
All TSOs' response to the consultation on the Intraday Cross-Zonal Gate Opening and Gate Closure Times

Background information

In December 2016, all TSOs submitted to all NRAs the all TSOs' proposal for the intraday cross-zonal gate opening and the intraday cross-zonal gate closure times (IDCZGT) in accordance with Articles 6(6) and 59(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the CACM Regulation). On 14 June 2017, all NRAs issued a request for amendment (RfA) to the IDCZGT proposal. Pursuant to Article 6(12) of the CACM Regulation, all TSOs submitted an amended proposal in August 2017.

On 10 November 2017, ACER informed all TSOs that upon the request from all NRAs, the Agency will be taking the decision on the IDCZGT proposal. In this process, ACER conducted preliminary web-conferences with TSOs in different CCRs and organised a joint workshop with TSOs and NRAs in December 2017.

On 9 January 2018, a public consultation was launched for providing comments on ACER's proposed draft amendments to the IDCZGT proposal¹.

This document is the all TSOs' response to the abovementioned consultation².

TSOs' answers to consultation questions

This section presents the views of all TSOs following the structure of the consultation document, i.e. answering specific questions. For questions where inputs from different CCRs are needed, this is marked in the answer.

Topic 1: Feasibility of earlier regional gate opening times (GOTs)

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?*

TSOs' response: TSOs support a stepwise approach towards the implementation of a harmonized Intraday Cross-Zonal Gate Opening Time required by the all NRAs in their RfA of 14 June 2017 and seconded by the Agency in their proposed draft amendments currently in public consultation. As highlighted in the explanatory documents accompanying both the initial IDCZGT proposal (December 2016) and the amended IDCZGT proposal (August 2017), the picture in the cross-zonal intraday markets is quite diverging both in terms of markets currently in place (e.g. explicit/implicit, continuous/session etc.) and in terms of interrelation with other processes related to system operation (e.g. national congestion management, capacity calculation are processes that condition the definition of GOT while balancing conditions GCT). The amended TSOs' proposal therefore included different GOT for each CCR, which reflects the specificities in each region.

Moreover, with regards to capacity calculation, the sound implementation of the intraday capacity calculation processes (in accordance with the CACM Regulation) will lead to the adoption of complex processes.

¹ https://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2018_E_01.aspx

² Apart from this all TSOs' response, the CORE CCR has decided that they will send in an individual response as well in order to explain the stakes and argumentation for a 22h00 GOT in the CORE CCR.

Therefore, gaining experience in operating these processes is an essential prerequisite for TSOs in regions requiring a GOT after 15:00, before a realistic target GOT can be defined. Otherwise, implementing an early GOT would mean that the allocation of capacity would coincide with other processes, for example the capacity calculation process, thus increasing the level of uncertainty and lowering the level of cross zonal capacity that could be offered to the continuous intraday market under secure conditions and coincide with day-ahead scheduling activities (applicable for some countries that also have borders with countries that are not under CACM obligations).

This need for gaining operational experience before defining a target GOT is also relevant for central-dispatch systems. ACER itself recognizes in its consultation document that the decision on intraday cross zonal gate opening and gate closure time is highly interdependent with many other market design elements. Among these elements, the congestion management process performed by TSOs after the finalization of day-ahead markets is mentioned, in particular, national congestion management process, which are different for self-dispatch and central-dispatch systems. In this respect, specificities of central-dispatch systems need to be taken into account, together with the need to consider balancing and scheduling processes. In particular, central dispatch systems apply the so called *Integrated scheduling process* which is aimed at co-optimizing dispatchable power units schedule (including unit commitment and dispatch), as well as reserve procurement, subject to technical and system constraints on a horizon of about one day in order to minimize the related costs of this process. In central dispatch systems all generators eligible to participate in the ancillary services market performed by the TSO are required to respect technical parameters (commitment and dispatch) as defined by the TSO and must participate in the market run by the TSO and offer their whole available capacity. In offering their whole available capacity, generators consider updated unit's trade position resulting from energy market and actual availability (outages, trips). In performing the integrated scheduling process, TSOs rely overall available capacity of the generators, reflected in their bids which take into account their schedule resulting from the energy market the respective position obtained during the last ISP execution and their actual availability. This process would not be possible without proper coordination (including timings) between : (i) start of intraday market, (ii) iterations of integrated scheduling process realized just after nomination of energy market results and (iii) DACF process. In this case, in fact, TSOs couldn't rely on generators whole available capacity, and reserves because while the TSO is selecting the bids within the integrated scheduling process, units would continue to trade in the intraday energy market and generators schedule resulting from the energy market would continue to change without considering actual system constraints and potentially causing infeasibilities.

