

Channel TSO consultation response to ACER consultation on Intraday Cross-Zonal Gate Opening and Gate Closure Times

Introduction

The TSOs of the Channel Region welcome the opportunity provided by ACER to provide feedback on the consultation with respect to the intraday gate opening and gate closure times.

The Channel TSOs acknowledge the importance of properly defined intraday gate opening and gate closure times for the market. We understand the position of NRAs and ACER to open the intraday markets as soon as possible and to strive towards harmonized intraday cross-zonal gate opening times across Europe.

At the same time the TSOs of the Channel Region observe that an intraday gate opening time earlier than 22h D-1 results in challenges with respect to intraday capacity calculation in accordance with Art. 20 of CACM Regulation. These concerns are elaborated within this consultation response.

Whereas an earlier intraday gate opening time than 22h D-1 has a positive impact on the intraday market itself, it appears that it yields some negative impacts on intraday capacity calculation (less accurate calculation and potential risk on security of supply) and might interfere with the foreseen intraday capacity pricing process (European wide ID opening auction at 22h D-1).

The Channel TSOs are of the opinion that if ACER would decide to set the Channel ID CZ GOT before 22h00 D-1 (despite the arguments raised in this consultation), this is only possible in case the Channel TSOs can open the intraday market with reduced capacities compared to the remaining day-ahead capacities, ahead of the proper intraday capacity calculation. Any other solution would result in unacceptable risks for security of supply.

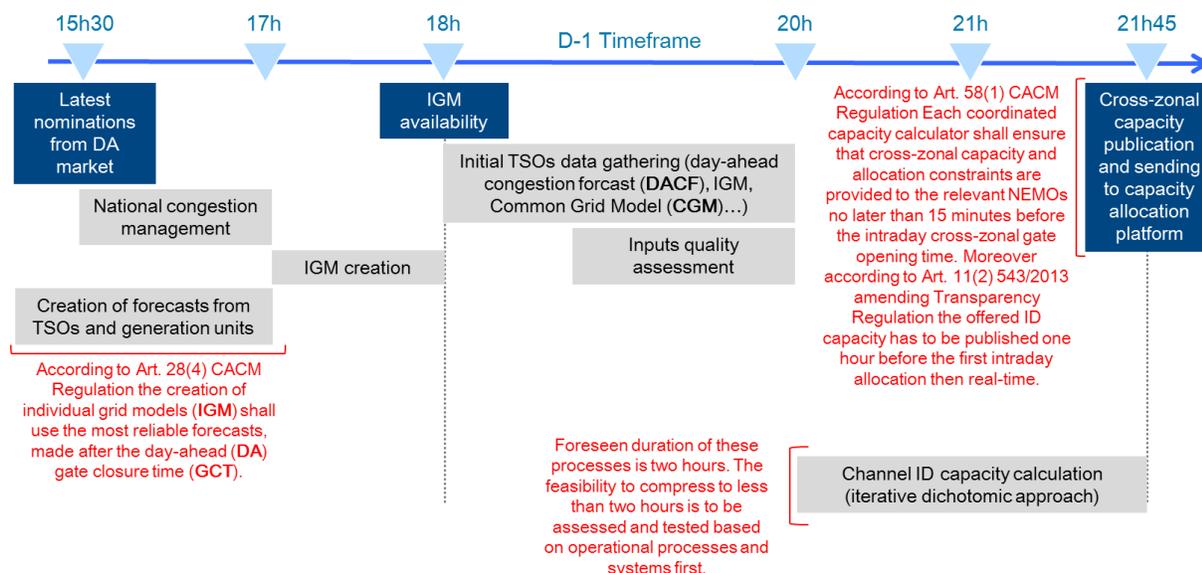
Response to ACER consultation

Question 1: *Do you find it reasonable to apply transitional GOTs which can be after 15:00 D-1 in order to give TSOs sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation?*

The TSOs of the Channel Region consider it necessary to apply transitional GOTs. CACM Regulation rightfully focuses on the importance of calculating day-ahead and intraday capacities on the basis of a common grid model and the latest available information (Art. 28(4) of CACM Regulation). The foreseen process for intraday capacity calculation does –at this stage- not allow an earlier ID CZ GOT than 22:00h D-1. Of course, if in the future processes are further automated or shortened on the basis of experience, the ID CZ GOT can be moved before 22h00 D-1.

