Network constraints

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Market Code Chapter 9 – Day Ahead Market
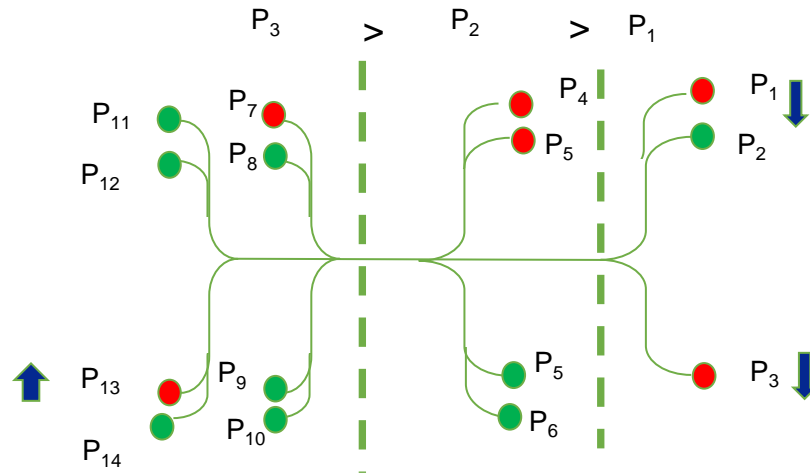
South African Wholesale Market Code, Chapter 9, page 57

Network constraints on Transmission network

- Mechanisms to manage network constraints
  - Zonal pricing / Pricing Areas, bound by constraint
  - Locational Marginal Pricing, influenced by network losses and constraints
  - Counter-trade

Network constraints beyond Transmission

- Distribution System Operators
    - Providing network access to generators and loads
    - Separation of role of retailer and network and system operator
    - Interaction with TSO
        - Issuing instructions for curtailment / additional generation within the Dx network
        - Flexibility services for local network support

Constraint payments

R/MWh
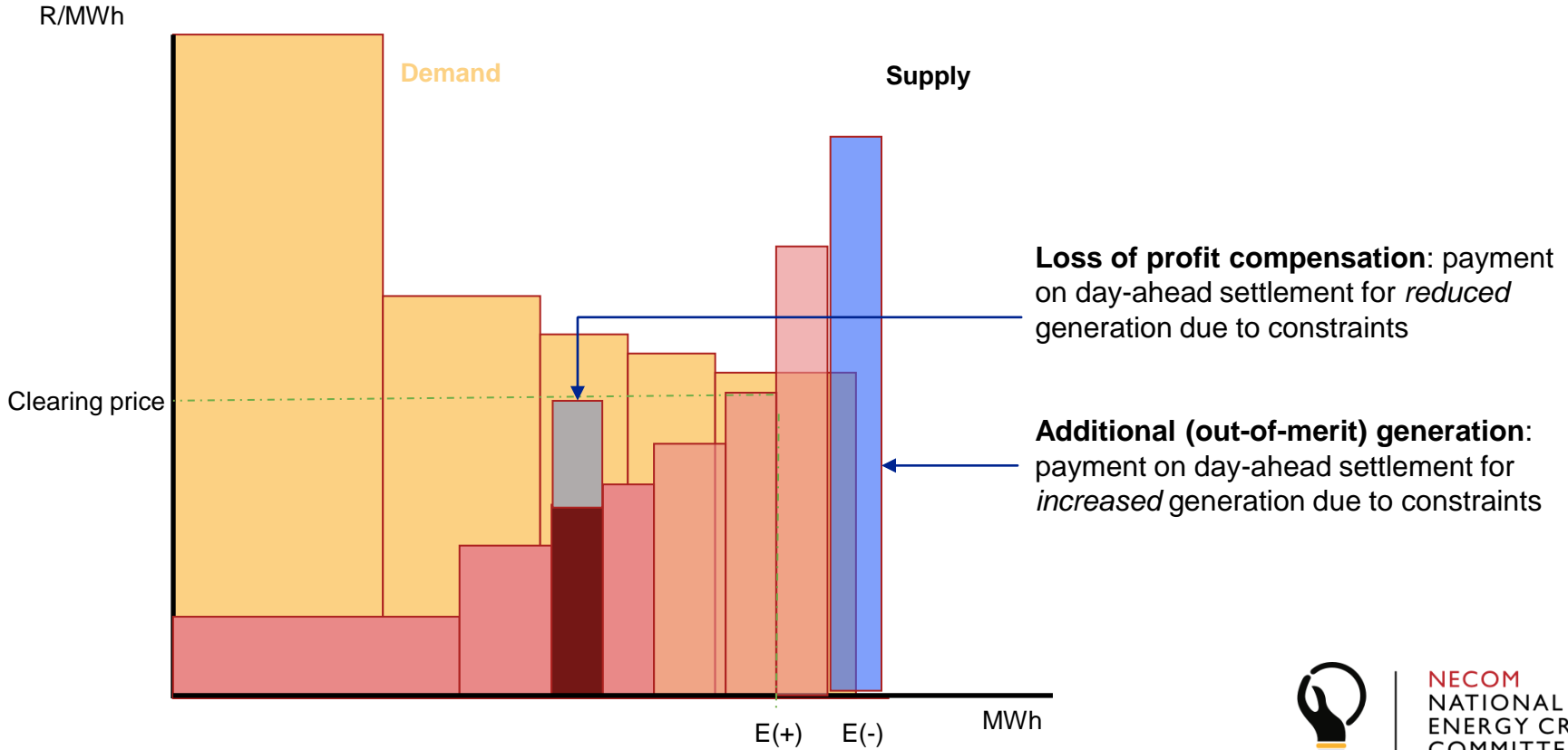
Demand

Supply

Loss of profit compensation: payment on day-ahead settlement for *reduced* generation due to constraints

Clearing price

Additional (out-of-merit) generation: payment on day-ahead settlement for *increased* generation due to constraints

E(+)   E(-)

MWh
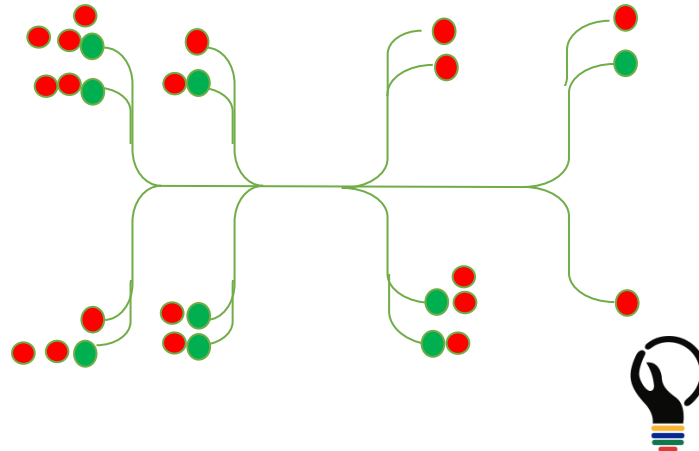
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Thank you

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