



Core Consultative Group meeting

Minutes of meeting – DRAFT

17th of July 2018
Conference Call

	Party	Country	
Market Participant / Association	EDF	France	
	CITADEL	France	
	BDEW	Germany	
	VATTENFALL	Sweden	
	STATKRAFT	Germany	
	MARKET PARTIES PLATFORM	CWE	
	NORDPOOL	N/A	
	EPEX SPOT	N/A	
	ENGIE	Belgium	
FB Convener		N/A	
Core TSOs	AMPRION	Germany	
PMO	MAGNUS MAGNUS	N/A	

List of Abbreviations

ACER	Agency for the Cooperation of Energy Regulators
BZ	Bidding zone
CCM	Capacity Calculation Methodologies
CCR	Capacity Calculation Region
CNE	Critical Network Element
CNEC	Critical Network Element with a Contingency
CWE	Central Western Europe
CWE FBMC	Central Western Europe Flow-Based Market-Coupling
DA	Day-Ahead
EN	Explanatory Note
EU	European Union
FB	Flow Based
ID	Intraday
Min RAM	Minimum Remaining Available Margin
MP	Market Participant
NRA	National Regulatory Authority
PMO	Project Management Officer
PST	Phase Shifter Transformer
PTDF	Power Transfer Distribution Factor
RAMrel	Remaining Available Margin Relative
RAO	Remedial Action Optimizer
RfA	Request for Amendment
TSO	Transmision System Operator



1. Welcome and introduction

PMO opens the conference call and welcomes on behalf of all Core TSOs MPs & Associations and Core NRAs to the conference call.

The objective of this conference call is to follow-up on MPs request during last Core Consultative Group meeting (28/06/2018), e.g to to organize a follow-up conference call on July 17th in order to further discuss the amendments made to Core DA & ID CCM and the EN. Both documents were provided via email by N. WILLEMSSEN (PMO) to MPs on 27/06/2018.

MPs thank Core TSOs for organizing this conference call and take note that the amended the Core DA & ID CCMs have already been submitted to Core NRAs – therefore the content cannot be changed for the moment. However, MPs appreciate the opportunity to discuss the content and get a better understanding.

2. Q&A

P. SCHAVEMAKER summarizes the changes made to the CCMs. The overview can be found in the presentation¹, provided via email by N. WILLEMSSEN (PMO) to MPs on 13/07/2018.

The following questions and remarks are raised by the market participants during the conference call:

Q&A regarding the CNEC selection threshold (value fixed at 5%)

- If the CNEC selection threshold is based on zone-to-zone PTDFs, does this mean that if there is an impact of a net position on a CNEC with a zone-to-slack PTDF of 3% and an impact of another net position with a zone-to-slack PTDF of -2%, the 5% will be reached?
 - TSO Answer: this is correct (see also section 2.2.1.1. in the EN)
- Is this value of 5% only valid for one PTDF? Are you applying the same criterium as you used until now in CWE?
 - TSO Answer: The same is applied as in CWE: only the maximum zone-to-zone PTDF factors are taken into account. If one of all the possible exchanges in the Core region gives an impact that it is higher than 5% then this specific CNEC will be considered in the capacity calculation. If the impact of none of the Core exchanges exceeds 5%, it will not be considered.
- Will this criterium be tested every day?
 - TSO Answer: All the TSOs will identify their CNEs and the specific contingencies. Those two inputs will be combined in order to obtain a list of CNECs and will be used for the initial capacity calculation. Based on this capacity calculation, the maximum zone-to-zone PTDF factors can be assessed for all these CNECs. All CNECs with a maximum zone-to-zone PTDF factor below this 5% are not considered in the capacity calculation. In short, the threshold is fixed but the outcome of its application may deviate from day to day.
- Where can this CNEC selection threshold be found in the amended proposal?
 - TSO Answer: in Article 5.6(a)
- Does the CNEC selection threshold apply one time for all or is it checked on every hour?
 - TSO Answer: for each hour the input data is being checked.
- Why 5% and not higher?
 - TSO Answer: the 5% CNEC selection threshold is to be seen together with the 20% min RAM see in the EN section 2.2.3 explanations on how these values are interlinked). By having this min RAM, the lines with lower maximum zone-to-zone PTDFs are expected to be less limiting.
- Will this criterium be strictly binding?