Question 2: *Do you consider the proposed GOT in the Baltic, Channel and Hansa CCRs ambitious enough or could TSOs on both sides of the bidding zone borders in those CCRs implement internal GOTs at 15:00 D-1?*

TSOs' response: TSOs of these regions consider that the proposed GOTs are already ambitious enough and that the implementation of earlier GOTs will not be feasible at this stage.

In CCR Baltic two proposals of IDCZGOT have been explored:

1. a GOT of 15:00 which assumes using left over capacities from DA market and is proposed by SvK, Fingrid and Elering;
2. a GOT of 18:00 which foresees ID capacity calculation by RSC, and is proposed by AST, Litgrid and PSE.

The amended TSOs' proposal in CCR Baltic foresees market opening at 18:00, taking into account AST, Litgrid and PSE position, as, due to operation of two parallel and not coordinated markets (EU Power market and Russian- Belarus power market), in Baltic CCR capacities shall be re-calculated. Leftover capacities from day-ahead market cannot be given to intraday due to operational security reasons. This is also currently well-working practice on AC interconnections in Baltic CCR region. Considering CACM Regulation, re-calculation of capacities requires creation of CGM and performing security analysis by newly created entity - Regional Security Coordinator (RSC). These activities will have to be established and implemented.

Processes required for capacity calculation by RSC, asks for more time for the whole capacity assessment process comparing to currently performed calculations by TSOs in the Baltic CCR. The same situation (the need of additional time for calculations due to new processes with CGM and capacity calculation methodologies) has been identified also in Hansa CCR by continental TSOs. Considering the existing situation and these future requirements, AST, Litgrid and PSE are on opinion that setting the GOT earlier than 18:00 in Baltic CCR will most probably result in very conservatively evaluated capacities - meaning that practically it most probably will be lower comparing to “Leftover capacity from day-ahead market” (which is also like the case for Hansa CCR, where there is no guarantee that full leftover DA capacities will be provided to ID market).

Svenska Kraftnät, Fingrid and Elering, considering NRAs request to set the IDCZGOT at the earliest possible time in each CCR, are in the position that using left over capacities from DA market (as currently well working practice in Nordic CCR region and in Baltic CCR region for HVDC links) also in future, does not jeopardise power system security. This is since those capacity values have already offered to the market as day-ahead firm capacities and therefore all the necessary security calculations have been done. In case of notable change in the grid topology (which should not happen often) TSO always has the right to reduce the ID capacities.

Baltic CCR decided to choose GOT of 18:00 based on qualified majority voting.

For Hansa CCR, the proposal for a GOT at 18:00 D-1 is a compromise decision reached within Hansa CCR, with preferences between a GOT of 15:00 D-1 by the Nordic TSOs and a GOT of 22:00 D-1 by the Continental TSOs. The GOT at 18:00 D-1 is equal to the current latest GOT on a bidding zone border in CCR Hansa, which is DK1-DE, thus keeping within the framework set by the All-NRA amendment request from the 14th of June 2017. Other alternatives considered for the GOT cannot be supported by all the TSOs of CCR Hansa. The capacity given at 18:00 will to the possible extent consist of the leftover capacities from the Day-ahead market.

For CCR Hansa TSOs, Energinet, Svenska Kraftnät and Statnett are of the same opinion as described in CCR Channel, are in the position that using left over capacities from DA market also in future, does not jeopardise power system security. 50Hertz, TenneT and PSE are in a position where recalculation of capacity is necessary.

TSOs of the Channel CCR are of the opinion that the ID market cannot open before 22h00 D-1 (since the ID capacity calculation will only be finalized by 21h45 D-1). For Channel it is important that the intraday capacity calculation considers the latest available information (as per CACM requirement) from the Core Region (i.e. DA market clearing results) and vice versa. Performing an intraday capacity calculation in Channel, which does not consider the latest market outcome in the Core Region (e.g. due to ID market opening before 22h00 D-1) could result in significant risks for security of supply, because of the interdependencies between these regions. Furthermore, an earlier ID CZ GOT would result in a need to include additional margins in the ID capacity calculation (as not based on the latest information), which could lead to lower ID capacities.

If ACER would decide to shift the ID CZ GOT before 22h00 D-1 in the Channel Region, this is only possible in case the Channel TSOs can open the intraday market with reduced capacities ahead of performing a proper intraday capacity calculation (i.e. reduced capacities compared to the day-ahead remaining capacities). Any other solution would result in unacceptable risks from a system operations point of view.

