

# WG SO & EMD

27/4/2016

NC CACM / FCA: updates

# ENTSOe consultations on the EU market guidelines implementation

ENTSOe organizes three public consultations from 18 April to 18 May on:

- European Harmonized Allocation Rules (early implementation of FCA GL)
- Day Ahead Firmness Deadline (~ article 69 of CACM GL)
- Intraday Cross Zonal Capacity Gate Opening and Closure Time (~ article 59 of CACM GL)

The consultation tool, as well as more information, can be found on the website of ENTSOe:

- <https://www.entsoe.eu/news-events/announcements/announcements-archive/Pages/News/Trio-of-consultations-on-the-EU-market-guidelines-implementation.aspx>

ENTSOe will organize two public workshops as part of consultation:

- 6<sup>th</sup> of May: public workshop on EU HAR; and
  - 9<sup>th</sup> of May: public workshop on DAFD and ID CZ GOT/GCT.
-

# Status on NC FCA & EU HAR (2017)

# Network Code FCA / EU HAR 2017

- ❑ Network Code Forward Capacity Allocation will not enter into force before July 2016 (hence late for application in 2017)
- ❑ TSOs working on early implementation project (update of EU HAR)

Alignment to FCA as  
voted upon by  
Member States

- Deletion/change of definitions and set of application to auctions for LTRs with delivery date from January 2017
- Changes in return and transfer chapters
- Changes in curtailment and settlement chapters

- ❑ Consultation on proposal from 18/4 – 18/5 with stakeholder workshop on 6/5
- ❑ Need for re-approval LTR products (FTR Options) for Belgian borders for delivery year 2017
- ❑ CWE discussions on harmonization of LTR products started

## Network Code FCA / EU HAR 2017: Return and transfer of LTRs

FCA Article 43 (2): „Long-term transmission rights holders willing to return their long-term transmission rights for subsequent forward capacity allocation shall notify this, directly or indirectly through a third party, to the single allocation platform as set out in the harmonised allocation rules.“

- HAR updated to allow for indirect notification: “The Registered Participant may authorise a third party to send notifications of the return on its behalf through a dedicated section of the Auction Tool.”
- Similar changes for the transfer of LTRs.

# Network Code FCA / EU HAR 2017: Curtailment triggering events

FCA Article 53 (1): „All TSOs shall be entitled to curtail long-term transmission rights to ensure operation remains within operational security limits prior to the day-ahead firmness deadline.“

## HAR 2016

- a) Curtailments to ensure System Security and due to Emergency Situation before the Day Ahead Firmness Deadline
- b) Curtailments to ensure Force Majeure and due to Emergency Situation after the Day Ahead Firmness Deadline



## HAR update

- a) Curtailments to ensure operation remains within operational security limits and in case of force majeure before the Day Ahead Firmness Deadline
- b) Curtailments to ensure Force majeure and due to Emergency Situation after the Day Ahead Firmness Deadline

## Network Code FCA / EU HAR 2017: Compensation and caps

FCA Article 54 (2): „The cap shall not be lower than the total amount of congestion income collected by the concerned TSOs on the bidding zone border in the relevant calendar year. In case of Direct Current interconnectors, TSOs may propose a cap not lower than the total congestion income collected by the concerned TSOs on the bidding zone border in the relevant calendar month.“

- Annual caps introduced in updated HAR for AC interconnectors.
- Monthly caps are introduced for DC interconnectors.
- Settlement to be done with the first invoice after the end of the period of the cap (to limit risk exposure).

