
CWE – technical meeting

22 November 2011 from 10:30 – 16:00

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

DRAFT MINUTES

Participants		
Arnaud	Mainsant	CRE
Adeline	Lassource	CRE
Mathieu	Fransen	NMa
Sebastian	Pielken	BNetzA
Patrick	Luickx	CREG
Alain	Marien	CREG
Pieter	Schavemaker	Eurogroup Consulting
Nicolas	Omont	Artelys
Philippe	Nouri	RTE
Raphael	Bourgeois	Elia
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1 Introduction

Overview of the agenda

2 Remaining questions – issues from the last expert meeting

2.1 Hybrid Coupling

CWE FB MC representatives from the TSOs (and PXs) (hereafter CWE TSOs) declare any additional constraint starting from the “advanced hybrid” solution would decrease welfare. Additional PTDF-data is needed for every external (DC) interconnector added to the “advanced hybrid”.

Taking art. 16.1 (EU 714-2009) and art. 1.7 (CM-Guidelines) concerning “efficient economic signals” into account the majority of the discussing NRAs considers very important the welfare maximization and could accept “different price although no congestion”. However NRAs state that “different price although no congestion” is an unusual signal price for market regarding the ATC borders (with CWE neighbouring countries) and therefore is a point that is worth thinking about.

The only ATC link taken in to account inside the FB simulations done up to now are Britned & IFA. It is taken into account through a special treatment similar to rough hybrid coupling mode. Moreover, the FB parameters produced up to now can only be used for rough hybrid coupling simulations. Therefore the simulations performed up to date consider CWE only.

CWE TSOs state that to choose anything except “rough”, the market and neighbouring zones need to be consulted.

CWE TSOs set out their study of an “intermediate” method as asked during the previous meeting on June (additional constraint: “prices may diverge between both sides of the “ATC” interconnection only if the capacity is fully used”). This method will only be further assessed after clearing that a possible implementation will not delay the FB schedule by TSOs. CWE NRAs stressed that sticking to the proposed approaches (rough and advanced) and to the schedule is the first priority.

CWE NRAs and TSOs state that each except the “rough” method variously impacts the exchanges between CWE countries and CWE neighbouring countries. CWE NRAs state that the neighbouring countries should be informed of these impacts.

2.2 Parallel Run

Concerning transparency, CWE TSOs state they will comply with the guidelines on Fundamental Electricity Data Transparency (FEDT). For TSOs, the framework is sufficient guidance for determining what needs to be published. For the CWE NRAs the FEDT remains interpretable and transparency details/issues still have to be discussed.

CWE NRAs state that the congestion location needs to be published: which border or which country is the source of a congestion. CWE TSOs do not share this position. Therefore the issue “Transparency” has to be discussed again in upcoming expert meetings continuing the discussions of 2008/2009. CWE TSOs emphasize that the transmission grid is a critical infrastructure, especially concerning liability the TSOs have to handle critical data confidential if not decided different explicitly and formally from the NRAs/ministries.

For monitoring purposes, the CWE NRAs will communicate which information they need to follow up on the (parallel run) process. For example, the information on CBs cannot be anonymous for monitoring. The TSOs intention until now is to give the same indicators as present in both feasibility reports. The CWE NRAs will define the necessary additional data needed for their monitoring of the external parallel run and of the operation after go-live.

CWE NRAs ask whether the level of ATC capacity that would have been available for the market coupling can be published after go-live of FBMC. CWE TSOs answer that this is not foreseen.

The “utility tool”, that will help traders get used to the FB principles, will use operational FB parameters for simulating feasible Hub-positions or Hub-to-Hub exchanges.

The CWE TSOs inform CWE NRAs that information on the parallel runs regarding the capacity calculation will be published on the CASC website and regarding the prices on the PXs websites. PTDFs will also be found on the site of PXs, but as raw data without any “utility tool” to handle them. [The CWE NRAs announced that they will write the steering committee that a central information point is more transparent and will request to put such central publication point in place.](#)

2.3 Further open points

2.3.1 Remedial actions

CWE NRAs ask more detail on remedial actions. The extent of cost, the types of situations they are used in and the number of times they are needed.

