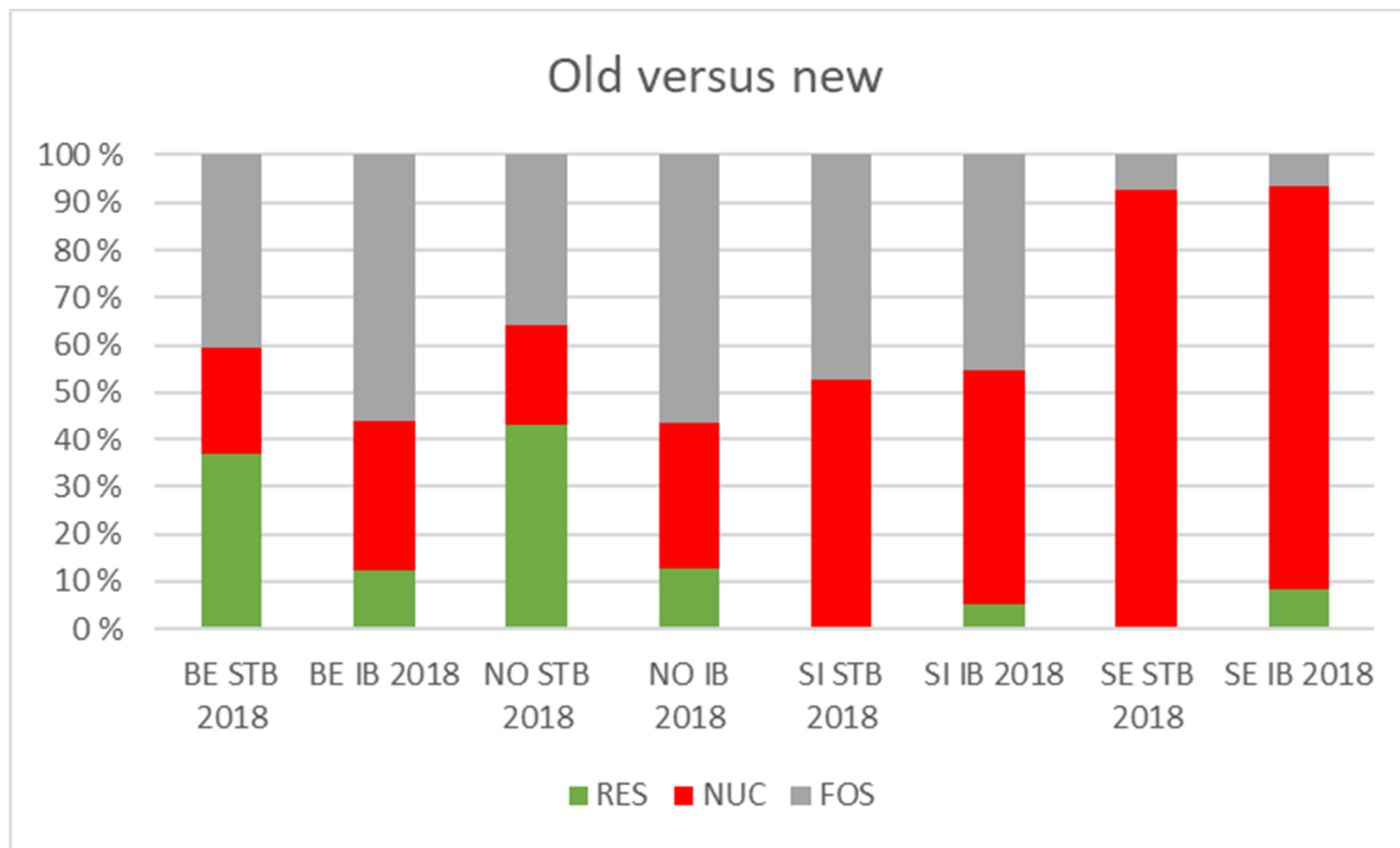


Shift to Issuing Based methodology

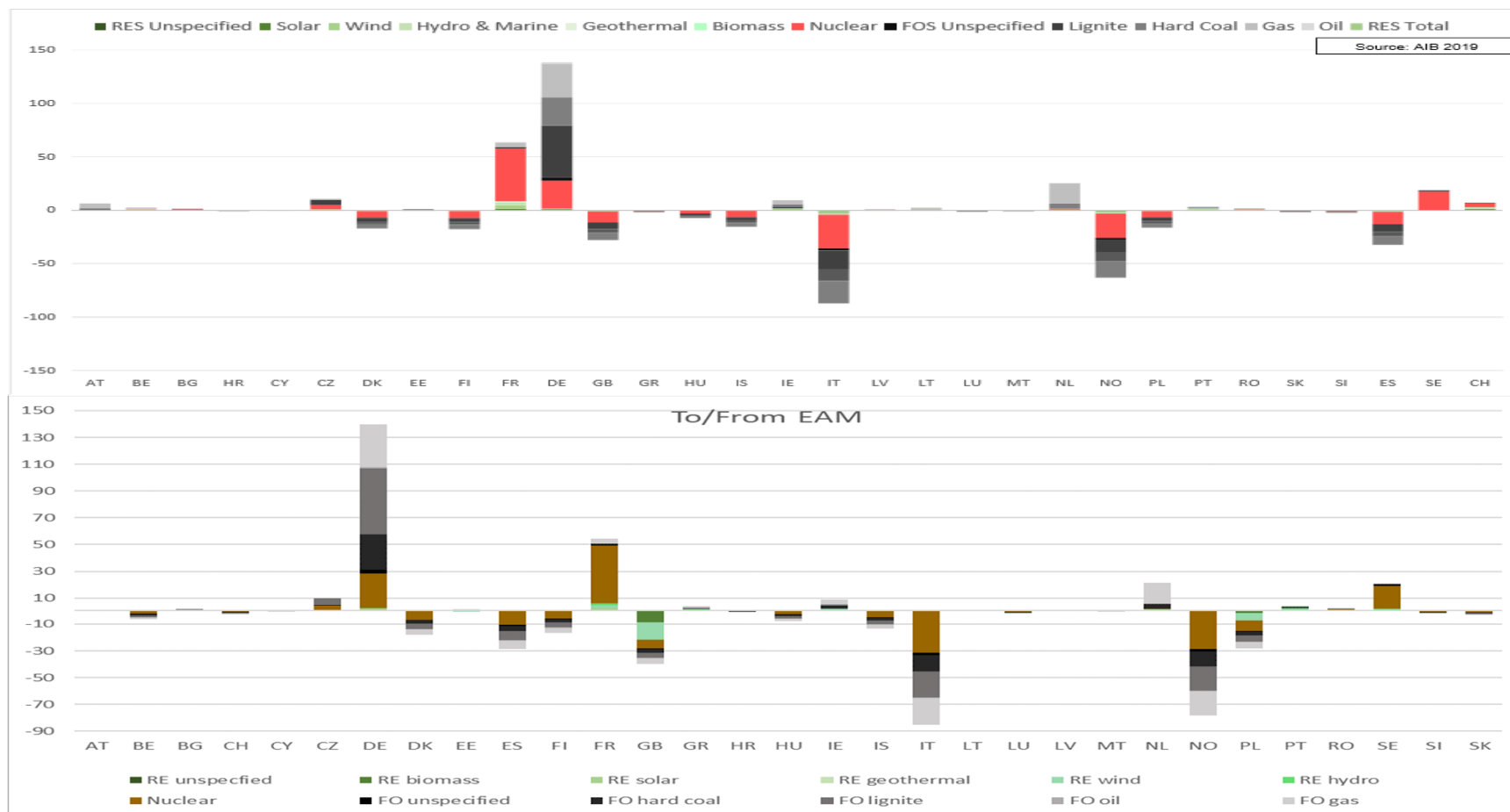
Antti Kuronen,
antti.kuronen@grexel.com
Grexel,
2020/03/10