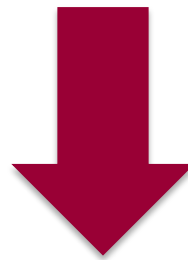
CWE TSOs propose to remove the CWE specific annex on curtailment and firmness (EU HAR 2016) and to comply with the new rules of FCA (early implementation)



## Network Code FCA / EU HAR 2017: Deletion of LTFD

FCA Article 53 (2): „The concerned TSOs on the bidding zone border where long-term rights have been curtailed shall compensate the holders of curtailed long-term transmission rights with the market spread.“

- FCA does not define Long-term firmness deadline
- Long-term firmness deadline removed from the HAR



Separate proposal for Day Ahead Firmness Deadline

# DAFD

## Day Ahead Firmness Deadline

CACM article 69: “By 16 months after the entry into force of this Regulation, all TSOs shall develop a common proposal for a single day- ahead firmness deadline, which shall not be shorter than half an hour before the day-ahead market gate closure time. The proposal shall be subject to consultation in accordance with Article 12. “

Proposal for consultation: “The DAFD shall be half an hour before the day-ahead market gate closure time.”

❑ Proposed DAFD at 11h30 D-1

ID CZ GOT / GCT

# Intraday Cross Zonal Capacity Gate opening and closure time

CACM Art 59(1): “By 16 months after the entry into force of this Regulation, all TSOs shall be responsible for proposing the intraday cross-zonal gate opening and intraday cross-zonal gate closure times. The proposal shall be subject to consultation in accordance with Article 12. “

## **Proposal for IDCZGOT (Gate Opening Time):**

- The IDCZGOT shall be 22.00 market time day ahead.
- Any earlier IDCZGOT decided on at a capacity calculation region level shall be proposed by all TSOs within that capacity calculation region for approval to the relevant regulatory authorities in the capacity calculation region.

## **Proposal for IDCZGCT (Gate Closure Time):**

- The IDCZGCT shall be 60 minutes before the start of the relevant intraday market time unit.

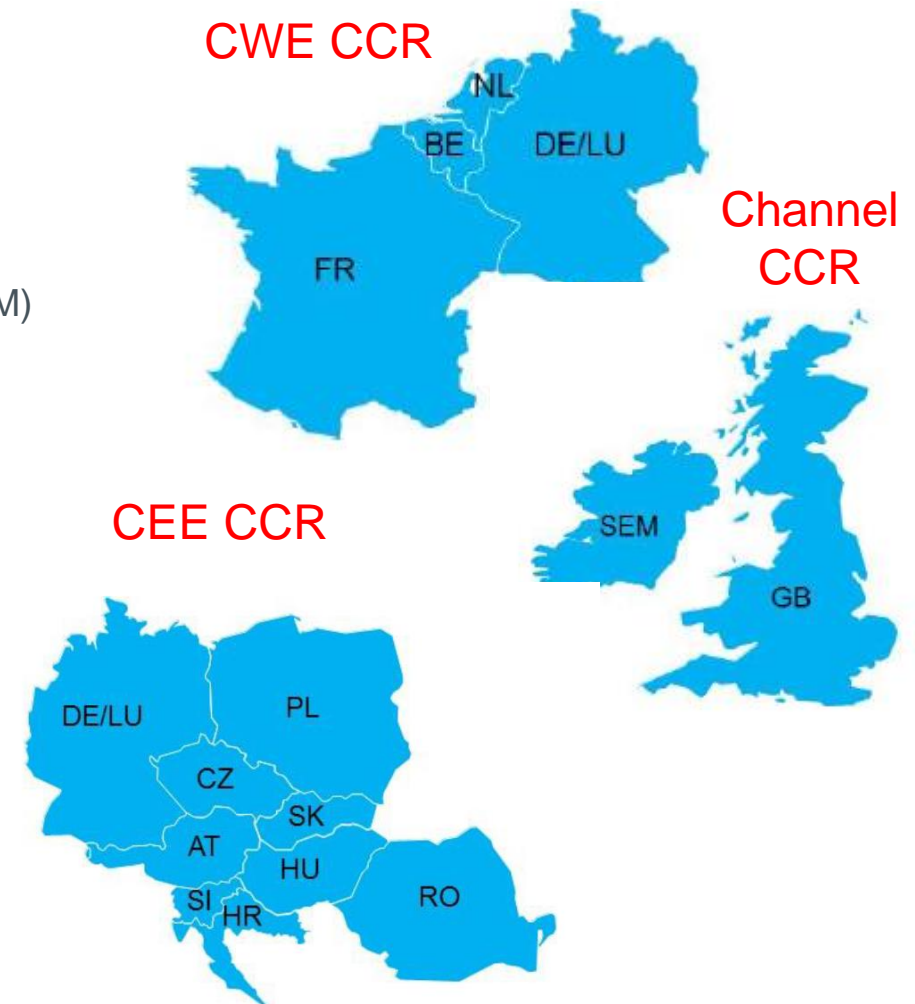
CWE – CEE: update on MoU and project set up

