



Status CWE Flow-Based Project

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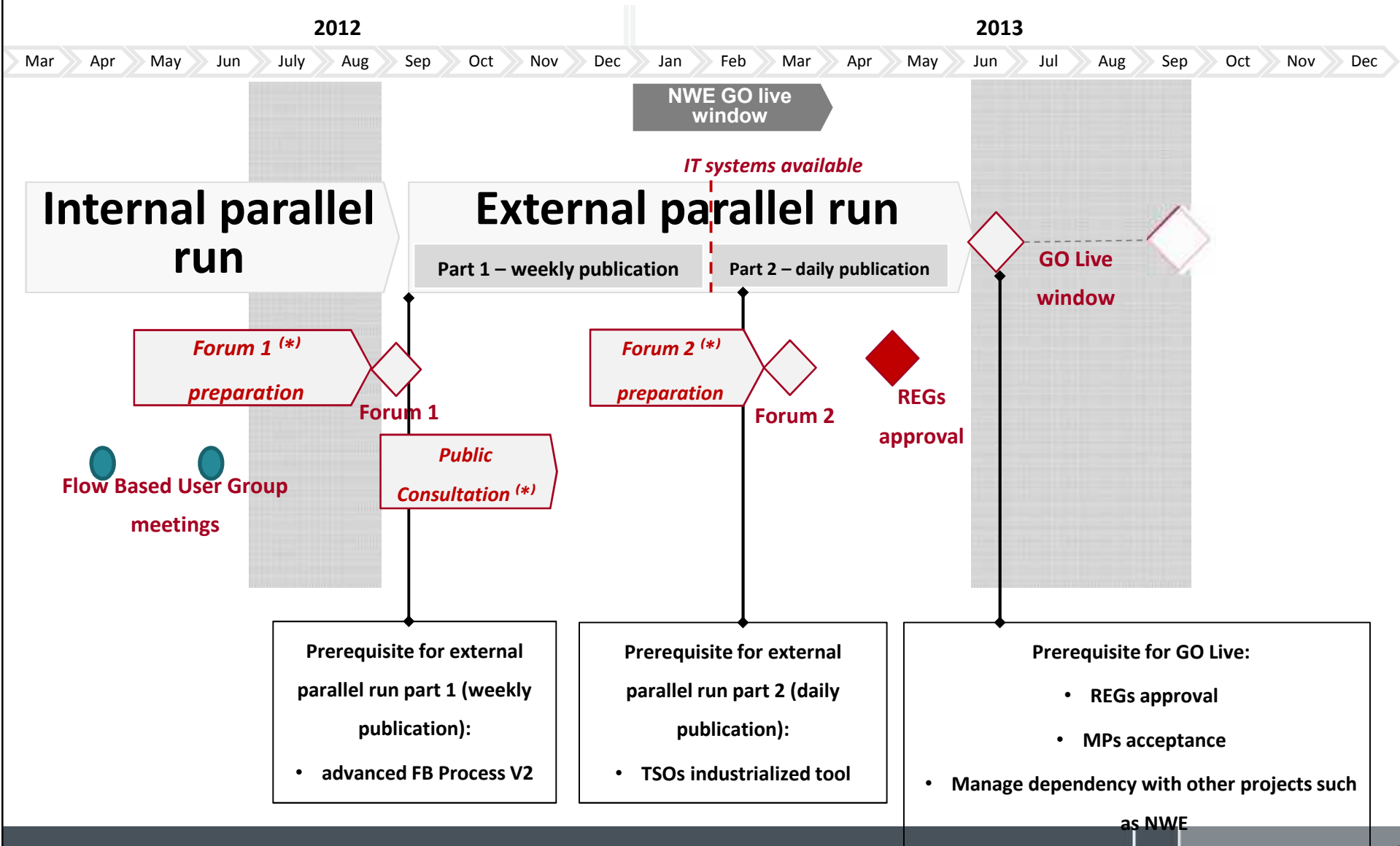
CWE FB planning update



CWE TSOs and PXs reconfirm the target Flow Based GO LIVE in Summer 2013, exact date is subject to the second forum in March/April 2013, other projects (NWE) and CWE FB project progress.

