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## **CWE – technical meeting**

*4 October from 10:30 – 16:00*

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

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### **MINUTES**

<b>Participants</b>		
Benoît	Grehaigne	CRE
Sebastian	Pielken	BNetzA
Alain	Marien	CREG
Patrick	Luickx	CREG
Pieter	Schavemaker	E-Bridge Consulting
Thomas	Donders	TenneT NL
Jens	Axmann	Transnet BW
Kristien	Clement-Nyns	Elia
Raphaël	Bourgeois	Elia
Andreas	Walczuch	Amprion
Dietmar	Beck	Amprion

## **1 Introduction**

Elozona Ochu (NMa) is excused for the meeting.

Discussions on congestion income allocation (CIA) between NRAs and TSOs started end of 2011.

## **2 Congestion Income Allocation**

### ***2.1 Normalization***

CWE NRAs state that they expect a common proposal by TSOs on this subject. They also stress that the CIA choice will have a direct impact on tariffs. Moreover, when the CWE FBMC regional scope changes (that is to say in case of extension), the choice of CIA needs to be firm/ stable / not lead to too variable results. Specific countries should not gain from other specific countries joining CWE FBMC. Also, new entrants to FBMC should not have strong incentives to demand a change in choice of CIA. Finally, CWE TSOs have to bear in mind that CWE is leading in the FBMC discussions and that the choice in CWE will impact other regions as well.

As an example: When CWE and CEE regions apply a certain CIA system, it should not make a too big difference for all considered TSOs / hubs to integrate both regions or not. CWE NRAs believe the solution needs to be robust from the start and changes along the way should not significantly impact incentives of particular actors.

CWE NRAs stress that the extendibility of CWE FBMC needs to be kept in mind at all times.

**CWE NRAs and TSOs agree that the impact of new countries joining CWE FBMC needs to be minimized in terms of CIA for CWE countries.**

CWE TSOs state there is no agreement between TSOs yet. To calculate the impact the different valid options for CIA, the number of options will need to be reduced first. Some agreement, possibly supported by CWE NRAs, needs to be found beforehand. All present parties agree guidance from CWE NRAs can help the selection process CWE TSOs will try to move forward using the new criteria proposed by NRAs, even if it's quite challenging.

CWE NRAs ask for some quantitative analyses (still to be defined) to be performed to study this. A suggestion is made to look at extreme situations (concerning "rest of Europe") and investigate which CIA-related choice turn out to give the most robust results with new countries joining or not.

## ***2.2 Approval Package***

CWE NRAs and TSOs agree that the preferred situation would be to have a consensus on CIA when the approval package is handed to NRAs.

CWE NRAs ask to stay informed on the impact of CIA choice.

CWE NRAs state that decisions can only be approving or disapproving. Some CWE NRAs cannot take a conditional decision imposing certain options to the approval. Therefore CWE NRAs and TSOs agree that the NRA-TSO discussions need to continue and will be helpful for the process of deciding on the CIA choice.

The goal is to have a decision on the CIA choice by March 2013. The relevant analyses need to be prepared by that time as well.

CWE TSOs point out that many options are still open, giving many scenarios to simulate / calculate (resale option, normalization, sharing key choice).

CWE NRAs ask CWE TSOs to theoretically analyse which options can be discarded beforehand to make the quantitative analyses easier.

CWE TSOs point out that taking stability in geographical extension of FBMC might undermine the stability between current ATC and FBMC. They ask which criterion is predominating. Both stabilities need to be taken into account as selection criteria. However, CWE NRAs acknowledge that the CIA will be impacted considerably when switching from ATC-system to FBMC system. This can be more easily explained and understood than the fact that any future extension of the FBMC significantly impacts the CIA of TSOs already in FB area.

## ***2.3 Reporting***

The reporting will be done a monthly basis to the CWE NRAs only.

The data in the example are artificial.

Negative income due to resales is excluded by option 1 or 2 for resales.

Negative income is still possible if sharing keys not taking “positive” or “absolute” solutions are chosen.

### **3 Publication of critical branches**

A legal investigation was performed and the outcome of this analysis is that TSOs have no legal obligation to publish non-anonymous critical branches.

Arguments need to be provided by market parties for publishing the CB-names/. The public consultation will inform on the requests from market parties. Finally it will be the CWE NRAs deciding on which information needs to be published.

CWE NRAs point out that getting the market information is possible anyway: large market parties used to be integrated companies with knowledge of the network; some information on power plants can already be bought today. Giving all the information to all market parties could form a level-playing-field.

With full disclosure on the CBs, generators could adapt their dispatching behaviour for future days so to create a price difference and therefore their income generated by their portfolio.

An alternative idea is to publish the CB information (indicating roughly areas/locations of CBs) (bi-)monthly so that at least some information on where congestions occur is shared with the market players. CWE TSOs suggest to first share this information (with shadow prices) with the CWE NRAs and discuss which information is crucial for the market. The information on CBs would be put in the monitoring report and then further discussions can take place regarding the transparency report.

## **4 Presentation / explanation of the data package (cycle 16)**

### **4.1 Going through the data**

Coreso sends the “resu” files.

NTC and ATC values are for comparison purposes.

The capping as well is for comparison purposes (for corner comparison)

LT nominations: received on D-1 in the morning. FB domain can be shifted according to this information.

For GSK there are old files (from 2010). This means that the files remain stable. If no file was uploaded, the system will look for the most recent updated file.

Actual GSK values are determined by the prototype itself.

For some TSOs, it is a snapshot, for others it is an analysis.

Possible to define GSKs for every hour.

Sum of all GSKs needs to be “1”.

50Hz is included here and in the grid model. Not the Austrian TSOs.

TSOs can switch to what type of GSK they want to use.

CB: 1,2: you allow 1,2 \* imax of flow over the branch, because, for example, you perform remedial actions.

There is no uncertainty on lines with a PST: "0" instead of "VAR"

Not all TSOs perform remedial actions.

Coordination of remedial actions is a challenge.

A possibility is to compare CB files to one another.

D2CF is in the "resu" file

Basecase

The D2CF of CWE are merged with the DACF of non-CWE. The net positions of the different TSOs should correspond. Coreso performs a check on this.

Refprog

Commercial programmes for every hub.

FBparam:

BadBranch means the branch was not present in the D-2CF file.

N-5 could reflect a busbar outage.

Active:

Looking at limiting constraints/

Mbex:

Bilateral exchange with no exchange on the borders.

Volume:

FB domain included in NTD domain when "ZeroBal FB inter NTC;202333884660.0" > Raw NTC."

NTCcheck:

Which branch not in NTC domain.

LTAdjParam

Effect year and month trade are taken into account. (LT) margin and Fref adjusted

WSADPParam

Is obsolete now; not used anymore. Was used when developing FBMC.

## ***4.2 CB information monitoring***

What would be the expectations of the NRAs regarding CB information exchange? CWE TSOs are investigating and will propose easier ways to share this information.

CWE NRAs ask for a mnemotechnical table converting the names in the presented tables in more understanding line names or in geographical representation of them.

## **5 Next specialist meeting**

Meeting to discuss the qualitative view on CIA options and on the stability of the options.  
Monday 10/12 is decided upon.  
Thursday 31/01 will be the subsequent meeting.