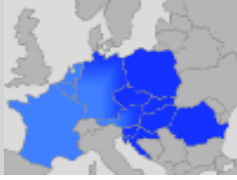
# CWE – CEE merger: background

## 1. Capacity calculation regions (CRR)

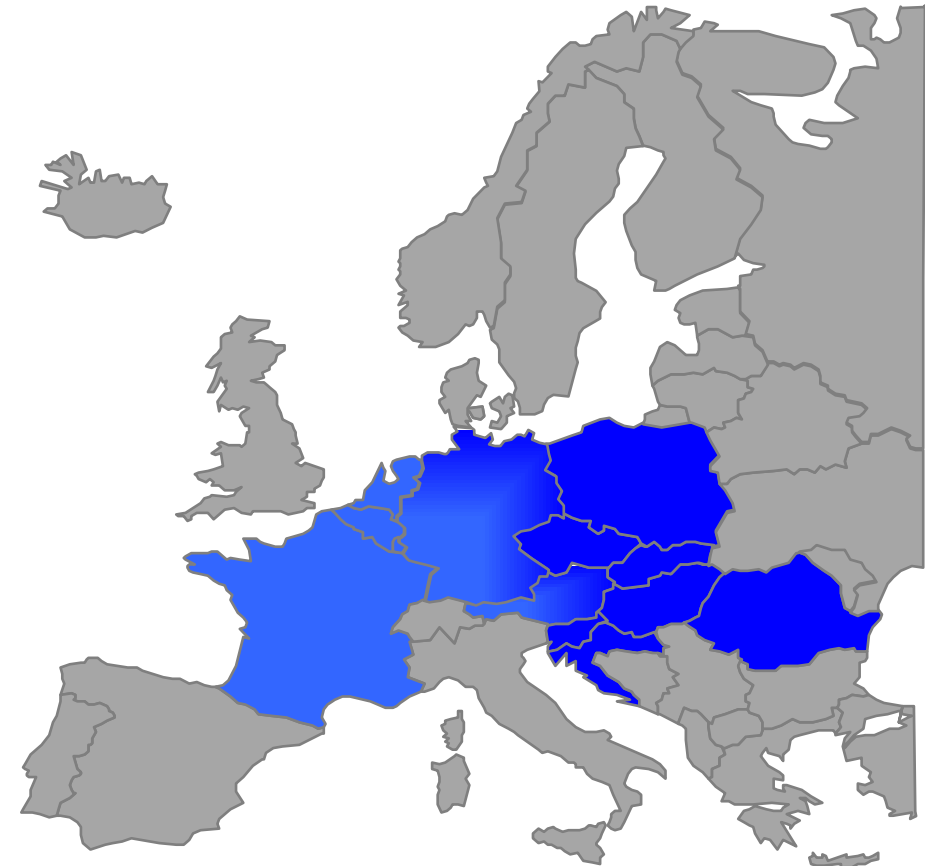
1. TSO proposal on CCRs submitted to NRAs in November 2015 (~ Art. 15(1) of CACM)
  1. NRA decision on all TSO CCR proposal is expected by May 2016
  2. Belgium is involved in both CWE CCR as in Channel CCR (Nemo Link)
  3. As per Art. 15(3) of CACM GL, the CWE and CEE CCRs must eventually merge
  
2. Beginning of March CWE and CEE TSOs signed a joint MoU with the aim of:
  1. developing a common FB DA capacity calculation Methodology; and
  2. merging the CWE and CEE CCRs in a second stage.
  
