

Meeting report

WG EMD-SO

Date	15/05/2023
Organiser	Carton Filip (ELIA), Benjamin Genêt (ELIA)

Participants	Attended	Excused
Genêt Benjamin (ELIA) - Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carton Filip (ELIA) - Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thomas Van Den Broucke (ELIA) - Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Members		
Nico Schoutteet (CREG)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Laleman Ruben (Engie)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Harlem Steven (EDF Luminus)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Helene Robaye (Engie)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mariana Adao de Fonseca (Next Kraftwerke)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Van Bossuyt Michaël (Febeliec)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Christian Cuijpers (CREG)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jerome Le Page (EFET)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jo Robbelein (FOD Economie)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Nicolas Debatty (EdF Luminus)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hugo Canière (BOP)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bart De wit (FOD economie)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Waignier Jean-François (FEBEG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clara Verhelst (CREG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Axel Baudson (European Commodities)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jonas Do (Nordpool Group)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dsouza Nirmala (Virya-energy)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chafaqi Laila (EDF Luminus)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia representatives - presenters		
Kristof Geens (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cindy Bastiaensen (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Peter Van Meirhaeghe (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ferreira Silvio (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bruno De Wachter (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ruud Bouwhuis (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jean-Michel Reghem (ELIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steve Van Campenhout (ELIA)	<input type="checkbox"/>	<input type="checkbox"/>

Report

Author	Thomas Van Den Broucke
Function	EU Market Integration
Date report	06/06/2023
Status	<input type="checkbox"/> Draft <input checked="" type="checkbox"/> Final version

Agenda

-	Domain	Agenda topic	From	-	Till	Presenter	Time (min)
1	General	Welcome & intro	13:00	-	13:05	<i>Chairs</i>	5
2	General	Approval of MoM & status action points	13:05	-	13:10	<i>Secretary</i>	5
3	SO	Summer outlook, winter review	13:10	-	13:35	<i>Cindy Bastiaensen</i>	25
4	SO	Emergency & Restoration	13:35	-	13:55	<i>Peter Van Meirhaeghe</i>	20
5	EMD	Feedback Market Coupling Event 19/04	13:55	-	14:25	<i>Ruud Bouwhuis</i>	30
6	EMD	Core Intraday Capacity Calculation project: status	14:25	-	14:55	<i>Ruud Bouwhuis</i>	30
7	EMD	Intraday Go-Live 96 gates on BE-NL and BE-DE borders	14:55	-	15:15	<i>Bregt Vanderveken & Jean-Michel Reghem</i>	20
8	EMD	EC proposal on Market Reform: Elia's view and proposals for amendment	15:15	-	15:35	<i>Bruno De Wachter</i>	20
9	EMD	Prioritization Exercise EU projects	15:35	-	15:55	<i>Thomas Van Den Broucke</i>	20
10	General	AOB & conclusions	15:55	-	16:00	<i>Chairs/Secretary</i>	5
Total							3:00

1 Report

F. Carton & B. Genêt open the meeting by welcoming all participants. The minutes of meeting from the previous meeting are approved. Status of open action points are discussed and shown in the session file.

Action points were discussed (see update list in chapter 10)

2 Winter Review – Summer Outlook

C. Bastiaensen presented a winter review, highlighting the main effects caused by high prices during the winter period. It was noted that for the maximum needs the focus was purely on demand and not on demand response. Next, the summer outlook was presented, providing an explanation of the figures.

Febeliec raised questions regarding the delivered capacities of pumped storage and non-pumped storage. Elia emphasized the importance of demand response for the upcoming summer season and the need for market participants to anticipate and be ready for this. The topic will also be further followed up on the WG Balancing organized by Elia on 16/05.

Febeliec reacted that incompressibility is indeed a big concern for them the next years. For big customers it is mostly that they cannot react easily in the balancing timeframe. But more possibilities exist more in advance (eg DA market). So there is a need to exchange this information/risk upfront.

Elia key messages:

- Such events as 09/04 are not rare, Elia sees this more frequently happening also for the future.
- Risk is asymmetrical
- It is an issue where everyone has to take its responsibility. Otherwise actions will have to be taken that will come with a cost, market based activation, at very negative prices
- A need to have flexible PV is a topic that must be brought at the table for discussion.