¹ CCG 17/07/2018 presentation is available at https://www.entsoe.eu/network_codes/ccr-regions/#core



- TSO Answer: In some cases, it can be deviated from however a justification needs to be provided.
- MPs notice that for now the major issue with the methodology is that even if a certain CNEC has a maximum high zone-to-zone PTDF factor for a certain combination of bidding zones, there are many other combinations of bidding zones where the zone-to-zone PTDF factor is very small for the same CNEC.
 - TSO Answer: This effect is acknowledged in Art.12(5) and will be monitored by Core TSOs. In case of undesirable impacts, some mitigation actions will be taken. This is subject to study.
- The Nordic DA CCM introduced this economic efficiency assessment (following a RfA received from NRAs): Why did the Core CCR not apply the same?
 - TSO Answer: In the Core DA CCM proposal, the 5% CNEC selection threshold and the 20% min RAM work in combination in order to follow up on the ACER high-level recommendations 1 and 2 – see [link](#)). Core TSOs detailed in the EN how these two parameters work together. Core TSOs take into account the economic efficiency in Art.5(8) by referring to a social economic welfare based analysis. The differences between the Core DA CCM and the Nordic DA CCM are inevitable due to the regional developments, and regional differences.
- MPs remark that it would make sense to harmonize the CCMs of the different regions.
 - TSO Answer: This consideration should be given by the NRAs. However, it is more practical to start by a step-wise approach (regional developments first and then alignments between the regions).
- MPs remark that it would be valuable to add in the Article 5(8) that this study should be published and consulted with stakeholders. Despite this remark, MPs should acknowledge that the amended DA CCM version is more complete than the previous one and thank Core TSOs for this.

Q&A regarding the fact that allocation constraints may be used by Tennet BV, ELIA, and PSE

- In the Annex I of the DA Proposal, MPs notice that they did not find a strong motivation from Tennet BV, ELIA and PSE explaining why they may use allocation constraints and therefore limit imports (sensitive issue).
 - TSO Answer: Next to the explanations and descriptions provided in the proposal, it is indicated that the allocation constraints are part of the annual review described in Article 22.
- MPs are missing clear values on how much for example firm capacity is needed in Belgium or the Netherlands to ensure that the system is stable.
 - TSO Answer: Core TSOs to come back to MPs on this point.

ACTION: Core TSOs to come back to MPs on allocation constraints.

Q&A regarding the allocation process

- Will there be similar documents on the market clearing process (in particular regarding the intuitive patch applied in CWE)?
 - TSO Answer: Core TSOs will come back on that point.
- Will there be a submission approval process regarding the choices made on the allocation side (in particular if it is either FB plain or FB intuitive?)
 - TSO Answer: Core TSOs will come back on that point.

ACTION: Core TSOs to come back to MPs on allocation process

3. Specific questions on RAO & Transparency (raised during last CCG 28/06 meeting)

During last Core Consultative Group 28/06 meeting, Core TSOs indicated that they will come back to MPs regarding two questions on RAM relative and transparency. Core TSOs provided some answers, included in the presentation, provided via email by N. WILLEMSSEN (PMO) to MPs on 13/07/2018 (and copy-pasted below as well)