Best available estimate

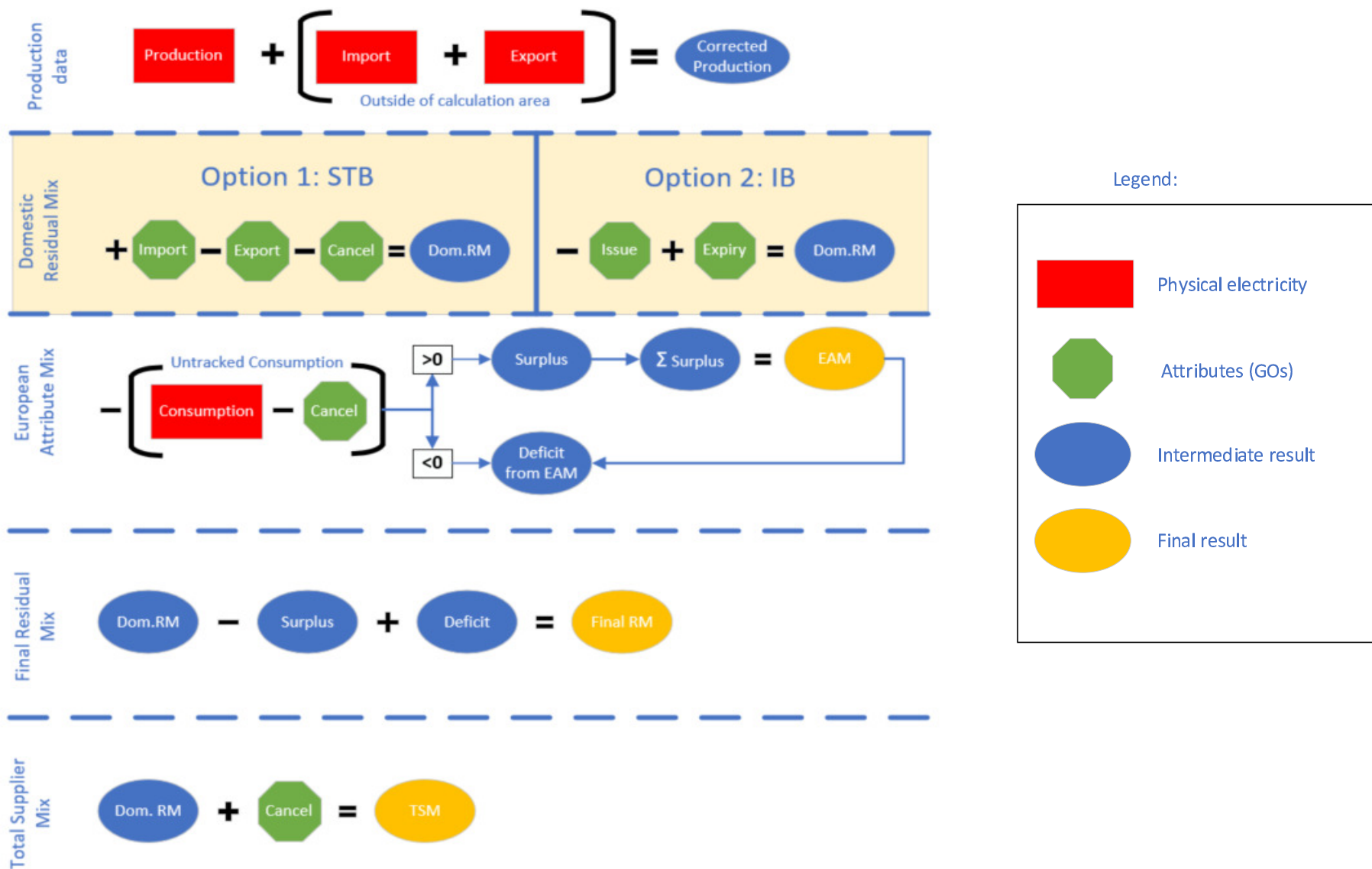
Sneak peak



STB versus IB: To/From EAM



Residual Mix and European Attribute Mix Calculation Methodology



Why TB is not working anymore?