Elia asks to share this internally within the companies to create more awareness on the issue and to prepare for the summer and future further.

3 Emergency & Restoration

P. Van Meirhaeghe presents status & planning on the System Defense & Restoration Plan.
On the black-out proof communication for voice over, short status update was also given as requested.

Planning Emergency & Restoration + LFDD

Question Engie on how Storage is considered in this plan

Elia replied that batteries are taken into account under certain conditions that they have to respect in such low frequency events

Black out proof phones: Testing will taking place for Black out proof Elia phones

4 Feedback market Coupling Event 19/04

R. Bouwhuis presents the event on Elia side for delivery day 19/04

Clarification: focus of the presentation is on the local event that took place on 19/04 on Elia side, not the issues related to the 2nd Auctions triggered on EU side.

Clarification was given on what was the root cause of the local issue that occurred in the capacity calculation on Elia side and what was the impact on it for the cross zonal capacities. Also the lessons learned & defined mitigations were emphasized.

Reaction from Febeliec that this is unacceptable, and such errors should not occur. Elia replied that the focus now was on providing transparency on what happened, and to implement mitigation measures to indeed avoid that such errors would occur in the future.

Febeliec/Febeg questioned how it came that so low volumes on the BE-DE and BE-NL borders were provided? Why did the Increase/decrease not deliver more?

Elia replied that current increase/decrease process has same limitations as what would be the basis for IDCC. ID ATC on BE-NL border for IDCC where higher capacities would be assumed, there are still negative ATCs.

On the event Elia confirms that this is not how it should be done and that this is indeed not the standard and quality level Elia wants to deliver to the market. Improvements are already taken based on lessons learned to do better in the future.

5 Core Intraday Capacity Calculation project: status

R. Bouwhuis presents that status and project timeline

Clarification was made on what changed between the discussion of the WG EMD-SO in January, mainly on why the project is delayed and the go live is not foreseen anymore in June due to the ongoing regulatory escalation to NRAs/ACER.

Elia highlights that the root cause is the virtual margin provided to the market. TSOs have the responsibility to secure the system and if there are no Remedial Actions available with the virtual margins given, such capacity reductions will happen. In such a case providing less capacity is then the only way to secure the grid.

Febeliec stated that the high application of IVA (Individual Value Adjustment) for cross border capacities is not OK and remains an issue for them, also questioning if this is the right way forward if ID ROSC will not be there.

Dedicated slides presented by CREG on their view on the 2nd Amendment of the ID CCM.

CREG confirmed that also they do not like the high amount of IVA

Clarification of CREG on red flags for Belgian regulator on the 2nd Amendment of the ID CCM as presented in the slides:

- CREGs expectation that the low ATC figures would be resolved (aligning ROSC & ID methodologies), but this was not the case. At the contrary it even aggravated for BE with very high 0 MW ATCs which is also for CREG not acceptable
- From regulatory perspective, CREG is of the opinion that the 2nd amendment is not compliant with some regulatory requirements.

CREG wanted to highlight to WG EMD-SO members these messages and also make them visible. Sharing the material can help as input into the consultation that will come later from ACER on the Amendment of the IDCCM in July.

CREG presented what are the concerns in the different processes observed today, what initially is foreseen in the IDCC and why this might still be inefficient.

Solutions will be different for short & long term.

- ROSC in Core is the long term solution is implemented, as it will use the CGMs at first.
- In the short term (before ROSC implementation) there remains challenges on what can be used in which process. Hence this is an issue on the timings of the market coupling and capacity calculation (of different timeframes) who currently are not all perfectly aligned.

Discussion on what is the best target solution

- Elia is of the view that 70% in intraday is not realistic. If it is necessary it would have to be part of the ROSC process and would then be a target that is to be set for all cases for the whole time. Elia does not see this as the way forward, but if it is, it then has to be acknowledged that this will come at a cost for TSOs and thus in the end for grid tariff payers.
- CREG agrees that ROSC process should take into account the right RA to ensure the right outcome for the capacities of the IDCC. ROSC & IDCC should be aligned.