Finally, the Channel TSOs would like to highlight that the question is not whether the defined ID CZ GOT for Channel is ambitious enough, but rather whether TSOs are deemed to follow the ID capacity calculation requirements and principles as defined under CACM Regulation. Indeed, there seems to be a trade-off between optimality of the ID capacity calculation and accommodating an earlier opening of the intraday market.

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

TSOs' response: TSOs welcome the recognition made by the Agency in the consultation document of the constraints for IDCZGT definition.

TSOs detailed in the explanatory documents accompanying both the initial IDCZGT and the amended IDCZGT proposal the constraints they are faced with when defining the GOTs. As reflected also in the Agency's draft proposal two constraints are linked to the definition of GOTs:

- The first constraint is that the coordinated intraday capacity calculation should be completed before any intraday capacity allocation can occur. This constraint is particularly relevant for regions with highly meshed networks, e.g. the Core CCR. For the intraday capacity calculation to be conducted in a coordinated way, a common grid model (CGM) is necessary. Moreover, this CGM should include the results of the day-ahead market (usually in the form of scheduled exchanges) but also updates from the operational side (e.g. redispatching measures).
- The second constraint relates to the processes of identification and management of congestions based on the day-ahead market results. These processes are needed to be executed prior to the opening of intraday market to ensure the intraday market launches from a technically feasible starting point.

The TSOs in the different regions have thoroughly investigated the alternatives for the regional GOTs and concluded at the timings in the amended IDCZGT proposal (August 2017). The TSOs consider that these timings represent ambitious targets considering the specific characteristics of each CCR and the new processes to be established. Some TSOs advocate to introduce any other transitional or future target GOTs before D-1 22:00 based only on sound analysis of improvement potential after the implementation of the respective day-ahead and intraday market models in the respective regions.

Topic 2: Establishment of a EU-wide harmonised GOT and clarification of its effective implementation date

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 a choice.*

TSOs' response: TSOs consider that the implementation of a pan-EU harmonised GOT will be a very challenging task given both the above-mentioned highly diverging starting point and the foreseen implementation of new, complex and long coordinated capacity calculation processes in the different CCRs. The implementation of the transitional GOT in each CCR should be considered as the intermediate step. Therefore, as proposed in the amended IDCZGT proposal, all TSOs consider the approach to leave an open target date with the aim of gaining experience progressively with the future implementation of the CACM Regulation as the best way forward to properly define the most adequate harmonized GOT. In addition, on top of the intraday capacity calculation processes, the adoption of the harmonised pan-EU GOT will have to take into consideration the balancing and scheduling processes associated to the management of congestions identified after day-ahead market results and linked to network and operational security.

This means that the target date for the implementation of a pan-EU harmonised GOT shall be set in relation to the timing of implementation of the intermediate transitional GOT in each CCRs, where the needed time shall be estimated based on the decision made for the pan-EU harmonised GOT. The degree of complexity to move from transitional GOT to the pan-EU harmonised GOT depends indeed on:

- The technical environment of the CCR, especially the topology, capacity calculation methodology, which conditions the transitional GOT set;
- The difference between the transitional GOT of the CCR and the pan-EU harmonised GOT.

As regards to the proposed harmonised GOT at D-1 15:00 it needs to be noted that most TSOs are of the opinion that such a GOT cannot be facilitated based on the current timings of the day-ahead market. In fact,

the nomination gate for day-ahead schedules is open until 15:30 for some cases in Continental Europe, and then the TSO matching starts. Only once this process has been finished, the concerned TSOs know which schedules of the day ahead market have been confirmed.

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?*

TSOs' response: As previously stated, TSOs consider that the target deadline should be kept open for the time being. With regards to potential sequential implementation of the target GOT, 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, TSOs support the option for different target dates for implementing the harmonised GOT, that should be set in relation to the timing of implementation of the intermediate transitional GOT (see question 4).

In the Nordic Bidding Zones an early GOT has been historically implemented and will in the future remain early, at D-1 15:00 as suggested in the amended TSOs' proposal for Nordic CCR. CCR Nordic acknowledges that the market participants have appreciated the historically early GOT and would also appreciate this in the future. From the perspective of the TSOs in the CCR Nordic, the GOT D-115:00 can be implemented as soon as possible, after a decision by ACER is made.

Topic 3: Review of the gate closure times (GCTs) for specific bidding zone borders

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 explain why.*

TSOs' response: TSOs welcome the recognition by ACER of 60 minutes as the target GCT especially given its importance for ensuring the compatibility of the ID market with the necessary balancing processes needed by the TSOs to guarantee the operational security. TSOs agree to allow exceptions from the harmonised GCT of 60 minutes before real-time for earlier GCTs, especially if such exceptions are in line with the current situation on specific bidding zone borders. TSOs do not see any other case than the EE-FI border where such exception would apply at this stage.