ACER Decision on the 1st amendment of the intraday capacity calculation methodology of the Core capacity calculation region: Annex III

Evaluation of responses to the public consultation on the proposal for the 1st amendment of the intraday capacity calculation methodology of the Core capacity calculation region

1 INTRODUCTION

This document provides a summary of responses to ACER's public consultation on the Core TSOs' proposal for the 1st amendment of the intraday capacity calculation methodology for the Core capacity calculation region (Core ID CCM).
In order to take an informed decision and in accordance with Article 14(6) of Regulation (EU) 2019/942, ACER launched a public consultation on 10 February 2022 inviting all interested stakeholders, including regulatory authorities and TSOs, to provide any comments on the Proposal. The closing date for comments was 2 March 2022.

2 LIST OF RESPONDENTS

By the end of the consultation period, ACER received comments from three respondents.

Organisation	Country	Type
Ampacimon	BE	Company
EFET - European Federation of Energy Traders		Association
IFIEC Europe		Association

3 RESPONSES

ACER has carefully considered all stakeholders' comments in assessing the proposed 1st amendment of the Core ID CCM and finalising its position. In some areas, this is explicit in the amendments made and reasoning presented in the Decision. In these instances, the table below refers to the relevant amendments and paragraphs of the Decision. This is complemented by additional observations in response to the main points raised by the stakeholders. Respondents' views are summarised in the left side of the table, and ACER's views are provided in the right side of the table.

Respondents' views	ACER views
Ampacimon stressed the importance of consideration of dynamic line rating (DLR) for defining the maximum admissible current during the intraday capacity calculation. The key points of the stakeholder's view are (quoted): • It is absolutely vital to keep item 2 (a) ii. Dynamic limit, which means a value per ID CC MTU reflecting the varying ambient conditions from ACER's Decision 02/2019 for ID and DA under Article 6 Methodology for operational security limits, how the maximum admissible current (Imax) shall be defined. • To ensure MACZT targets are achieved in harmony with the ID and DA capacity calculation methodologies, rapid implementation of grid capacity optimization techniques (like DLR) are important. • Benefits of solutions like DLR have been quantified by various European consultancies and TSOs. • For benefits to be captured in the ID and DA markets, forecast DLR, and wind cooling effect of transmission lines must be implemented. • Rapid implementation will be guaranteed only if sound guidance and tracking of implementation is provided by NRAs. • NRAs working together with TSOs to create progressive incentives can stimulate proactive TSO behavior that accelerates adoption of grid capacity optimization techniques (like DLR)	ACER generally agrees with the initiative for consideration of dynamic line rating in order to provide flexible and optimal consideration of capacity of Critical Network Elements. Article 6 of the Core ID CCM ("Methodology for operational security limits") is not amended, and it recognised the dynamic limits under paragraph (2)(a)(ii). In paragraph 3, this Article further promotes gradual phasing out the use of seasonal limits pursuant to paragraph 2(a)(i) and replace them with dynamic limits pursuant to paragraph 2(a)(ii), when the benefits are greater than the costs.
IFIEC's position is (quoted): IFIEC Europe is in favour of improving market functioning, including in the intraday market, but not at the detriment of cross-border capacity being given in the forward and day-ahead markets (no withholding of capacity that might then remain unused, but rather make more capacity	ACER acknowledges the IFIEC's position and stresses that eventual reservation of the capacity from earlier time frames to be aoffered at intraday level is neither considered nor is in the scope of the Core ID CCM. Further on, the 1st amendment of the Core ID CCM is focused on the treatment of the leftovers of the capacity after the Single Day Ahead Coupling (SDAC) in the transition period, i.e. in the first year of the

