

Meeting report

WG EMD-SO

Date	Nov 27 th 2020
Organiser	Matthys-Donnadieu James (Elia)

Participants	Attended	Excused
Carton Filip (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Genêt Benjamin (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Van Campenhout Steve (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Malfliet Bernard (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Etienne Gilles (ELIA, topic ALEGrO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reghem Jean-Michel (ELIA, topic Intraday)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Van Meirhaeghe Peter (ELIA, topic System Operations)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Baudson Alex (European Commodities)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Laila Chafaqi (Edf Luminus)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lapierre Charles (Nord Pool)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cuijpers Christian (CREG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Verhelst Clara (CREG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maes Guillaume (Engie)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Harlem Steven (EDF Luminus)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Andreas Herzog (RWE)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Decrop Jehan (Edora)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Michel Jerome (Edf Trading)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Waignier Jean-François (FEBEG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Robbelein Jo (FOD)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Laleman Ruben (Engie)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Van Bossuyt Michaël (Febeliec)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wiesé Nadia (Next-Kraftwerke)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schoutteet Nico (CREG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Johannes Schulz (RWE)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Report

Author	Van Campenhout Steve
Function	EU Market Integration
Date report	Dec 3 rd 2020
Status	<input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final version

1. Agenda

European Market Design

1. ALEGrO integration and flow-based plain
 - Updated ramp-up approach in ID and DA and planned outage
 - First operational results
 - Learning of parallel run
 - Relation with flex-in-market concept proposed by Elia Group
2. CEP70: status on BE level
3. Intraday improvements: status and next steps
4. Elia position on Long Term Transmission Right remuneration in case of decoupling
5. Outlook 2021 and further

System Operations

1. Emergency and restoration: status
2. Outlook 2021 and further

2. Report

J. Matthys-Donnadieu opens the meeting by welcoming all participants. The agenda for today's meeting is approved.

ALEGrO

G. Etienne highlights the ramp-up approach and clarifies that the ID ramp-up is completed prior to the planned outage of ALEGrO Dec 14-31. He then reports upon the first week of commercial operation following the successful go-live on Nov 18th, and upon the welfare data from the parallel run which is publically available on the JAO website::

- The switch to flow-based plain in the CWE region materializes into some non-intuitive flows across ALEGrO;
- Yearly total welfare extrapolated from the // run is ~250 M€ / year, with biggest impact on the Belgian hub.

M. Van Bossuyt asks if the impact of ALEGrO in terms of welfare, import capacity etc. can be monitored now that ALEGrO is in operation. G. Etienne and B. Genêt explain that a full comparison as done in the parallel run is not feasible as there is no counterfactual anymore without ALEGrO. They indicate that Elia will evaluate how to create some meaningful statistics with a proportionate effort i.e. making use of available data from the operational processes.

B. Genêt explains that ALEGrO is revolutionary in the way how it is integrated in the market coupling, namely as a degree of freedom fully optimized in the market coupling algorithm to maximize welfare. This is a first concrete step of the flex-in-market design approach that Elia Group introduced in 2020, and for which the ambition in 2021 is to extend this approach further by creating consensus on the design.

A. Baudson reflects upon the ID utilisation of ALEGrO and asks if shortening the Gate Closure Time (GCT) from 1h to 15' would be beneficial. B. Genêt explains there is no legislative roadmap tackling this. Shortening the GCT to 15' is likely too sharp but this shortening is an area of reflection because it has also benefits for the balancing of the grid. Further, Elia sees the need to have some consistency across DA and ID timeframes in terms of capacity calculation. Elia would see a reflection on the GTC to go hand in hand with a reflection on the contribution of the flex-in-market design to close the gap between markets and physics in intraday.

G. Maes asks if the capacity on ALEGrO remaining after ID will be used for balancing (MARI, PICASSO). Elia confirms this is the case. This will be communicated on JAO in due time.

M. Van Bossuyt inquires about the impact of ALEGrO on ancillary services. F. Carton confirms that:

- Concerning blackstart ALEGrO is an additional opportunity to restore the grid (as top-down restoration service);
- ALEGrO contributes with 300 MVar to the reactive power system needs hence reducing costs of Mvar activations.

CEP70

S. Van Campenhout illustrates how the derogation on loopflows plays out, confirming this is according to expectations. The shift towards 70% is visible. He further explains that:

- The minRAM targets after reduction of excessive loopflows are feasible in more than 99.9% of cases (period Apr – Sep);
- The local tooling experienced some hick-ups leading to application of a fallback strategy with 20% minRAM. It is Elia's ambition to evaluate this fallback strategy in 2021 in order to reduce the frequency and impact (less big reduction of minRAM).

M. Van Bossuyt reacts that improving the fallback is welcome. He furthermore asks about outages during winter period. F. Carton explains that Elia avoids outages during deep winter months but this is not always possible. Concretely, the outage on Avelgem-Horta had to be rescheduled due to COVID-19 circumstances and is now running into December.