- **The initial start of the internal parallel run has shifted from January 2012 to March 2012 for the following reasons:**
 - the combined methodological and organizational complexity of the FB method lead to a longer experimental phase,
 - which is linked to the high level of harmonization (CBCO selection, Remedial actions, FRM calculation method) and heavy operational change management,
 - the winter period was not favorable for knowledge transfer from FB experts to operators due to heavy workload.
- **A Forum and a Public Consultation are still scheduled this year and will take place before the start of the external parallel run.**
- **In March / April 2013 a second forum will be organized based on 6 months experience and results of external // run (including part 2 daily results)**
- **In March 2013, CWE FB project will refine the GO Live date based on:**
 - the outcomes of this second Forum,
 - the status of other European projects, especially the progress of the NWE project,
 - CWE regulators' and Market parties' confidence in the FB model (including remaining period for external parallel run).

CWE FB planning update



(*) : The exact content of the Fora and the Public Consultation still need to be fine tuned

FB Model Update: Intuitiveness

Project parties have studied two flavours of intuitiveness:

- **Source-to-sink intuitiveness:** there exists a decomposition of the net exchange positions into a set of commercial exchanges from areas with low prices to areas with high prices.
- **Bilateral intuitiveness:** same as source-to-sink intuitiveness plus the fact that exchanges are allowed only if an interconnector exists.

=> If FB intuitive is chosen over plain FB, Bilateral intuitiveness is preferred to Source-to-sink intuitiveness:

- Source-to-sink intuitiveness is more difficult to understand than bilateral intuitiveness.
- Bilateral intuitiveness is more robust than source-to-sink intuitiveness to the extension of the geographic scope of flow-based allocation.
- At the CWE level, the impact on the welfare is very low.

Therefore source-to-sink intuitive MC will not be simulated during the parallel run.

FB Model Update: Hybrid Coupling

When CWE FB will go live, there will not be a single FB capacity calculation process with neighbouring regions.

⇒ Consequently, a single market coupling method that handles different capacity calculation methods and processes in different regions is needed. It is called a hybrid market coupling method. Two methods have been studied: “standard ” (previously called “rough”) and “advanced” hybrid coupling.

Hybrid coupling methodology:	Standard	Advanced
Definition	CWE grid capacity reserved ex-ante for exchanges with other regions.	Exchanges with other regions compete with CWE exchanges to access CWE grid capacity.
Capacity given to the market	-	+
Day-ahead market welfare	-	+
Price differences triggered by saturations of physical elements only.	No	Yes
“No price difference without saturation on ATC interconnector” / “Full priority to exchanges with neighbour regions over CWE exchanges”.	Yes	No

FB Model Update: Hybrid Coupling

The CWE project plans to start CWE FB with standard hybrid coupling:

- **Starting with advanced hybrid coupling would imply a delay of several months because:**
 - The FB capacity calculation should be adapted (additional experimental cycles...).
 - Discussions with non-CWE partners would be needed.
 - Discussions could imply the simulation of other hybrid coupling methods that have not been studied nor been implemented.
- **The standard hybrid coupling does not change the working hypothesis compared to the present working method regarding capacity coordination on interconnectors on the borders of CWE**
- **Other hybrid coupling methods will continue to be studied with a broader scope (NWE) potentially on an interconnector by interconnector basis. The planning of studies is to be established in collaboration with the NWE Day-Ahead project.**

External Parallel Run

From September 2012 to mid 2013, simulation results of FB Market Coupling will be published ex-post:

on a weekly basis from September to February and on a daily basis afterwards

based on:

- FB parameters produced in parallel to ATC by TSOs.
- Real order books of the operational ATC market coupling.

Published data:

- FB parameters will be publicly available¹.
- Simulated FB plain MC and FB bilateral intuitive MC net positions and clearing prices accessible to all.

Publication platforms:

- FB parameters: CASC website or “Utility Tool”.
- FB parameters, clearing prices, net positions: PX FTP server.
- A common CWE website is under development for the publication of all operational data (ATC, and FB later on)

¹Anonymous non-redundant FB constraints, represented by their PTDF factors and RAM (Remaining Available Margin)

External Parallel Run : “Utility Tool”

Why ? Because FB parameters are more complex (around 20 equations with 5 parameters each vs 8 ATC values).

Where ? It will be available on the CASC website.

When ? For the start of the external parallel run in September and after GO Live.

Basic usage of the tool:

- Flow Based constraints

- Precomputed numbers (domain indicators)

- Exchange scenario feasibility simulation based on Net Positions

- Exchange scenario feasibility simulation based on bilateral exchanges

=> A demo can be organized during one of the next meetings?