

## CWE Consultative Group

### Meeting minutes, 19<sup>th</sup> of November 2015

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<b>Date</b>	19-11-2015		
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<b>Name</b>	<b>Company</b>	<b>attendees</b>	<b>excused</b>
<b>MARKET PARTIES</b>			
JONG Dieter	<i>Anode</i>	X	
SCHOENENBERG Yves-Denis	<i>AXPO</i>	X	
TUPAK Andreas	<i>BKW Energie</i>	X	
VRAZDA Bohdan	<i>CEZ Trading</i>	X	
BOSSCHAART André	<i>DELTA</i>	X	
PIROVANO Filippo	<i>EDF Trading</i>	X	
LE PAGE Jérôme	<i>EFET</i>	X	
VISSER Vincent	<i>Eneco</i>	X	
LIMPENS Sophie	<i>ENGIE</i>	X	
ROBAYE Hélène	<i>ENGIE / CCG co-chair</i>	X	
BONDE Michael	<i>EON</i>	X	
MAURICE-VALLEREY Laurent	<i>Gazprom</i>	X	
KRONIMUS Alexander	<i>IFIEC</i>	X	
PHULPIN Yannick	<i>MPP</i>	X	
LEFEVRE Eric	<i>NOBLE Europe</i>	X	
TENVENNE Michael	<i>Statkraft BV</i>	X	
MESSA Silvia	<i>Statkraft GmbH</i>	X	
STAAL Floris	<i>Vattenfall</i>	X	
MANDIC Regina	<i>Verbund Trading</i>	X	
<b>NRAs</b>			
MARIEN Alain	<i>CREG</i>	X	
KOSSLDORFER Željka	<i>E-Control</i>	X	
<b>CWE PARTNERS</b>			
BUCKSTEEG Michael	<i>Amprion</i>	<i>FB expert</i>	X
MESTDAG Christophe	<i>ELIA</i>	<i>FBE WG leader</i>	X
DJABALI Rouquia	<i>EPEX</i>	<i>FBvTF leader</i>	X
GRAS Caroline	<i>EPEX</i>	<i>Euphemia expert</i>	X
LANGER Yves	<i>EPEX</i>	<i>FB expert</i>	X
LANTRAIN Aurore	<i>EPEX</i>	<i>FB expert</i>	X
SEMMIG Andreas	<i>TRANSNET BW</i>	<i>CCG Co-chair</i>	X
DUODOIGNON David	<i>TSCNET</i>	<i>IDCC WG leader</i>	X
BOYER Karel	<i>Eurogroup CS</i>	<i>PMO</i>	X
VAN DER MARK Alexander	<i>Magnus</i>	<i>PMO</i>	X

**Agenda of the meeting:**

1. **Nomination of the CWE Consultative Group Chairmen**
2. **Review of last Flow-Based market results and status on Euphemia developments**
3. **Interface between CWE project partners and Market Participants**
4. **Transparency proposal and dialogue for transparency measures within CWE region**
5. **Market Parties' / NRAs' reaction and questions**
6. **Regional coupling situation**
7. **Status on Intraday Capacity Calculation**
8. **Update on upcoming changes within CWE region**
  - Interconnector BeDeLux project
  - APG integration
  - Transmission Rights with delivery from 01/01/2016 on

**SUMMARY OF DISCUSSIONS**

CWE Consultative Group (CCG) meetings will be from now on co-chaired by H  l  ne Robaye, as a Market Participants' and associations of Market Participants (hereafter referred to as "Market Parties") representative, and Andreas Semmig, as the CWE partners representative. CWE regulators agreed to participate with at least one representative attending CWE Consultative Group meetings.

During this meeting, Market Parties have expressed the need for increased transparency with regard to Flow-Based Market coupling implementation through a list of several requests and practical examples illustrating their concerns. The measures proposed concerned market conditions understanding, data publication and the interface between Market Parties and TSOs.

CWE Partners acknowledged these concerns and confirmed their willingness to improve transparency towards market parties in particular with regard to the "drivers" of the flow based domain. The requests raised by market parties have been analyzed by CWE partners who provided transparency propositions that should be continuously improved to meet expectations. Whereas there is a general agreement on the need for more "pedagogical documents" and improved channels of communication between Project and Market Parties, a disagreement remains as to the appropriate level of "quantitative" transparency. Further discussions between TSOs and Market Parties are required. Market parties asked NRAs to clarify their position on the transparency request at the next meeting between NRAs and TSOs.

Furthermore, CWE experts have presented a standard approach to analyze future significant changes that could occur in the CWE region. Market Parties have doubts on the proposed approach. Further discussions between TSOs and Market Parties are required. In particular, CWE Consultative Group members have discussed to further create a small group of limited TSOs experts and Market Parties experts to investigate dedicated Flow-Based topics and jointly provide some propositions to the CWE Consultative Group meetings. As a first step, it is agreed to constitute a small group of experts asked to propose a solution for the standard approach and categories of typical days to analyze future significant changes in the CWE region.