3. The detailed MoU is available on the website of ENTSOe:

1. [https://www.entsoe.eu/Documents/MC%20documents/20160215\\_MoU\\_CWE\\_CEE%20TSOs%20\(final%20version%20signed\).pdf#search=CWE%20CEE](https://www.entsoe.eu/Documents/MC%20documents/20160215_MoU_CWE_CEE%20TSOs%20(final%20version%20signed).pdf#search=CWE%20CEE)

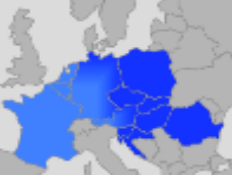




# CWE \_ CEE merger status update







Following the “All TSOs CCR proposal”, the CWE and CEE TSOs jointly finalized and agreed on a Memorandum of Understanding including a High Level Roadmap and project plan for common activities

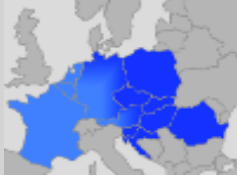
The Memorandum of Understanding covers two main objectives

1. Activities towards the development of a common DA FB capacity calculation methodology for the merged CWE and CEE region
2. Activities towards the establishment of the merged region

The MoU has been signed by all TSOs in the CWE and CEE Regions and on 3rd March the signed MoU together with informational letters were sent to ACER and ENTSO-e

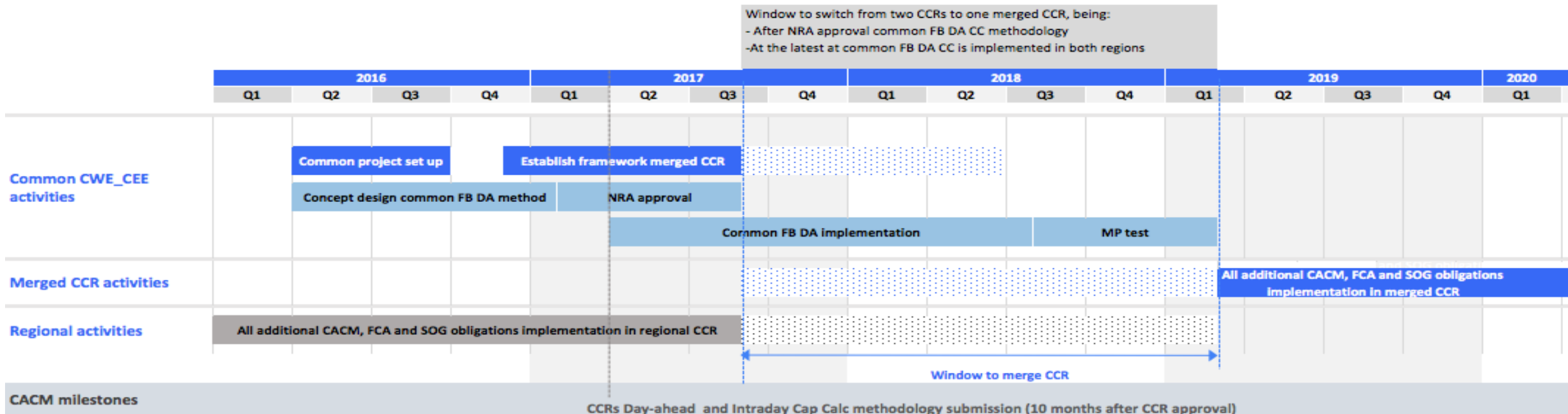
A common project next to the existing regional CCRs in which all CWE and CEE TSOs cooperate on the same level in one project focused on common Capacity Calculation

Since it is confirmed the Flow Based Day Ahead evolutions will be managed commonly, the CWE and CEE regions are currently investigating the impact on their existing regional activities and organization for FB DA and other timeframes