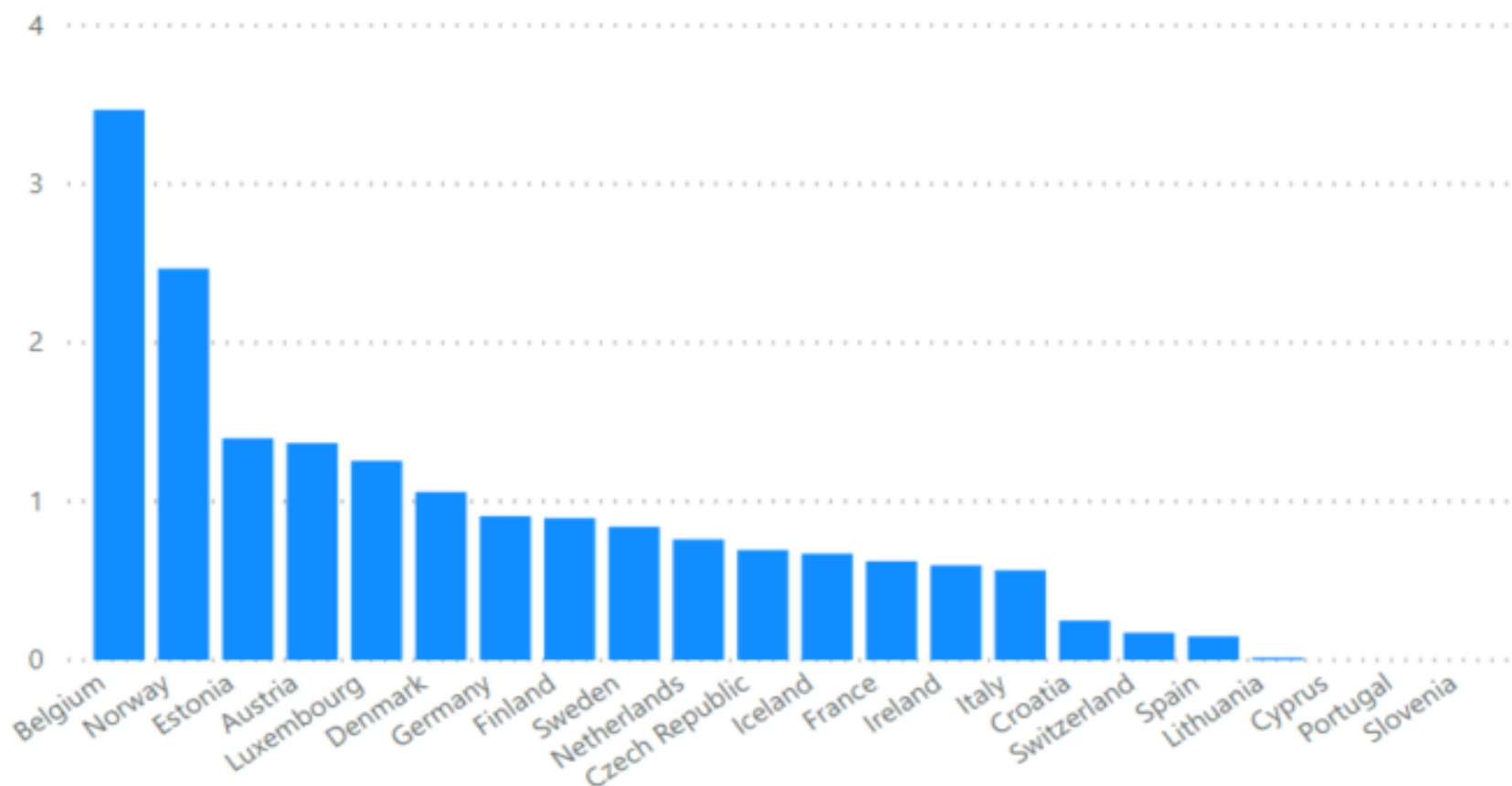
(Shifted) Transaction Based method

The tail wagging the dog



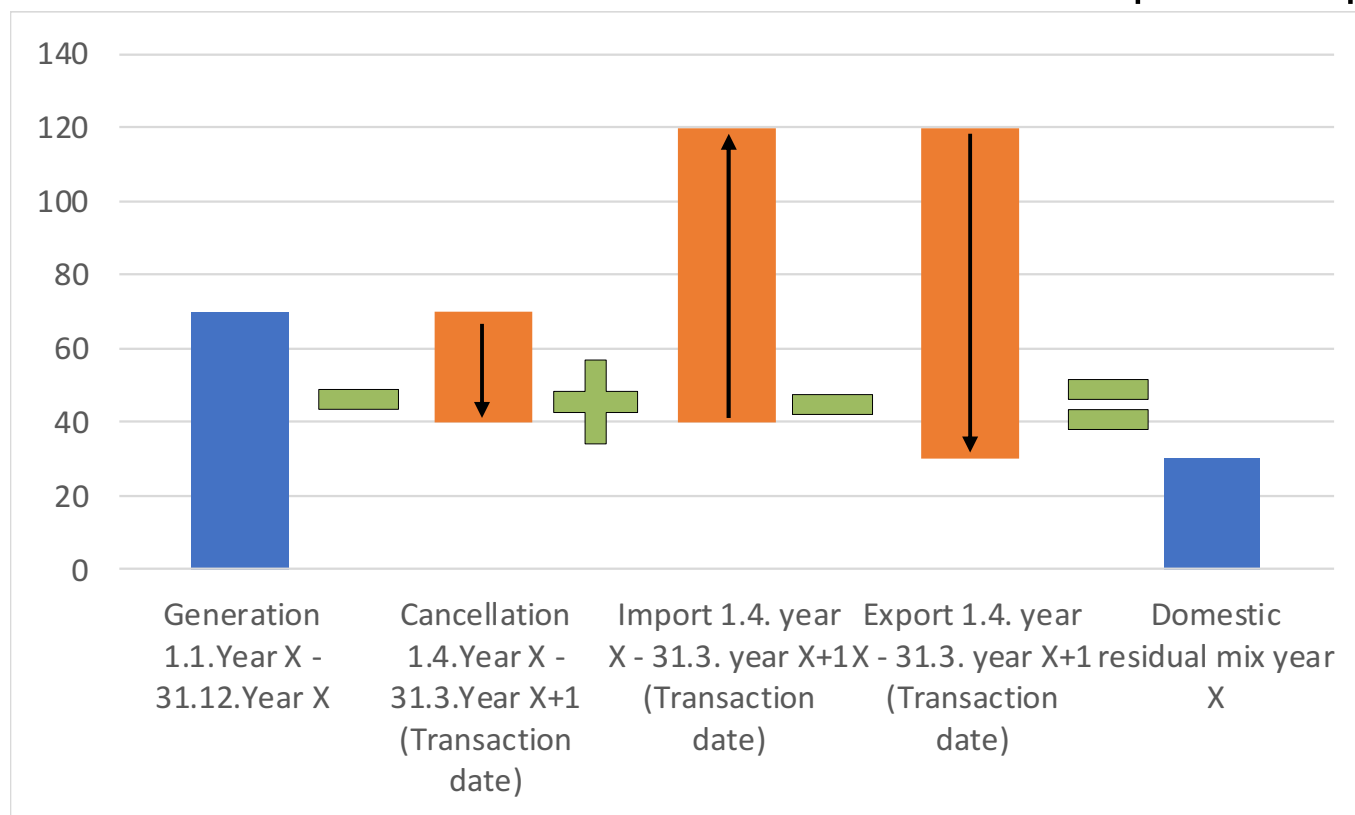
Photo by [Sakura](#) on [Unsplash](#)

Proportion of trading activity compared to other activity ((Import+Export)/(Issue+Cancel))



The tail wagging the dog

- In Transaction Based:
 - Domestic RM = Production – Cancellation + Import – Export



RE-DISS II (2013): Appendix 2: Future Methodologies for Residual Mix Calculation

RE-DISS proposes to base the calculation of the EAM on the STB method, at least in the near future. As disclosure rules and expiry policies of countries develop and especially become more stable, the IB method could be considered.

How IB solves the problem?

