



Status CWE Flow-Based Project

29.10.2012



Agenda

FB Project Planning Update

Status of FB Implementation:

- Methodology Stabilization
- Operational deployment
- Experimentation results

External Parallel Run:

- Market communication channels
- Data Publication

Demo of the “Utility Tool”

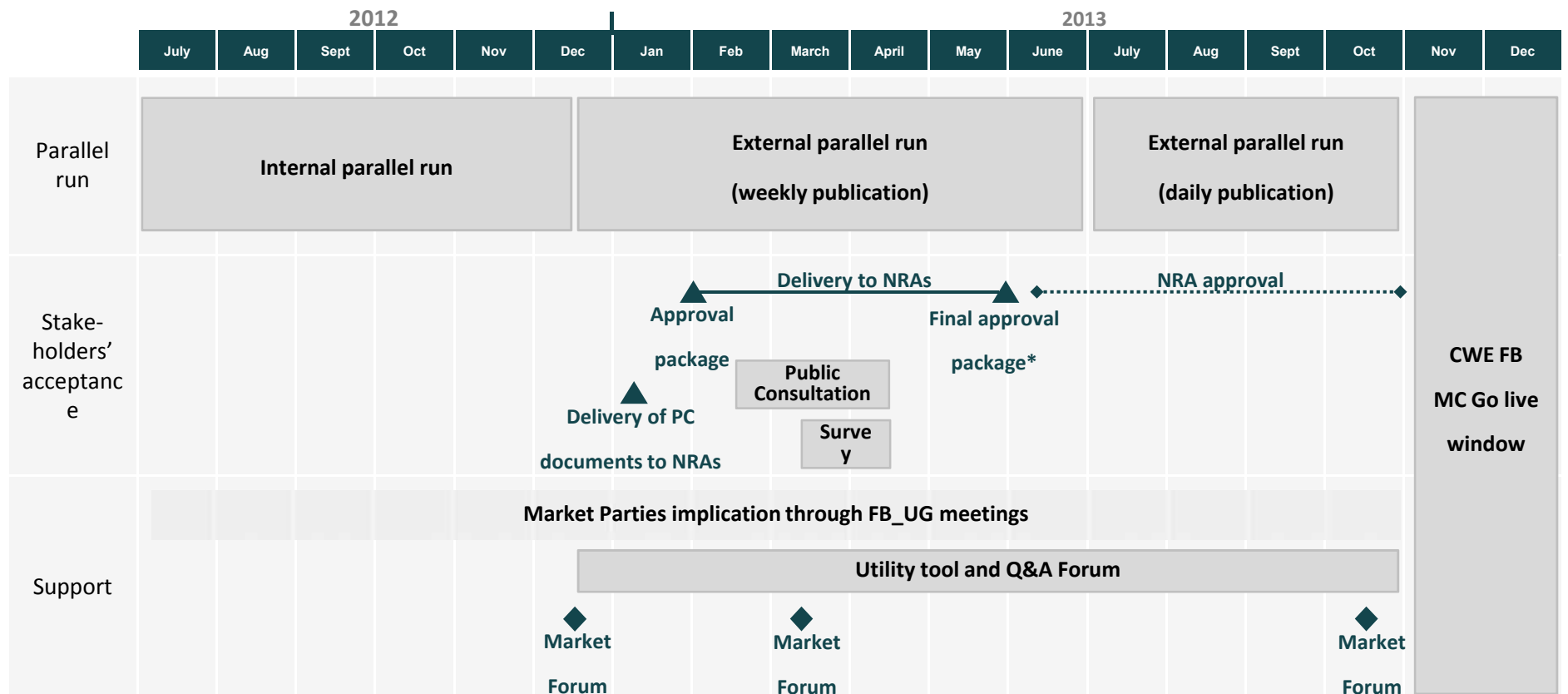
Next Steps

FB Project Planning Update

Dependencies:

- Stabilization of FB computation before end of 2012
- Duration of external parallel run (one full year vs. 10 months including seasonality)
- Duration of simulations and testing with NWE
- Regulatory approval

Predictability of LT auctions:
 As FB MC Go Live is foreseen for the end of 2013, the impact of this market design change on LT capacity auctions is minimized for 2013



* Including answers to public consultation's outputs

Status of FB implementation

Methodology stabilization

All TSOs have been steadily working on a detailed action plan in order to stabilize the FB methodology in terms of:

Generation Shift Keys (GSK)	Flow reliability Margins (FRM)	Critical Branches (CB) selection	Remedial Actions (RA)
Experimentation of new methodologies in order to overcome the main limitations of the current approach	Finalization of operational FRM values thanks to the learning of the internal parallel run currently performed by TSOs	Implementation of objective selection process in order to foster the usage of an adequate "Critical Branches" set	Implementation of coordinated usage of RA under Flow based in order to optimize the capacity domain

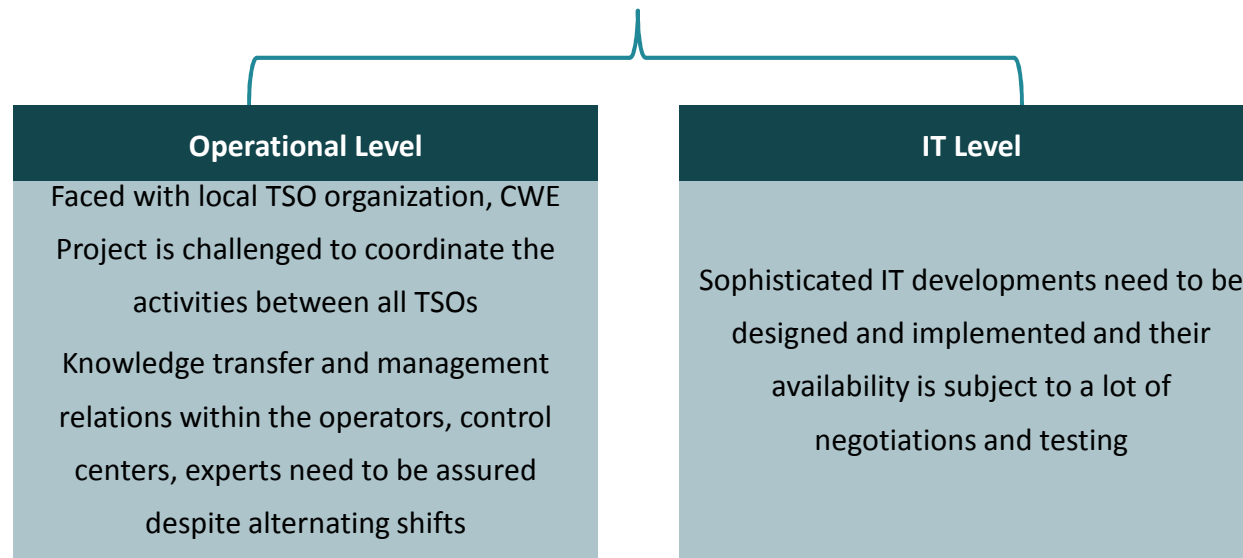
All TSOs are confident that the provided work on these actions will be reflected in the parallel run results

The FB principles will be described in detail in the "CWE consultation package" and will be submitted to Regulatory approval in the course of 2013

Status of FB implementation

Operational deployment

In implementing a complete new methodology, CWE Project had to recognize the complexity of the process at different levels:



=> All TSOs have been permanently improving their operational and decision making process and are confident that a stabilized and coordinated process will be implemented for the parallel run

Status of FB implementation

Experimentation results

Current experimentation results show a gap between theoretical studies, detailed in the Feasibility Report, and practical results in terms of welfare gain, convergence rate, etc

This “gap”, which shows that the potential of FB is not yet reached at an operational level, is linked to the notions introduced in the 2 previous slides:

- In terms of methodology: TSOs are finalizing the adjustment of the model to operational reality
- In terms of operational implementation: transfer of expertise to operators and ad hoc tools development are also being finalized

TSOs are putting all their effort in the stabilization of an efficient and effective process so as to reach the potential of FB when the parallel run is launched and to provide the most relevant results to Market Parties during the external parallel run

External Parallel Run

Market communication channels

FB UG meetings: continuous meetings will ensure steady exchanges between the Market and the Project

A **Kickoff Market Forum** close to the start of the external parallel run to explain the functioning of the parallel run and the functionalities of the utility tool

Utility Tool: Available in XLS format and accessible on CASC's website will help MPs to do their simulations

A **second Market Forum** during the public consultation process where MPs' questions will be answered

Public Consultation/Survey: Opportunity for MPs to address all questions closely related to FB methodology which will be taken into account in the NRAs approval document

Q&A online forum: Platform where explanations, FB UG's outcomes, expert presentations and pedagogical material are available during the external parallel run

External Parallel Run

Data Publication

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 has been created for the publication of all (real) operational data (ATC, and FB later on): <https://www.europeanpricecoupling.eu>

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

Demo of the “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 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

=> Demo



Utility Tool

Next Steps

Publication of the « Intuitiveness Report »

Stabilization of the internal parallel run

Forum - close to the start of the external parallel run