 for SEN systems (BCA, BCS, SIN)</b>							
<b><i>Average usage of grid (MWh) - Renewable up to 10 years, since Aug-12-2004 to Aug-11-2014</i></b>							
<b><i>Average usage of grid (MWh) - CIL and SB between Aug-12-2012 and Aug-11-2014</i></b>							

# Results

- Preliminary report of Allocation of Feasible Legacy FTRs (example data).

AÑO	TEMPORADA	BLOQUE	CLV SISTEMA	TENEDOR_DFT	CLV SUBCUENTA	CLV_NODOD_ORIGEN	CLV_NODOD_DESTINO	DFT_ENE_HR	FECHA_INICIAL	FECHA_FINAL
2016	1	1	BCA	B001	B001002	201611B001NDI	201611B001NDE	988	01/01/2016	31/03/2016
2016	1	1	BCA	I001	I001713	201611I001NDI	201611I001NDE	3	01/01/2016	31/03/2016
2016	1	2	BCA	B001	B001002	201612B001NDI	201612B001NDE	980	01/01/2016	31/03/2016
2016				I001	I001713	201612I001NDI	201612I001NDE	3	01/01/2016	31/03/2016
2016				B001	B001002	201613B001NDI	201613B001NDE	986	01/01/2016	31/03/2016
2016				I001	I001713	201613I001NDI	201613I001NDE			31/03/2016
2016	1	4	BCA	B001	B001002	201614B001NDI	201614B001NDE			31/03/2016
2016	1					01NDI	01NDE			31/03/2016
2016	1					01NDI	01NDE			31/03/2016
2016	1					01NDI	201615I001NDE	3	01/01/2016	31/03/2016
2016	1	6	BCA	B001	B001002	201616B001NDI	201616B001NDE	1020	01/01/2016	31/03/2016
2016										31/03/2016
2016										0/06/2016
2016				B001	B001002	201611B001NDI	201611B001NDE	988		0/06/2016
2016				I001	I001713	201611I001NDI	201611I001NDE	3		0/06/2016
2016										0/06/2016
2016	2	3	BCA	B001	B001002	201623B001NDI	201623B001NDE	1023	01/01/2016	30/06/2016
2016	2	3	BCA	I001	I001713	201623I001NDI	201623I001NDE			30/06/2016
2016	2	4	BCA	B001	B001002	201624B001NDI	201624B001NDE			30/06/2016
2016	2	4	BCA	I001	I001713	201624I001NDI	201624I001NDE			30/06/2016

Effective Period

ID of Source Node  
(Distributed NodeP of Injection)

ID of Sink Node  
(Distributed NodeP of Load)

Feasible Legacy FTRs

# Results

- Preliminary report of distributed nodes participation factor (example data).

AÑO	TEMPORADA	BLOQUE	ID DET	CLV SISTEMA	CLV NODOD	CLV NODOP	FACTOR PARTICIPACION
2016	1	1	201611B001	BCA	201611B001NDI	07 CIP-U01	2.02341E-05
2016	1	1	201611B001	BCA	201611B001NDI	07 CPC-U10	0.009785361
2016	1	1	201611B001	BCA	201611B001NDI	07 CPC-U11	0.023162464
2016	1	1	201611B001	BCA	201611B001NDI	07 CPC-U12	0.02661094
2016	1	1	201611B001	BCA	201611B001NDI	07 CPC-U13	0.026440804
.....	.....	.....	.....	.....	.....	.....	.....

The sum of the participation factors of each Distributed NodeP is one

2016	1	1	201611B001	BCA	201611B001NDE	ENSENADA	0.106079828
2016	1	1	201611B001	BCA	201611B001NDE	MEXICALI	0.356015867
2016	1	1	201611B001	BCA	201611B001NDE	SAN LUIS	0.087931241
2016	1	1	201611B001	BCA	201611B001NDE	TIJUANA	0.449973063

Thanks for your attention!

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