Issuing Based method

Cut the tail off



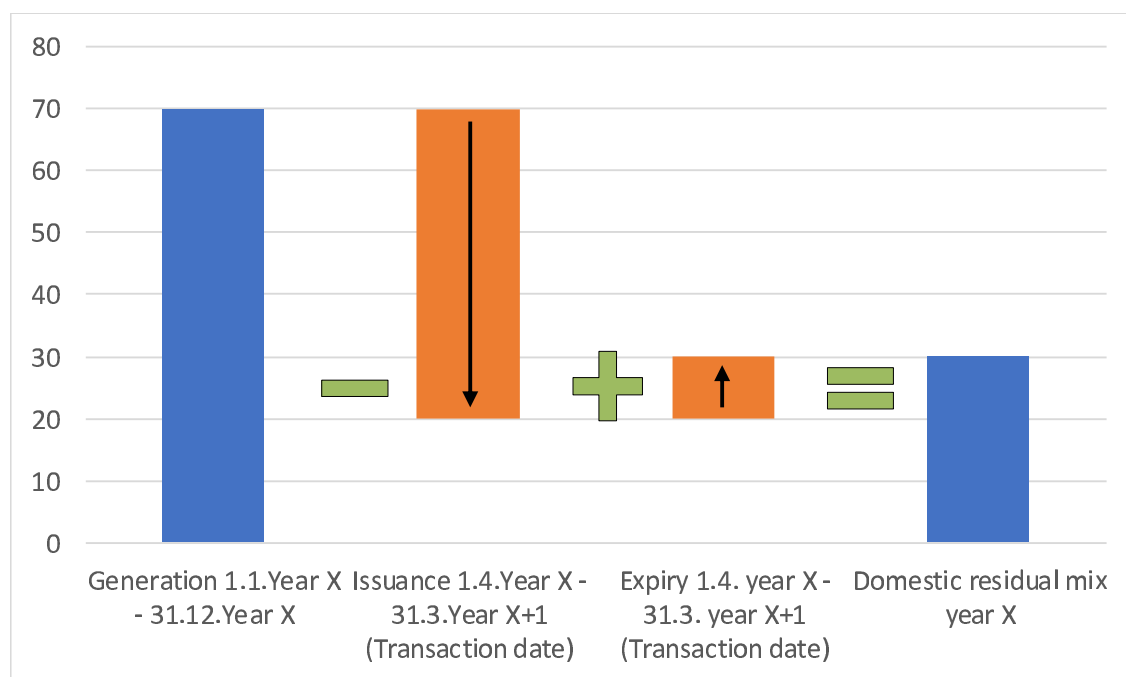
Photo by YamaBSM on Pixabay

Limiting the tail

- In Transaction Based:
 - Domestic RM = Production – Cancellation + Import – Export
- In Issuing Based:
 - Domestic RM = Production – Issuance + Expiry
- International transfers are implicitly considered through EAM

Limiting the tail

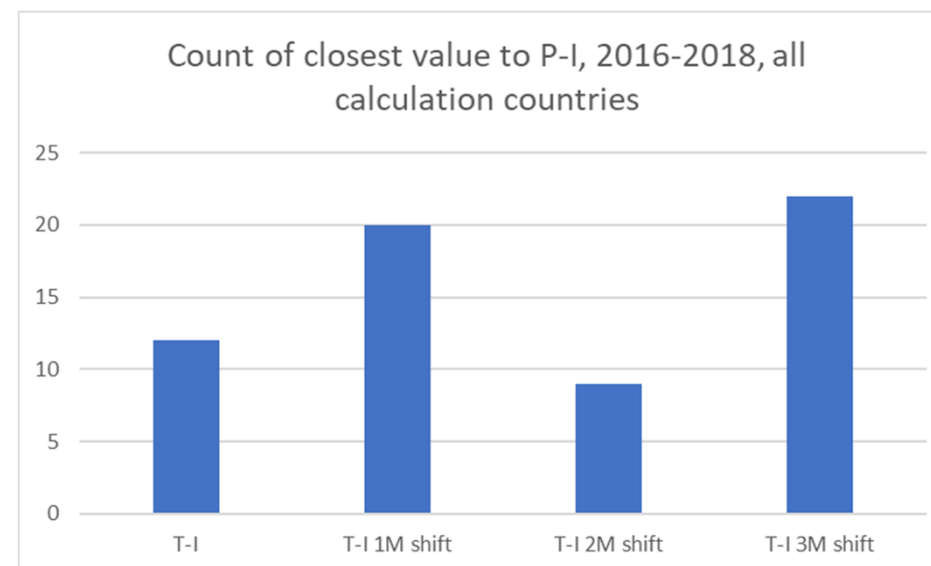
- In IB:
 - Domestic RM = Production – Issuance + Expiry



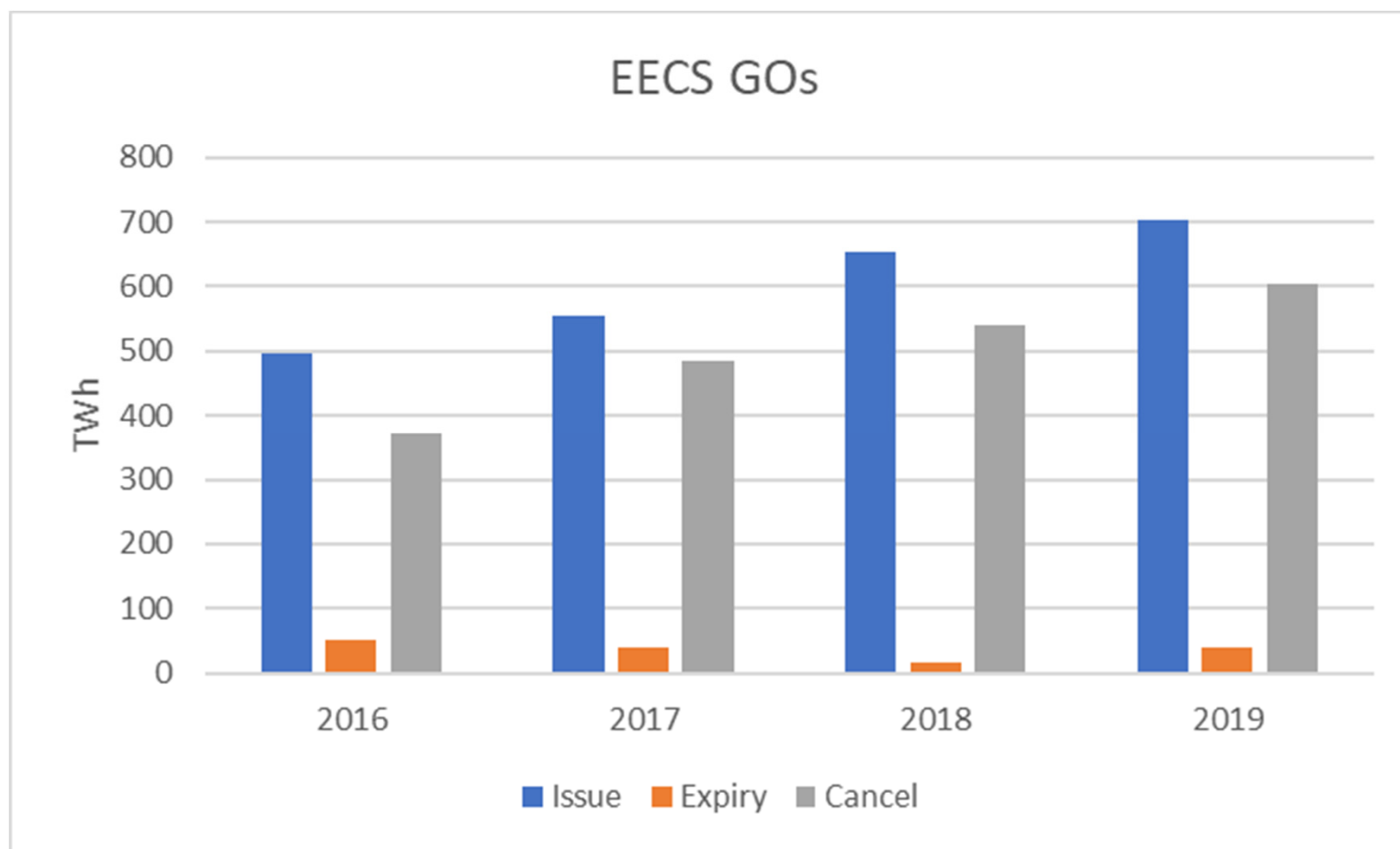
Anything else you should know about IB?

