

5th Stakeholder Advisory Group Meeting

Minutes

From: Bidding Zones TF – ENTSO-E

To: Stakeholders Advisory Group Members

Date: 16 December 2015

Participants

Marcel Steinbach (Eurelectric), Pierre Castagne (Eurelectric); Schneider Rudolf (Europex), Joël Hoeksema (Europex), Petter Longva (IFIEC), Peter Schmid (Österreichs Energie), Mats Nilsson (GEODE), Aurore Lantrain (Europex), Jerome Le Page (EFET), Paul Giesbertz (EFET), Philipp Ahlhaus (ACER), Reinhard Kaisinger (ACER), Nicolas Kuen (EC), Kłos Michał (NCBJ); Jakubek Marcin (NCBJ); Bogdan Kapusta (ENTSO-E), Manfred Pils (ENTSO-E), Pavel Vagner (ENTSO-E), Victor Saenz (ENTSO-E), Oliver John (ENTSO-E), Marta Mendoza (ENTSO-E)

Agenda:

No	Subject	Time
1.	Welcome	10:30-10:45
2.	Status of the project (including update on the CACM process)	10:45-11:30
3.	Workshop on Clustering methods part 1– presentation by NCBJ Intuitive introduction to hierarchical clustering and consensus clustering of Locational Marginal Prices	11:30–12:15
4.	Questions and Discussion	12:15-12:30
	Lunch	12:30-13:30
5.	Workshop on Clustering methods part 2– presentation by NCBJ Intuitive introduction to grid clustering according to Power Transfer Distribution Factors	13:30–14:15
6.	Questions and Discussion	14:15-14:30
	Coffee break	14:30-14:45
7.	Market efficiency – by Eurelectric	14:45-15:15
8.	List of assumptions: Capacity Calculation methodology	15:15-15:50
9.	Summary and next Steps	15:50-16:00

1. Welcome

ENTSO-E welcomes the participants.

The participants approve the minutes of last advisory group meeting and the agenda.

2. Overview on the status of the project

ENTSO-E presents an update on the status of the project (see slides).

The time plan indicates that the target is to finalise all the modelling and calculus in Q4 2016, while the timing to publish the final report and recommendation could be extended to 2017. The main reason for the delay is the big complexity of the project, especially the developing of methods, data, models and the interactions.

Regarding the capacity calculation methodology, which is one of the tasks that ENTSO-E is now focusing on, ENTSO-E explains that the current envisage method is the Merit order approach and explains the differences between the different options. ENTSO-E explains that one of the difficulties of implementing this methodology is choosing the CBCOs.

ENTSO-E explains that we are working with experimental methods, and that some of them are the first time that they are implemented at this scale, so the back testing is an important step and shows the first results of the comparison between flow based and NTC runs (2013 back testing).

Following the discussions of the participants, the EC explains that on their view the study shall focus on the CACM target model, and that we shall not focus on redispatching as such at this stage. The redispatching behaviour shall be the result of implementing the target model.

The participants asks for time to understand the capacity calculation merit order approach and its bases, and proposes ENTSO-E to organise specific workshops / webconference on this subject. The group agrees that to better understand and prepare this workshop / webconference, the participants will send specific questions to ENTSO-E (Marta) until the end of January. ENTSO-E will then organise a webconference involving DNV GL if appropriated.

Regarding the interaction between ACER, NRAs and ENTSO-E, ENTSO-E explains the bases for this relation following CACM text. The review process is defined in CACM regulation in two steps. In the first step, TSOs shall develop the scenarios, methodologies and assumptions and send them to the involved NRAs who can request coordinated amendments. In the second step, the TSOs will perform the review, consult it and submit it to the participating member states.

For this reason, to complete the step 1, ENTSO-E on behalf of the participating TSOs has submitted to the involved NRAs scenarios, methodologies and assumptions and requested coordinated amendments. In order to be transparent ENTSO-E and NRAs agree to share the letter sent by ENTSO-E to ACER and NRAs on this respect. The letter will be distributed to the participants by mail in the following days.

The participants asks questions about the next steps after the report and when the next report will be deliver.

Regarding the periodicity of the Bidding Zones Review, ENTSO-E clarified the differences between the Technical report and the BZ Review. While the Technical report has a pan European approach and will be done on regular bases, maximum every 3 years, the BZ review will be done only by specific request and the scope will be variable.

ENTSO-E explains also that, following CACM, the final step is in the hands of the Member States, after TSOs submit the report and the recommendation.

3. Workshop on Clustering methods

part 1–Intuitive introduction to hierarchical clustering and consensus clustering of Locational Marginal Prices (presentation by NCBJ - see slides)

part 2– Intuitive introduction to grid clustering according to Power Transfer Distribution Factors (presentation by NCBJ – see slides)

4. Market efficiency – by Eurelectric

Eurelectric presents its views on the market efficiency and liquidity and the current state of art - see slides. Eurelectric proposes to test some of the indicators, and select the more useful ones together in the Advisory group.

ENTSO-E thanks Eurelectric for providing this work to the group and considers this ideas as very useful. ENTSO-E offer to continue this constructive discussions further and inform that there is a dedicated group in the BZ TF dealing with this issue and who is willing to take this further.

Eurelectric informs also the group that they will prepare a paper to measure more specifically those indicators (theoretical work has been already developed in 2013), and offer to share the draft within the participants in Q1 2016 and the results in summer.

The group agrees that the subject of what is liquidity in the market has to be tackled and decided to stablish a teleconference to discuss further the organisation of this work to further develop the ideas brought by Eurelectric.

5. Individual stakeholder feedback

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- OE explains that they are concerned that the Market part will not be enough considered. In the meeting is explained that the Market analysis will be tackled deeper later as we are now in an early stage where the important part is to settle the models.
- OE informs that the data bases is starting to be old- TYNDP 14 or 16. In the meeting is explained that TYNDP 16 scenarios are not yet available, and the project needs to start with the data available, that is why TYNDP 14 scenarios are used.
- OE asks for transparency and more meetings. In the meeting, the transparency enhanced (by distributing the letters exchanged with NRAs and ACER and workshops with the consultants). Regarding the frequency of the meetings there will be more meetings in 2016 as there will be more things to discuss. Until the end of 2015 there has been lot of work regarding data collection.

6. Recap:

ENTSO-E recap of the action points:

- ENTSO-E will share the letters sent to ACER and NRAs on the methodologies, assumptions and scenarios

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- All participants are invited to provide further comments and questions on the capacity calculation merit order approach until the end of January, so a discussion involving also DVN GL will happen.
 - NCBJ will distribute the updated slides presented in the meeting.
 - A follow up conference to further discuss the way forwards on Market efficiency and liquidity will be organised. .

Next meeting: Spring 2016