## High Level Roadmap

- The first objective is to deliver a common DA FB Capacity Calculation methodology which is to be submitted for NRA approval by Q1 2017
- In the mean time TSOs will establish the framework and governance for a merged region
- After NRAs approval on the common DA FB CC methodology (currently foreseen Q3 2017) a window for operationally merging two CCRs into one will be opened ultimately closing when the DA FB CC methodology is implemented (foreseen Q2 2019)
- Within this window TSOs will jointly assess whether also other activities/ timeframes shall remain on regional level or managed in the common project



# CWE – CEE project: project organization and important topics

The project already set-up a Common Steering Board, FB Experts Group and Legal Taskforce

- Need for stakeholder group was identified and will be set up soon

**In a first steps FB expert from CWE and CEE performed a fit-gap analysis of the two flow based approaches. Two main topics were discussed:**

## **1. Capacity calculation**

- The main steps of the capacity calculation process in CWE and CEE are similar
- Small differences on an limited number of technical topics (non-exhaustive):
  - CBCO selection
  - Post coupling process
  - Etc.

## **2. Remedial action coordination**

- Current CWE coordination approach is not scalable for common CWE-CEE FB methodology
  - Discussion on automatic remedial action optimization have started
-

# Multiple NEMO designation for Belgium

# Multiple NEMO designation for Belgium

- ❑ On 5/2 the designation of Belpex SA and Nord Pool AS for the Belgian market was published (with retro-active effect)
  - ❑ By 3/6/2016 Elia must introduce to CREG a proposal on Multi-NEMO arrangements. The proposal will be in line with the principles described in CACM GL, to allow for the non-discriminatory operation of multiple NEMOs in the Belgian control area
  - ❑ Discussions amongst CWE TSOs (and Nordics) on an harmonized CWE approach are ongoing.
-

# Annex

# Presentation of changes to the EU HAR (application 2016)

## Firmness deadlines - Firmness Regime in previous HAR version

	LT Auction	Send rights document	Gate closure LT nominations	Gate closure DA market	Intraday trading	Realisation
		D-2, 13:00	D-1, 10:00	D-1, 12:00		
		Long Term Firmness deadline (D-1, 10:00)			Day-ahead Firmness Deadline (D-1, 11:30)	
<b>System security</b>						
Compensation	Positive DA market spread at the concerned border in the concerned direction (Marginal price if DA prices are not calculated)			Positive DA market spread at the concerned border in the concerned direction	not applicable	
Cap for compensation	LT (Auction) congestion income in the month of curtailment at the concerned border in both directions			Congestion income (LT Auction + DA) in the month of curtailment at the concerned border	not applicable	
<b>Emergency Situation</b>						
Compensation	Positive DA market spread at the concerned border in the concerned direction			Positive DA market spread at the concerned border in the concerned direction	Positive market spread of the relevant market at the concerned border in the concerned direction	
Cap for compensation	LT (Auction) congestion income in the month of curtailment at the concerned border in both directions			Congestion income (Auction + DA) in the month of curtailment at the concerned border	No Cap	
<b>Force Majeure</b>						
Compensation	Marginal price of the initial Auction			Marginal price of the initial Auction (Weighted avg. of marginal prices of all auctions if no marginal price)	Marginal price of the initial Auction	
Cap for compensation	No Cap			No Cap	No Cap	

Note: „not applicable“ means, that the compensation rules are described in the CACM regulation and does not derive directly from the HAR.

# Presentation of changes to the EU HAR (application 2017)

## Firmness deadlines - New Firmness Regime according to FCA

LT Auction	Send rights document	Gate closure LT nominations	Gate closure DA market	Intraday trading	Realisation
	D-2, 13:00		D-1, 12:00		

**Day-ahead Firmness Deadline**  
(D-1, 11:30)

### Emergency Situation

Compensation	market spread	not applicable
Cap for compensation	congestion income in the relevant calendar year	not applicable
<b>For DC interconnector</b> Cap for compensation	congestion income in the relevant calendar month	not applicable

### Force Majeure

Compensation	Marginal price of the initial Auction	Marginal price of the initial Auction
Cap for compensation	No Cap	No Cap

Note: „not applicable“ means, that the compensation rules are described in the CACM regulation and does not derive directly from the HAR.