CWE TSOs respond that a quantification is difficult at this point since remedial actions are implicitly taken into account.

The advantage of the remedial actions in the CWE FBMC approach is that they can be made explicit between CWE TSOs (instead of staying implicit within one zone). CWE NRAs declare the remedial actions need to be coordinated and CWE TSOs reply that they plan to do so.

2.3.2 Consultation

CWE NRAs state that a (draft) common description of the capacity calculation method needs to be available before the parallel run. This needs to be communicated to the market participants, through a market consultation.

A clear description on the remaining questions, options and possible solutions towards the market is needed, both on capacity calculation method and general congestion management approach. This description needs to be incorporated in a capacity calculation and allocation method explanation. The description should be understandable for anyone without a FB background.

For the CWE NRAs, a market forum can help on drafting the document, but a formal consultation remains necessary and should be started at the same time as the parallel runs lasting several months. The Capacity calculation method resulting from this consultation will be used for the formal approval of the capacity calculation scheme as described in article 15.2 of the Regulation 714/2009. CWE TSOs explain that due to many open points approval documents could be finalized –depending on the forthcoming- earliest end of 2012. Consultation documents (descriptions related to the already published material, sophisticated question list which can support the project) can be prepared close to the start of the external parallel run.

CWE NRAs will supply the FB Project team with a proposal of a detailed timeline focusing on NRA and stakeholder involvement. For instance, the consultation topics should include: 1) calculation method, 2) transparency data published during parallel run and post FB implementation, 3) Intuitiveness. The consultation should be launched concomitant to the parallel run.

CWE TSOs are requested to provide a first structure of the Capacity Calculation method to be discussed at the next expert meeting.

3 Specific questions concerning the updated feasibility report

CWE TSOs ask whether the feasibility report could be sufficient to consult the market on intuitiveness. CWE NRAs and TSOs discuss the idea that the experience of the parallel run can be used to answer the consultation, also for the question of intuitiveness.

CWE NRAs mention that the market should get the chance to give their view on all issues concerning the flow-based market coupling.

CWE NRAs and TSOs agree that the question of congestion rent sharing keys should be treated in a separate session (TSO only, not a joint issue). However from TSOs' point of view this is a NRA-TSO-only issue, not foreseen for consultation. The questions CWE NRAs have on this issue, have to be sent separately to the TSOs only due to confidentiality.

4 Information on ITVC decoupling of 26/10

CWE NRAs observe that PXs deliver a service but are not held fully accountable for the failures. The costs that PXs charge to TSOs should ensure reliable service.

CWE NRAs point the attention to the fact that not all CWE NRAs were informed of the event and its consequences.

CWE NRAs will ask the TSOs and the PXs to publish this information on exceptional events centrally, possibly on CASC website.

5 Welfare report

CWE TSOs ask to revert to the original proposal for welfare reporting.

CWE NRAs propose a possible alternative welfare reporting, still retaining a monthly reporting on welfare gain associated with unlimited capacity between the different countries and do a one-time calculation of welfare loss in 2006-2010 associated with the unavailability of market coupling in those years, means TLC + explicit auctions on German borders. This would serve to assess long-term properties of CWE MC.

CWE TSOs will inform whether this would constitute a large effort to implement.

CWE NRAs will formulate a request to CWE steering committee about the contents of the welfare report.

6 Follow-up of the 27/03 incident

CWE TSOs give an update on the possibility of having local secondary auctions (request for quotes) in the CWE countries. CWE NRA's ask if other solutions, such as improving the products offered at the exchanges are considered. CWE NRA's refer to the recently published report by the Belgian Regulator CREG on the 27/03 event and the letter by the NWE MPP sent to the chairs of the CWE SC.

7 Intuitiveness

A separate report on intuitiveness is presented by CWE project partners.

CWE experts have clearly defined two cases of intuitiveness depending on whether commercial exchanges must follow physically existing interconnectors.

On the studied period (around 1512 situations) only 22 situations (1.5%) were non intuitive. As non-intuitiveness only happens during congested hours this is equal to 15% of congested hours

From NRAs' point of view the final decision concerning intuitiveness has to be based on public consultation.

8 Next meeting

Proposal 13/02/2012, CREG premises.