The below chart provides a high-level overview of the foreseen process for intraday capacity calculation in the Channel Region. It must be highlighted that it is already very challenging at this stage to complete

the entire process before 21h45 D-1. Therefore at this stage it does not seem possible to shorten the below process.



Opening the intraday markets before 22h D-1 would amongst others mean that:

- Intraday capacity calculation is not performed on latest available information in accordance with Article 28(4) of CACM Regulation;
- D-1 operational security analysis will not be performed on the basis of the latest available information;
- Resulting intraday capacities will be reduced, since calculation takes place on less accurate grid models as assumptions taken on flows between CCRs might be incorrect, optimization of remedial actions will not be performed around the latest market clearing point, etc. This will result in a need to take additional margins to ensure secure operation of the grid; and
- Would undermine the idea of using a D-1 CGM for intraday capacity calculation, since it does not represent the latest available information (doesn't take into account the latest market exchanges, optimization of remedial actions,...).

Especially for the Channel Region it must be highlighted that the intraday capacity calculation for Channel must consider the latest available information in the Core (CWE) Region and vice versa. Performing an intraday capacity calculation in Channel, based on a certain day-ahead market outcome in Core (CWE) which might not be the latest information (due to ID market opening before 22h00 D-1) could result in significant risk for security of supply. Therefore such solution would only be possible in case the Channel TSOs could open the ID market on the basis of reduced capacities compared to the remaining DA capacities.

The Channel TSOs are therefore in favour of a gradual harmonization towards an ID CZ GOT in all CCRs earlier than 22h00 D-1, once the ID capacity calculation process stream, as well as other congestion management processes (DA allocation, DA scheduling,...) would allow this.

Question 2: *Do you find it reasonable to apply transitional GOTs which can be after 15:00 D-1 in order to give TSOs sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation?*

The Channel TSOs would like to highlight that they have taken the intraday capacity calculation process stream into account when defining the 22:00 h D-1 ID CZ GOT (while agreeing to harmonize later on to the target ID CZ GOT across all CCRs). An earlier ID CZ GOT would not allow Channel TSOs to comply with the intraday capacity calculation process (in line with requirements of the CACM Regulation). This would result in reduced ID capacities and is only possible in case the ID market can be opened with reduced capacities compared to the DA remaining capacities to safeguard operational security.

We would therefore like to highlight that the question is not whether the defined ID CZ GOT for Channel is ambitious, but rather whether TSOs are deemed to follow the ID capacity calculation process as shown in the graph under question 1 or not. Hence there is a trade-off between optimal ID capacity calculation and earlier opening of the intraday market.

Question 3: *Do you consider that TSOs could further optimise their planned capacity calculation and congestion management process to enable a transitional GOT in some CCRs to be set to 21:00 or even earlier?*

As indicated under question 1 and question 2, the TSOs of the Channel Region would like to confirm once more that –at this stage- the intraday capacity calculation process cannot be completed before 21h45 D-1. Of course in a later stage the ID CZ GOT could be set earlier once the process is shortened upon the basis of operational experience (as foreseen in the TSO proposal for ID CZ GOT and GCT).

Question 4: *Which option for the harmonisation of GOT do you prefer? Please, explain thoroughly why, or alternatively, propose a new concrete timing and add the reasoning for such choice.*

The TSOs of the Channel Region are of the opinion that the possibility and timing to move towards the future EU harmonized target ID CZ GOT cannot be defined at this stage, since it depends on future tools and processes that are not implemented yet. Therefore the TSOs of the Channel Region propose to review, on regular basis, when such implementation could take place.

Question 5: *Do you consider it acceptable that each CCR can have a different target date for implementing the harmonised GOT, depending on specific circumstances in such CCR?*

Taking into consideration the different starting points in the different CCRs and the high degree of complexity of the processes associated with the intraday capacity calculation, Channel TSOs support the option for different target dates for implementing the harmonised GOT.

Question 6: *Do you agree with the exception from the harmonised GCTs and do you see other bidding zone borders than the EE-FI border where this exception could apply? If so, please specify why.*

The Channel TSOs do not see an exception possible for any of the bidding zone borders within the Channel Region, but can agree to exceptions on other borders.

Contact person for Channel TSOs:

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