The IB details

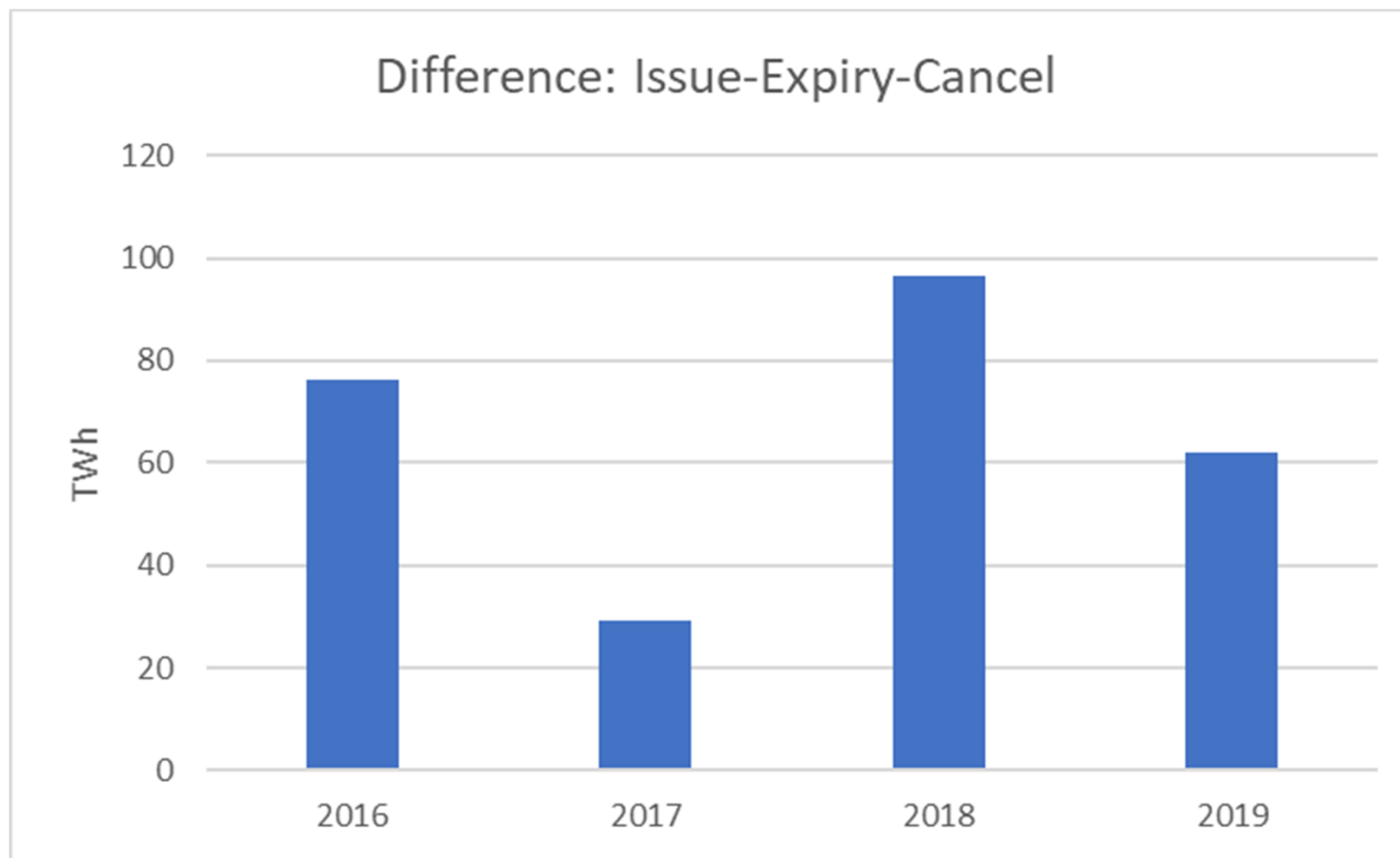
- Issuing – Expiry > Cancellation
- Issuing statistics: ~~Production date~~ or Transaction date?
- Shifted ~~or non-shifted?~~