Q&A regarding RAM relative



- Why is the RAM relative computed on the basis of zone-to-zone PTDFs between electrically neighboring bidding zones and not between all pairs of bidding zones? TSO Answer (provided on 13/07/2018):
 - To capture the principal effect of implementing the remedial actions without market assumptions to enlarge the FB domain around the balanced net position, there is no necessity to take all combinations of bidding zones into account but only those with a commercial border as this would otherwise result in an uneven capacity distribution across all bidding zone borders.
 - Consider a set of three bidding zones (BZs) A, B and C. B is in the centre with A being a Northern and C being a Southern neighbour. (There are further BZs around that are not relevant for the example.) A commercial exchange between the two non-neighbouring bidding zones $A \rightarrow C$ can be decomposed into two commercial exchanges $A \rightarrow B$ and $B \rightarrow C$ between mutually neighbouring bidding zones. Likewise, the zone-to-zone PTDF of $A \rightarrow C$ can be expressed as the sum of the zone-to-zone PTDFs of $A \rightarrow B$ and $B \rightarrow C$.
 - By taking into account, in the computation of the relative RAM for a given CNEC, all 3 zone-to-zone PTDFs, one would effectively double count the PTDF $A \rightarrow C$ as it is already included by the joint consideration of PTDFs $A \rightarrow B$ and $B \rightarrow C$. This shows that it is at least not necessary to take into account PTDFs between non-neighbouring BZs.
 - But taking into account PTDFs between non-neighbouring BZs can even lead to an undesirable side-effect, namely an uneven distribution of capacities. This is because if all zone-to-zone combinations would be considered, the total (summed up) PTDF for a CNEC in the centre of the CCR is likely to be larger than that of a CNEC in a more remote location. Consider a constellation of 1 BZ in the centre and 10 BZs arranged in a circle around it. If one connects all pairs of BZ centres (for reasons of simplicity) with straight lines, many lines will go through the rather central part of the central BZ, and only less lines will go through each of the surrounding 10 BZs. Likewise, counting all zone-to-zone PTDFs will put a larger emphasis on centrally located BZs and CNECs, leading to uneven relative RAMs and hence an uneven focus of the RAO. This is avoided by taking into account the zone-to-zone PTDFs of neighbouring BZs only.

MPs raise the following additional questions during the 17/07 conference call

- What kind of settings do you consider for the phase shifters?
 - TSO Answer: A certain range of PST tap positions are one of the control variables in the RAO.
- Does the impact of the PTDF depends on the setting of the phase shifter?
 - TSO Answer: The effect of the PST is a redistribution of the base flows rather than a change of PTDF.

Q&A regarding transparency

- Why is it mentioned in DA CCM Art. 23 "Publication of data" that real names of CNEC may be published? This differs from the level of transparency applied in CWE. TSO Answer (provided on 13/07/2018):
 - This is linked to Article 25(3): "Before implementation of the CCM an analysis shall be made of information required to be published for each country, that sees a conflict of Article 23 with national as well as international regulations or directives (e.g. EU 114/2008, EU 1227/2011, EU 72/2009). The results of this conducted analysis by respective TSO(s) in cooperation with respective national regulatory authorities shall be presented to all Core NRAs and data publication (Article 23) shall be done in accordance to these national analyses." As mentioned in Article 23(3), the target is to have at least the transparency level that is reached in the operational CWE FBMC.
 - MP express dissatisfaction with this and explain they still fear an insufficient level of transparency.

MPs raise the following additional questions/remarks during the 17/07 conference call

- MPs inform that this topic was addressed during CWE consultative group conference call (17/07 morning). TSOs experience difficulties with coding the CNECs names in a unique and consistent way. In case the legislation evolves, it should be possible to make public the CNECs names (that are for the moment anonymized because of certain national legislations). The key issue is that each asset has a unique and consistent code (and this is not the case now in CWE). MPs would welcome a workshop on transparency, including how to code the parameters in order to reach a better understanding.
 - TSO Answer: The target is to have the name published but this single analysis is to be performed.
- MPs remark that the outcomes of the discussions within CWE should be taken into account. Core TSOs should be exhaustive when defining the requirements of the tool to be developed to manage the capacity calculation (in terms of the amount and types of data, the publication delay ect.).



- MPs acknowledge that Core TSOs may face some restrictions on national level. However why are these restrictions not overruled by the EU rules?
 - TSO Answer: This is a legal question that cannot be answered by technical expert. However, the intention to be transparent is expressed in the Core DA CCM.

ACTION: Core TSOs to come back to MPs on possible dates for workshop on transparency (alignment with CWE region needed first).

As no more questions are raised, PMO closes the conference call. MPs thank Core TSOs for their availability. Core TSOs thank stakeholders for providing valuable inputs and triggering necessary discussions.