N. Schoutteet from CREG informs that Elia's request for derogation 2021 on excessive loopflows will soon be approved by CREG, following the closure of the public consultation.

Intraday

J-M Reghem highlights the volume increase following SIDC extensions, and explains the upcoming evolutions:

- -On 10 Dec 2020 the Belgian ID market will be connected to the liquid German ID market via both DE-BE and BE-NL-DE, including the activation of 15' products. In the second semester of 2021 48 gates on FR-BE and 96 gates on DE-BE and BE-NL borders will be introduced. Increasing the number of gates will reduce the neutralization time, allowing ID trading closer to real-time;
- On EU level, many developments are scheduled in the coming years i.e. cross-product matching for continuous trading, the introduction of Core ID capacity calculation, the introduction of intraday auctions and the implementation of flow-based allocation in the intraday timeframe. Elia is fully committed to contribute to these implementations.

G. Maes inquires about the timing of 15' products on the FR-BE border. J-M Reghem explains that this depends on when France will switch to 15' imbalance settlement period, which is likely not to be before 2024. G. Maes furthermore asks what prevents today to release capacity for ID trading already at 15:00 D-1 instead of 22:00 D-1. J-M Reghem explains this is the result of how the voluntary initiative in CWE has taken shape over the course of years, and this will remain as such until Core ID go-live.

M. Van Bossuyt thanks Elia for this overview and asks if in a next WG EMD-SO there can be a follow-up on the impact of having access to the liquid German ID market. J. Matthys-Donnadieu welcomes the proposal and concludes that ~6 months of data would be needed, hence an update can be provided towards summer 2021.

LTTR remuneration in case of decoupling

S. Van Campenhout addresses a design flaw in FCA, namely that in case of decoupling an undue money transfer from tariff payers to LTTR holders is generated. The TSO community addressed this issue already to NRAs, ACER and the EC. So far there is no consensus on TSOs proposal to change the LTTR remuneration in case of decoupling from market spread to the shadow auction price.

M. Van Bossuyt supports that the discussion continues in MESC and asks about the position of the NRAs. N. Schoutteet reacts that current FCA regulation is clear on the fact that also in case of decoupling remuneration is to be done based on market spread, and that CREG is open to reconsider its initial position that nothing is to be changed.

J. Matthys-Donnadieu concludes that Elia strongly believes this undue money transfer has been overlooked when FCA was drafted, and in its role as market facilitator has flagged this design flaw so that legislators are called upon to solve it.

Outlook 2021 and further

B. Genêt presents what will keep Elia busy in the coming years regarding the delivery of the European Market Design, evolving mostly around a substantial implementation package of LT/DA/ID/RDCT methodologies in Core and the aforementioned evolutions on the intraday market.

M. Van Bossuyt welcomes further in-depth discussions with a wider audience on flex-in-market and asks if about evolutions on coordinated redispatching from now until mid-2023. F. Carton explains that Elia adopted already a multilateral redispatching mindset by combining the possibilities of bilateral contracts. B. Genêt explains that some gradual improvements may happen in Core prior to mid-2023. Yet the big step forward can only be expected mid-2023 as at that moment the polluter pays principle becomes a reality, enabling also Elia to cease with its derogation for excessive loopflows.

System operations

P. Van Meirhaeghe presents the state of play of the E&R network code implementation zooming more specifically into the test plan and into the practical considerations around system state notifications. He clarifies that the rollout of the blackout proof phones is a mutual objective between Elia and the concerned SGUs, and hence a combined effort to realize this as quickly as possible.

M. Van Bossuyt asks if parties - other than those who have to undertake actions if the system is in alert/blackout/restoration state - can get on the notification list. F. Carton replies this is a priori not a problem as long as those parties apply the right attitude i.e. it must be avoided that everyone on the list starts calling Elia. The purpose of the communication is to inform those who absolutely need to know what is going on so they can prepare themselves to undertake actions.

C. Cuijpers asks if SMS notifications are practically possible when the electricity system is in blackout / restoration state. P. Van Meirhaeghe explains that this is outside Elia's span of control and legal obligations. From what he knows, in the early stages after a blackout SMS would still be possible. More important is that the SGUs have blackout proof phones available 24/7.

C. Cuijpers asks when Elia will submit a new proposal for the market suspension rules. J. Matthys-Donnadieu notes it as an action point to come back to this question.

3. Actions to take

Action	By	Due date	Finalised
ALEGrO: evaluate how to monitor performance in operations	G. Etiennes / B. Genêt	Next WG EMD-SO	<input type="checkbox"/>
Intraday: evaluate impact of new access to German ID market	J-M Reghem	Summer 2021	<input type="checkbox"/>
System operations: timing new proposal for market suspension rules	P. Van Meirhaeghe	Next WG EMD-SO	<input type="checkbox"/>



4. Date for next meeting

To be defined. The Users' Group will be informed in due time.