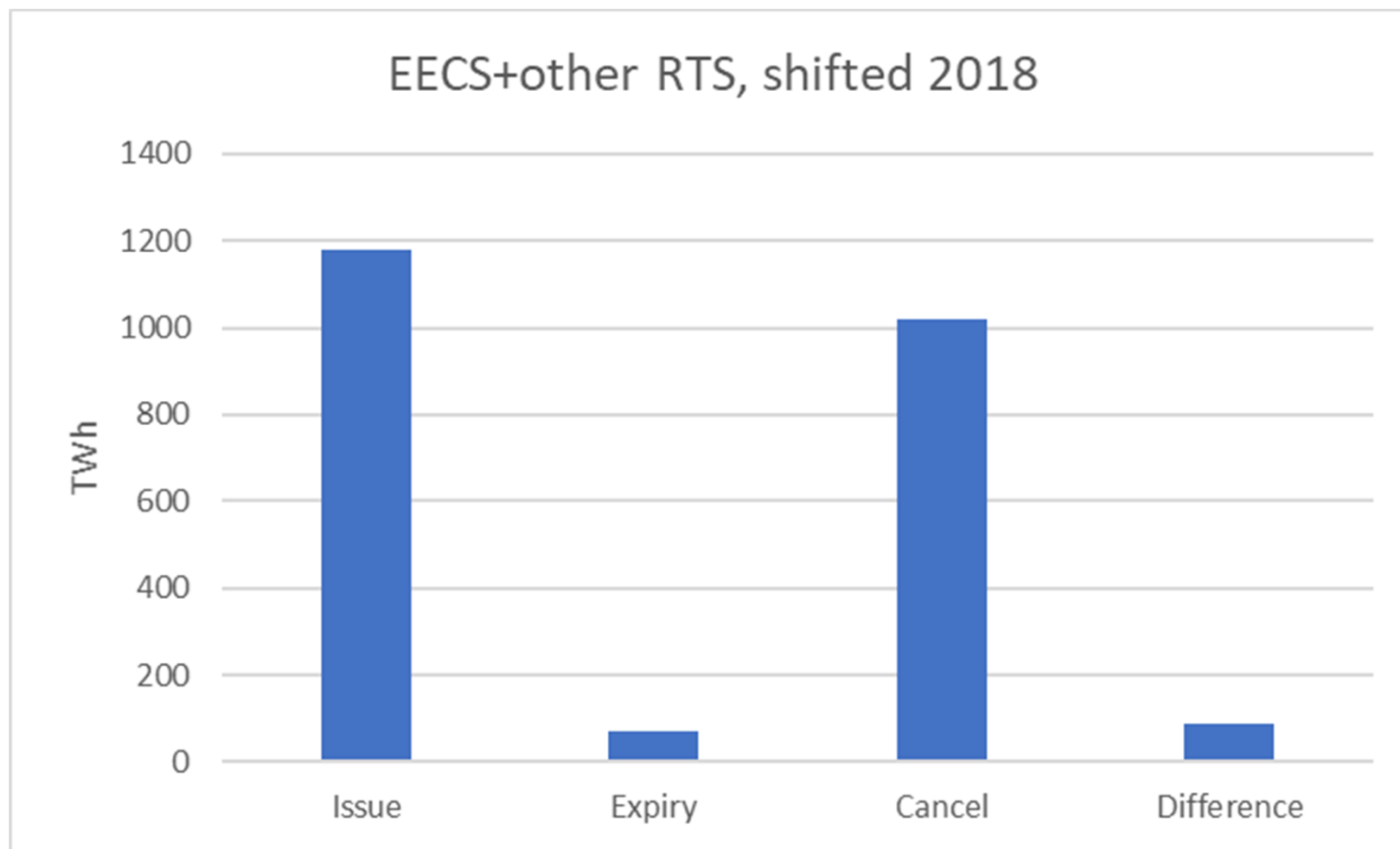
Cancellations lag behind Issuing



Issuing – Expiry > Cancellation: Big annual variation



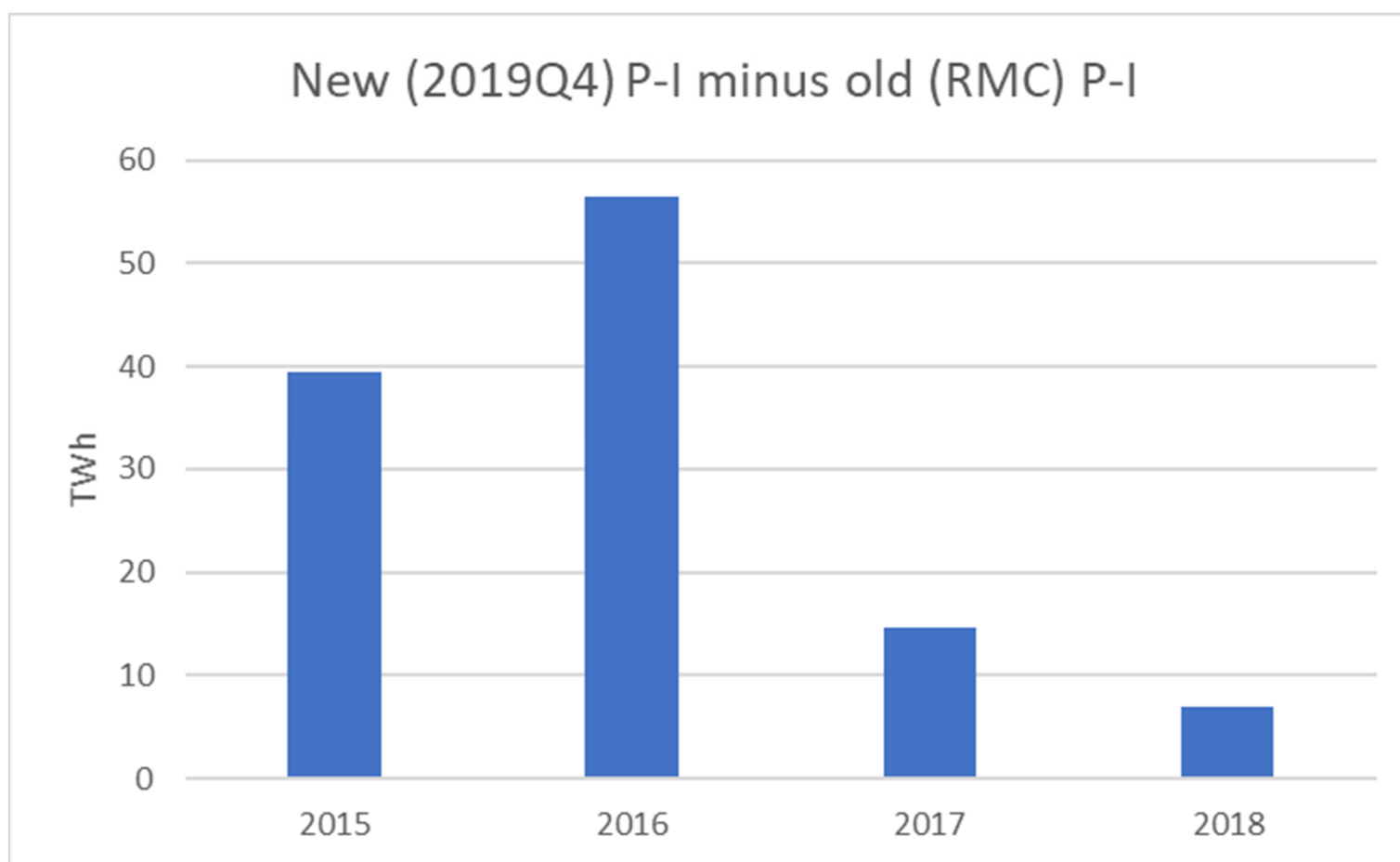
Including other RTS tells the same story