Respondents' views	ACER views
available closer to realtime through less uncertainty and thus smaller security margins for TSOs).	implementation of Core ID CCM. Further measures for enabling higher level of available intraday capacities including treatment of security margins are expected to be tackled by the Core TSOs in the forthcoming 2nd amendment of the Core ID CCM.
EFET welcomed the optimisation-based calculation in behind the Extended LTA inclusion (ELI) approach. They have been concerned about the possibility for simultaneous application of two LTA inclusion approaches in the different phases of intraday capacity update or calculation, and would omit the previous iterative LTA inclusion approach. They have also been concerned about the proper implementation of the ATC extraction algorithm in order to minimise the occurrence of zero values of ATC. EFET stresses the following particular elements of ELI process (quoted): 1. Having 2 solution models simultaneously (iterative & ELI) is not ideal since the results may differ substantially. In principle, the virgin & LTA domains are always available (under the target solution), so there should be no need to keep the old iterative search, even in fallback mode. 2. We welcome the initiative to move to an optimization-based calculation. It is more transparent and provides more robustness to the results than the iterative method which was path-dependent (based on how the ATC margin is incremented, one could end up with diverging ID ATC domain shapes). 3. Switching to an optimization problem clearly reduces the complexity of the ATC calculation process (both on TSOs & participant side) since there is no need to recompute a modified final domain (convex hull) anymore. This becomes even more true with the integration of Core.	1. ACER underlines that the 1st amendment of the Core ID CCM is focused on the treatment of the leftovers of the capacity after SDAC in the transition period, i.e. in the first year of the implementation of the Core ID CCM. In this period there will be either the application of ELI approach or the application of the iterative approach (depending on the applied approach at the Core DA CCM), and no simultaneous application of both, as further phases of Core ID CCM will not be implemented yet. The Core ID CCM is organised in a way that there are separate provision valid for the transition period, and the ones after the transition period, within which there is no mixture of iterative and ELI approaches in different phases of ID CCM. Further amendments of organisation of Core ID CCM with respect the ATC extraction method may be introduced by the Core TSOs in the forthcoming 2nd amendment of the Core ID CCM. 2,3. The choice of optimisation-based ATC extraction at ID time frame is unavoidable in case that the corresponding optimisation-based LTA inclusion is applied at the DA time frame. 4. Alpha is an optimisation variable that (at both DA ELI and at ELI-based ID ATC extraction) determines the ratio of usage of the two domains: the flow-based domain and the LTA domain. However, the application of alpha factor is different at the DA level and for the optimisation-based ATC extraction with LTA inclusion on the ID CCM:

Respondents' views	ACER views
4. The ELI process for the ID ATC extraction has, as single optimization variable, the alpha factor determining the shares of the FB and LTA domains for which capacity will be allocated during XBID or ID auctions in fallback mode. It should be clarified why the same alpha as determined in DA is not used? 5. It is not clear how (often) the "Wsum" coefficient will be computed/updated. It is clearly necessary to have full transparency on this parameter. Ideally, it should be published on JAO alongside the DA results. 6. The document does not convince us that the new proposal will achieve a reduction of number of times that there is 0 MW of ID ATC on any border/direction. o Which transparency data would be provided by JAO that could help market participants understand the daily ID ATC calculation results? o The objective function is not well defined. The "Min ATC" across the system will likely be 0 for most hours (some ATC being already fully saturated from DA results) and thus the optimization will never consider this term of the optimization function. This means that the objective function would only maximize $\sum(ATC/N_{oriented\_borders})$. At the very least, a binary term to exclude these already-saturated lines should be included. More generally, we think the objective should probably be reworked in terms of welfare rather than using a fairness criterion (N_borders) to allocate the volumes across borders.	• At DA (SDAC), alpha is optimal for the unique Market Coupling Point in terms of social welfare; • At ID (for the optimisation-based ATC extraction), a single alpha must be chosen for optimising all ATC borders. 5. Wsum value has initially been set to the value of 0.5, in accordance with Core TSOs' simulation results. The influence of Wsum to the ATC extraction result didn't appear as substantial. The Core TSOs may change this value during the transition period. Any change of Wsum will be duly published. 6. The amended Core ID CCM envisages the publication of data for the ATC extraction, which includes the settings for minRAM (AMR) and LTA inclusion per TSO, Wsum, flow-based domain and LTA domain. The TSOs will start publishing the validation results as from six months after the start of the transition period, which should enable them to develop required tools, formats and procedures. The Core TSOs are working on the improvements of the ATC extraction function, which should further minimise the occurrence of the ATCs equal to zero. This improvement will not be ready for the go-live of the Core ID CC, but the amended Core ID CCM enables its application whenever ready, assuming its efficiency and the acceptance by the Core TSOs.