

CWE – 1st study of zones meeting

25 October 2011 from 11:00 – 16:00

CREG premises, Rue de l'Industrie 26-38, 1040 Brussels

DRAFT MINUTES

Participants		
Jens	Mattausch	50hertz
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Jean	Verseille	RTE
Emmanuelle	Darracq Paries	EnBW
Dietmar	Beck	Amprion
Oscar	Tessensohn	TenneT
Christian	Dobelke	TenneT GmbH
Robert	Wand	TenneT GmbH
Mathieu	Fransen	NMa
Sebastian	Pielken	BNetzA
Charles	Verhaeghe	CRE
Pascal	Boucquey	CREG
Patrick	Luickx	CREG
Alain	Marien	CREG

1. Introduction and tour-de-table

The study has its origin in a demand from CWE NRAs on the iTVC meeting on 17 September 2010 (High level meeting on the preparation of the common launch of the CWE ITVC market coupling). At this point it can be put in a wider framework relating to the FG CACM and the ensuing network codes (NC). Assessment criteria and results should also be used as reference case (“blueprint”) for the respective future obligations of the TSOs to review bidding area delimitation on a regular basis.

2. Terms of reference and TSO presentation

The study on the size of zones would consist of two parts. The first part would be a qualitative analysis; the second part would be a quantitative analysis.

General objective of the study: Analysis of current zones in CWE, if judged necessary, a revision of zones boundaries, taking into account important criteria for the market, especially the maximization of social welfare as the overall goal.

Criteria to be added (coming especially from the FB MC). The impact of the delimitation of zones on the following points should be examined:

1. On network congestions compared to the base case
2. On non-intuitive prices
3. Possible discriminatory effect between zones due to their size difference (presentation CWE NRAs September 2007)
4. Impact on trading patterns/priorities
5. The interaction (and the compliance) between the delimitation of zones and the definition of the Critical Branches used in the FB approach should be examined in the light of Article 1.7 of the Annex 1 to the Regulation (EC) 714/2009.

The CWE TSOs stress that all studies concerning the feasibility of flow-based implementation in CWE were performed under the current market framework/ zone delimitation. Taking into account significant changes in the market design would mean a delay for the go-live of the FB MC project.

The question is raised whether a useful study can be made at a CWE-alone level. Especially the role of Austria and Switzerland is discussed. For the next meeting Austria (NRA and TSO) will be invited since they are technically part of the CWE zone through the common price zone with Germany.

It is agreed that the results of the first part of the study (qualitative results) will serve as basis to decide on how to proceed for the second part (quantitative results). The interim report of part 1 will lead to an agreement on how to proceed further.

CWE TSOs and NRAs agree that it is crucial for a good study to have the definition of a list of issues / assessment criteria.

The CWE TSOs point the attention to the impact on workload such a study with a comprehensive scope will have. Rare TSO- and PX-experts who can perform this study are especially needed to work on the challenging Mid 2013 FB-go-live target. Prioritizing work and the possibility of an external consultant are raised. An external consultant would mainly help for the startup of such a study, collecting all the available information (et. al results of the AHAG Capacity calculation project, BNetzA-study) and developing the methodologies.

The issue of financing is also raised. CWE TSOs expect feedback from NRAs.

Regarding timing, the beginning of 2013 is seen as the target date for delivering the study. This date is seen as very challenging for the TSOs. A prioritisation by the regulators of the diverse projects involving the same expertise on the TSO-side would be welcome by the TSOs.

The role of PXs and the extent of their involvement in such a study is discussed. They should be involved in the quantitative analysis. PXs could be involved as a partner in the discussions or in a consulting role. TSOs make a proposal on the role (what/when) of the PXs.

3. Presentation by CREG

The presentation highlighted the congestions on the Be-NI border during the summer of 2011 and the low correlation between commercial congestions and the loading of the network lines.

4. Way forward

For next meeting (*action points*):

1. BNetzA study (“Relevance of established national bidding areas for European power market integration – an approach to welfare oriented evaluation”) presentation
2. Input from CREG
3. TSOs/NRAs examine the exact scope (geographical, assessment criteria, ...) for both parts, taking into account the interim decision point after finalization of part 1
4. TSOs/NRAs: what is necessary in this study in the scope of the CACM FG in order to be able to be used as a reference case allowing synergies
5. Austria will be invited for the next meeting, and Switzerland will be kept informed in the framework of the current cooperation
6. TSOs deliver a sketch of the assessment criteria for part 1 and their impact on the planning and costs ;
7. TSOs make a proposal concerning the involvement of PXs
8. PXs will be kept informed of the evolution of the study
9. Telco foreseen December 16th on assessment criteria and planning

The outcome of current meeting will be synthesised to the PLEF meeting of 28/10/2011.

5. Next meetings

17/01/2012 as next physical meeting

16/12/2011 as next telco

This issue will be at the agenda of the next CWE RCC meeting on 21/11/2011.

6. AOB

Luxemburg decision to be made in 2016 regarding a possible modification of the delimitation of zones in and around the country.

NRAs consider of utmost importance to solve the issue of the 25th hour (ATC put to 0 on the borders FR-DE, DE-NL and FR-BE) for the long clock change of next year. This issue is put at NWE DA MC project meeting of 26/10/2012.