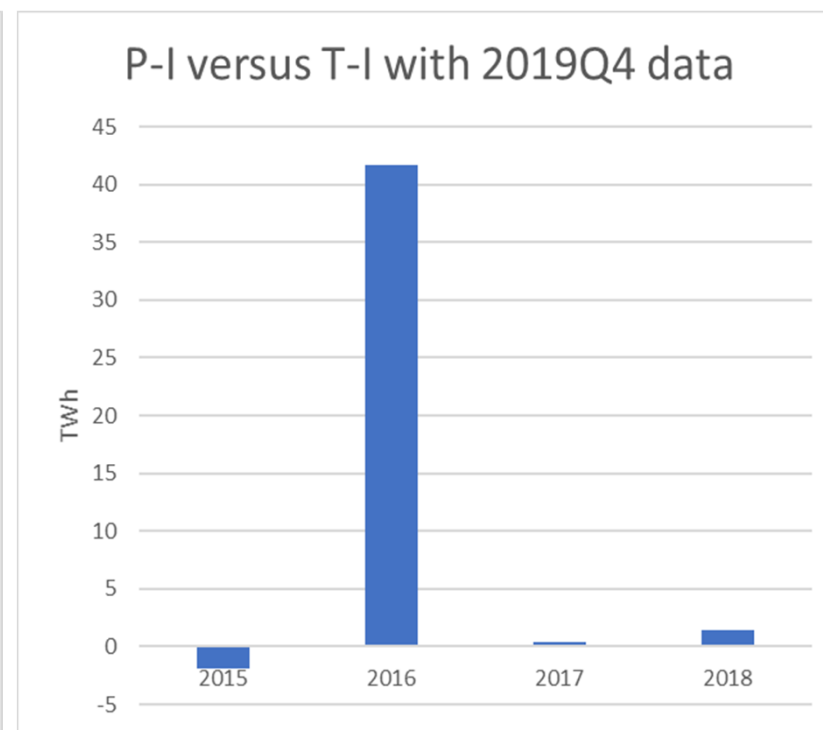
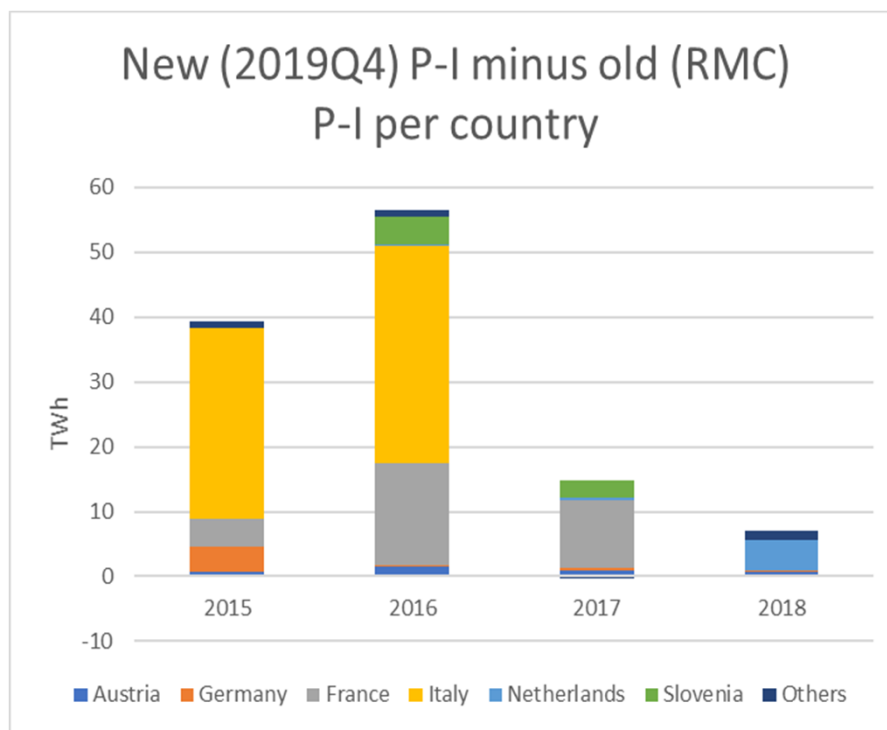
Issuing – Expiry > Cancellation: It is not a match but it is okay

- All components have justified place.
- Issuing removes the tracked attributes from physical Production
- Cancellation removes the tracked attributes from Consumption
- Expiry returns unused tracked attributes back to Production
- Because of different timings the equation cannot be equal