Concluding comments from Elia

- Looking for a structural solution for markets and operation, important that market is working for all timeframes.
- Key message for the ACER consultation on IDCC amendment: advice to focus on the target solution and provide inputs/comments on this direction to make sure that this is the right one.
- Elia shares some concerns raised by CREG (e.g. undue discrimination). According to TSOs this should be tackled in the ROSC methodology where it must be ensured that IDCC is consistent with ROSC. We should avoid that IDCC is discussed in isolation. It is important to think "How it can be ensured to have a good interrelation of ROSC and IDCC methodologies.
- This might even imply a need to change ROSC to change the objective(s).

Febeliec highlights that as increase/decrease is still rather arbitrary, intermediate steps in the wrong direction must be avoided.

Action proposed by Elia

Set-up a workshop mid of July in WG EMD-SO to have a more detailed discussion on the ID CC:

Topics for the agenda

- Make sure that everyone understands the problematic
- Discuss ongoing ACER consultation and have a deep-dive on key topics, including what are relevant positions from a BE perspective.

6 Intraday go-live 96 gates on BE-NL and BE-DE borders

B. Vanderveken & J-M. Reghem presented the situation on BE-NL and BE-DE borders since the go live of 96 gates.

7 Emergency measures & targeted market design reforms: Elia Group's view and proposals for amendment

Bruno De Wachter presents slides on targeted market reforms and Elia Group's view & proposals for amendments. Focus points on which Elia group wants to complement the proposals made by EC, were discussed more into detail.

Febeliec thanks Elia for this explanation, but highlighted it does not necessarily agree on (all) points

A question was raised on the peak shaving product:

- B. De Wachter reacts that from current proposals it is not so clear what is really intended.
- Febeliec has a strong position on it, as it will have big impact and lead to a strong role (not suited) for TSO.

Question of A Baudson:

- Reaction on link Market reform and Carbon Border Adjustment Mechanism (CBAM). To which extent is this considered? It is not directly related to the reform but can/will have significant impact on the exchanges with GB.
- Elia replied it is indeed not tackled in this context as CBAM is a different regulation than the European Market Design (EMD) Reform. But a relevant point as action was proposed to have the CBAM (and its link with EMDR if any) as a topic for a next meeting with WG EMD-SO.

8 Prioritization Exercise EU Projects

Thomas Van Den Broucke presented the ongoing exercise on EU projects where TSOs/NEMO together with Market Participants discuss and engage with ACER and NRAs on setting up an exercise to better define the priorities for the market implementation project pipeline.

Objective is to ensure the stability of the developments that will come and aim for consistent and aligned implementation deadlines in future methodologies that will be defined.

Timeline targeted is 2025 onwards, projects before are based on legal obligations and already far in implementation phase.

9 A key element for Elia is that this is a joint exercise together with market participants, which is a message Elia keeps stressing.AOB

Save the date next MCCG meeting 19/06

Next WG ED-SO meeting:

- Dedicated WG EMD-SO on 2nd amendment of IDCC in July (date confirmed 17/07/2023)
- Meeting in September/October for next WG EMD-SO to be scheduled

10 Action points concluded during the meeting

Please find below the overview of closed and **new** actions discussed during the WG.

Action	Responsible	Date Raised	Due date	Status
Elia to update WG EMD-SO Roadmap 2023 including the balancing capacity calculation topic	Elia	31/01/2023	update slides that will be added on Elia website	Closed
Present later in the year a status & planning on legal changes for the System defense & restoration plan	FOD Economie (J. Robbelein)	31/01/2023	FOD Economie to present an update in Q3 WG EMD-SO session	Open
Follow up on the ID CC topic in next WG EMD-SO & present on new KPIs and possible solutions	Elia	31/01/2023	next WG EMD SO Q2 2023	Closed
Statements to be made or sent by members on the IDCC results for Belgium. This can be helpful for Elia/CREG to defend the need for improvement in Core discussions	members of the WG EMD-SO	31/01/2023	March/April Core CCG of 6 th of April	Closed
Set date for a dedicated meeting on 2 nd amendment IDCC	Elia	12/05/2023	June 2023	Closed – data is 17/07
Risk of incompressibility: WG EMD-SO members to share this internally within the companies to create much awareness on the issue and that prepares for the summer and future further.	members of the WG EMD-SO	12/05/2023	asap	Open
Bring topic of CBAM and its link (if any) with Eu market reform as a topic in WG EMD-SO.	Elia	12/05/2023	A follow up WG EMD-SO	Open
		12/05/2023		