

# Meeting report

<b>Working Group European Market Design &amp; System Operations</b>	
<b>Date</b>	2/12/2016
<b>Organiser</b>	Elia

<b>REPORT</b>	
<b>Author</b>	Kristof Sleurs & Jan Voet
<b>Function</b>	Secretary WG EMD & SO
<b>Status</b>	<input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final version

## 1. AGENDA

1. Welcome & Introduction
2. Elia & Entso-E Winter Outlook
3. Intraday Cross-Border Market:  
*Go live new ID ATC ("quick win") mechanism*  
*First return of experience*
4. Red Zones discussion
5. Short overview:  
*EU HAR update in accordance with FCA*  
*Multiple NEMO proposal for Belgium*  
*Capacity calculation regions: final decision*  
*Flow-based plain versus flow-based intuitive*
6. Any other business

## 2. REPORT

### 2.1. Welcome & Introduction

Minutes of previous meeting were approved without comments

### 2.2. Elia and ENTSOe Winter Outlook

Elia highlights the stressed winter condition mainly due to reduced availability of nuclear units in France (about 10 GW)

- Focus on keeping in the grid as robust as possible to cope with these conditions
- Activations of strategic reserves cannot be ruled out (mainly in case of cold spell in France, where import is to be divided between French and Belgian systems)

Elia explains that in flow-based the (electrical) distance to the congestion determines the price formation

- Examples are given for congestions on BE-NL border (generally higher prices in Belgium) and congestions within the German grid (generally higher prices in France)

Some feedback is provided on the first winter weeks

- Price volatility mainly driven by unavailable production units;
- On some days R3 (mFRR) was activated (for balancing purposes), however no activation of strategic reserves
  - A question was raised whether the low level (or absence) of spinning reserves available indicates a situation of scarcity;
  - Elia explains that the strategic reserves mechanism was developed in order to make sure that sufficient reserves (incl. R3) remain available; no scarcity was detected as N-1 was covered and sufficient reserves were available
  - It was also explained that an activation of strategic reserves itself doesn't necessarily imply scarcity (even in such case the N-1 and operational reserves can be available)
- Elia explains that congestions in the CWE area were observed and that measures are taken together with nearby TSOs (e.g. application of winter limits in German grid,...) to mitigate as much as possible the congestion issues to safeguard import capabilities
  - These congestions occur both in low wind (solutions possible) and high wind (more difficult to resolve) situations
- Febeliec states that it is difficult to accept that (internal) congestions in foreign grids limit the import capabilities of Belgium. Such situation must be resolved as soon as possible.
- Within Belgium the completion of Brabo phase 1 has increased robustness of the grid
- Elia explains that the Belgian grid was available to import 4500 MW, but that this is only possible in case there is import from both NL (DE) and FR to Belgium; in case of a market situation where both Belgium and France import energy, the combined observed available import for BE+FR was more constrained.

Studies are ongoing to define the limiting elements in case of congestions in CWE.

### 2.3. Intraday cross-border market

An overview was provided of the ID developments performed in 2016 (i.e. implementation of the two so-called "quick wins")

- As a result of these implementations BE/DE/AT/CH/NL/FR are now using the same ID platform (coupled implicit intraday markets)
- First indications show an increase of the BE and NL traded intraday volumes

An overview of the implementation of XBID and integration of BE-NL and BE-FR borders (via the so-called "LIP"-projects) was provided

- It was explained that two NEMOs (EPEX Spot Belgium and Nord Pool) will be in the first go-live for Belgium
- The participation of Switzerland in XBID was discussed
- It was also explained XBID will not support flow-based allocation or losses in the first release

A question was raised on the available ID capacity (in recent days some additional capacity was provided in a later stage)

- A clarification was provided on the timings for publication (available on public website)

- It was explained that especially on the BE-NL border, capacity is only released per block of 4 hours upon request of TenneT. This explains why additional capacity can be released during the day.

## 2.4. Red zones discussion

Elia highlights that, in accordance with the agreement made in the 2/9 workshop on Green/Red Zones, it will provide more information during this meeting

Focus is on:

- Impact of Stevin on occurrence of red zones in Langerbrugge
- Measures that can be implemented on the short term

Elia shows that Stevin will significantly reduce congestion risk in Langerbrugge 150 kV. However until the go-live of Stevin the congestion risk will be present. Elia will continue to focus on the optimal usage of existing infrastructure (Ampacimon,...).

Regarding short term measures, Elia proposes to focus on geographic granularity (8 to 10 zones), time granularity (multiple time blocks of variable duration of min 1 hour) and intraday updates. An expected implementation timeline is provided.

Elia states that the focus is on short term measures and that in parallel a review of the CIPU contract will take place (longer term). Elia highlights that current focus is on the bid ladder project.

A question was raised on the link with bid ladder project:

- On short term nothing will change for CIPU units; as far as non CIPU units are concerned bids including delivery points with a flexible power (as defined in a joint declaration by the BSP and the GU in the context of the GFA signed by the BSP) under 25 MW will not be impacted by the red zones;
- However CIPU review is ongoing.

A question was raised on the scope of the bid ladder pilot project and whether the project will further evolve. Elia confirms that after implementation of the pilot, further evolutions will take place.

The participants welcome the proposed initiatives of Elia.

## 2.5. Short overview of market developments

### Capacity calculation regions

- Elia provides a status update on the ACER decision to merge the CWE and CEE capacity calculation regions (into the "Core" region) with immediate effect and the according impacts of such decision
- It is explained that CWE TSOs await a clear position from CWE NRAs whether or not to continue with CWE FB ID capacity calculation
- TSOs of the Core region are setting up the CCR governance

### Multiple NEMOs

- Elia explains that both Nord Pool AS and Epex Spot Belgium are designated NEMOs in Belgium
- Elia provides an oversight of the principles it defined in the "Multi-Nemo Arrangements" for Belgium, which were approved by CREG

- Implementation will be linked to implementation of the single day-ahead and intraday coupling in Europe

#### EU HAR

- ENTSOe is working on an update of the EU HAR (application in 2018) that will be fully compliant with FCA GL
- Since already EU Harmonized Allocation Rules 2017 were considered as pre-implementation of FCA GL, there will be no significant impact on BE borders

#### Flow-based plain or intuitive

- After discussions in the CCG and discussions with NRAs, TSOs will provide some factual information on the comparison between FBP and FBI indicators to CWE NRAs;
- Feedback received from market parties and NRAs showed differing positions; and
- TSOs will indicate that further consultation with MPs is required (before NRAs take position).

### **3. DATE FOR NEXT MEETING**

To be defined