Production-Issuing versus Transaction-Issuing



Production-Issuing versus Transaction-Issuing

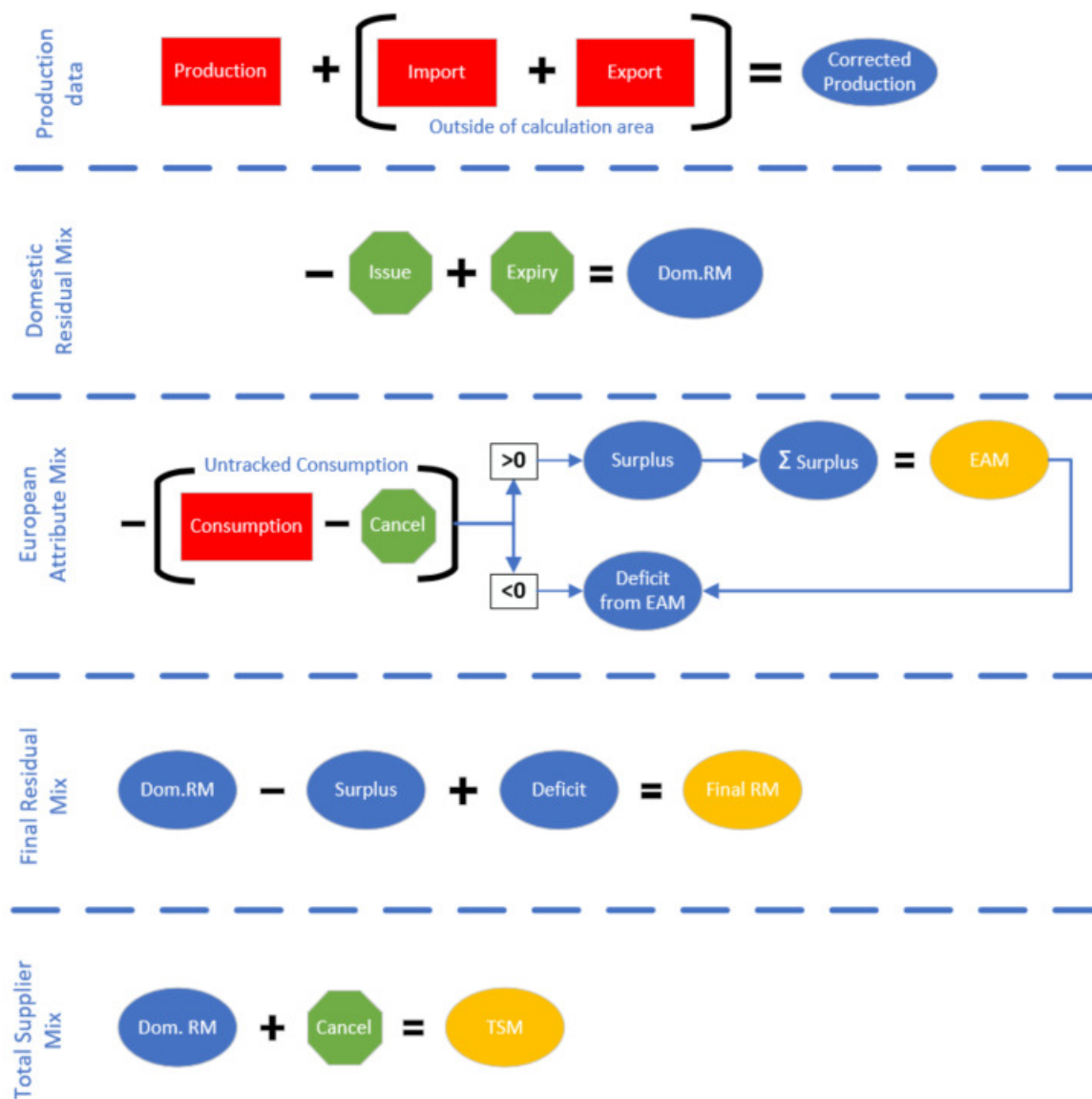


How methodology has been changed?

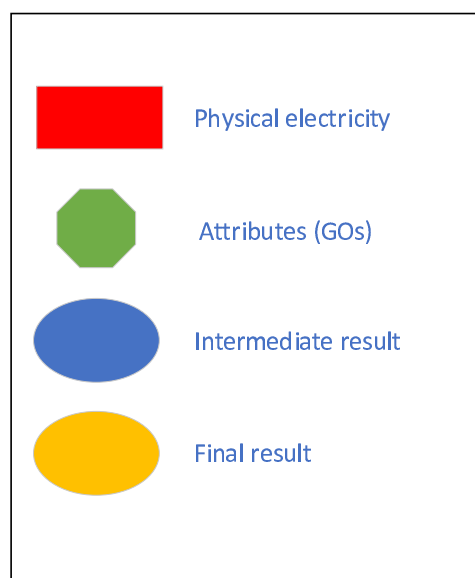
How methodology has been changed

- Domestic residual mix = Production – Issuing + Expiry
 - Environmental indicators
 - No "CO₂ export pool"
- Only CO₂ emissions and radioactive waste

Residual Mix and European Attribute Mix Calculation Methodology



Legend:



Production data

- ENTSO-e production data not available this year
- Eurostat data to be used
 - Cons:
 - Pumped hydro
 - Lignite + Hard coal = Coal
 - Conventional thermal
 - Verification from DCBs requested

Less data asked from DCBs

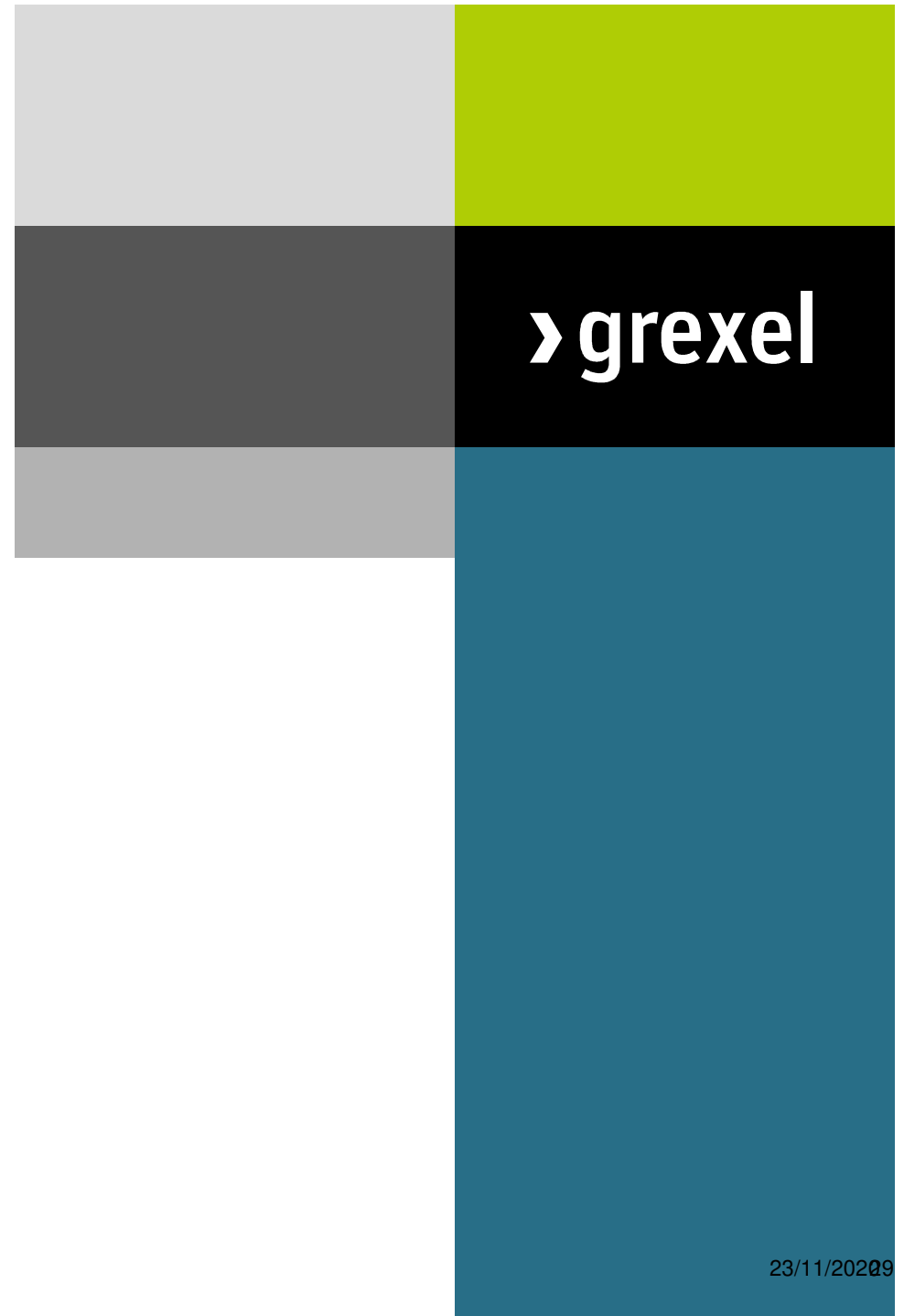
- Data input sheet similar to previous years
- Unneccesary rows and columns removed
 - Import and Export related
- ...but, comments to production data requested

Issuing based method is good because



Photo by YamaBSM on Pixabay

Additional slides



EECS Issuing statistics – Shifted comparison