The roadmap and current approach towards the development of Flow-Based Intraday was presented by CWE TSOs. Market Parties have raised their concerns on the proposed planning, which does not match the recommendations formulated by CWE NRAs in their position paper of March 2015. In this respect, Market Parties have invited TSOs to investigate all pragmatic solutions and welcome short-term improvements to release capacities to the market, acknowledging only limited increase of MW would already lead to a significant gain.

For the next meetings, EPEX SPOT and APX proposed to organize dedicated short sessions on Euphemia topics that will take place after the CWE Consultative Group discussions.

## **1 Nomination of the CWE Consultative Group Chairmen**

- Following the first CWE Consultative Group (CCG) meeting on June 30<sup>th</sup> 2015, Market Parties have nominated H  l  ne Robaye (Engie – MPP) as the co-chair on the Market side, as a Market Parties Platform (MPP) representative. Andreas Semmig will be the co-chair on the CWE project side, as the CWE Partners representative. For the next meetings, market participants and associations can address their concerns and questions through the stakeholders co-chair hence the topics can be properly addressed and discussed.
- CWE Consultative Group co-chairs remind the main objectives and scope of the group. Market parties questions, expectations or concerns raised during CWE Consultative Group meetings will be taken into account and discussed between CWE project parties. Market parties will be informed on relevant decisions taken by CWE project parties via a publication on the CASC website, followed by an e-mail to CWE Consultative Group members, MPP, and EFET associations.
- The considerations on Euphemia performance will not be in the scope of this group. Nevertheless, market parties' concerns with the functioning and performance of the Euphemia algorithm, as well as planning of further releases, should be discussed through short dedicated sessions that will be organized by EPEX SPOT and APX. These sessions will take place after the CWE Consultative Group meetings and would last approximately 2 hours.

- Finally, CWE Consultative Group members agree to create a small group of limited TSOs experts and market parties' experts to investigate dedicated Flow-Based topics and jointly provide some propositions to the CWE Consultative Group meetings. As a first step, it is agreed to constitute a small group (4 or more persons) of experts asked to propose a solution for the standard approach and categories of typical days to analyze future significant changes in the CWE region.
- Question from MPs: What is the precise role of regulators in the CWE Consultative Group meeting?
- NRA answer: Regulators are participating in this group (with at least one representative) as observer but also to provide clarifications on regulatory issues if requested. In addition, regulators could also ensure coordination and follow-up of regulatory issues between the CWE Consultative Group and the European Stakeholder Committee. This latter proposal could be further discussed and clarified at the next European Stakeholder Committee.
- Question from MPs: Would it be possible to organize CWE Consultative Group meetings more frequently, ideally a few weeks before the European Stakeholder Committee meetings?
- Project answer: We will assess with CWE project parties the possibility to organize three CWE Consultative Group meetings per year and will inform you of the decision before the next meeting.

**Action CWE Partners: Inform market parties on the decision of CWE project parties concerning the possibility to organize three CWE Consultative Group meetings per year.**

**Action CWE Partners: Organize a workgroup (4 or more persons), including TSOs experts and market parties experts, to discuss and review the standard approach and categories of typical days to analyze future significant changes in the CWE region.**

**Action NRAs: Investigate the need for an enhanced role of NRAs in CCG meetings and discuss a proposal with market parties at the next European Stakeholder Committee and CCG meetings.**

## 2 Review of last Flow-Based market results and status on Euphemia developments

### Review of the last Flow-Based market results

- As observed in the first CWE Consultative Group meeting, the last months of operation of the Flow-Based behaved as expected:
  - Increased trades in the most valuable directions
  - Increased price convergence (significant reduction of the price spreads)
  - Significant reduction of the spreads
- EPEX informs market parties that the PXs are continuously monitoring the comparison between FBP and FBI results to assess if the patch still performs as expected.
- Request from MPs: For next meetings, would it be possible to present the surplus distribution indicator per country?
- Project answer: Based on the data already available, CWE partners should be able to present the Surplus distribution per country.
- Question from MPs: Do CWE experts use different timeframes and conditions to calculate Flow-Based Plain (FBP) results compared to Flow-Based Intuitive (FBI) results?
- Project answer: The conditions used to run FBP calculation are exactly similar to production conditions used for FBI.
- Question from MPs: Can you explain why there is so few difference between Flow-Based Plain and Flow-Based Intuitive results compared to the past comparison? Could you also publish the Flow-Based Plain results to the market?
- Project answer: The relatively small difference between the Flow-Based Plain and Flow-Based Intuitive results is due to the facts that the analysis is based on aggregated results and no longer daily results. Moreover, PXs will discuss with other PCR parties on the possibility to publish also the Flow-Based Plain results to market parties.
- Question from MPs: Add charts on hourly comparison FB-FBI, for example duration curve to estimate the number of hours where the difference is big
- Project answer: OK

**Action CWE Partners: Assess with PCR parties the possibility to publish Flow-Based Plain results to market parties with a breakdown per country and with daily/hourly granularity**

**Status on Euphemia developments**

- *The status on Euphemia developments is presented in the PDF document entitled “Euphemia overview presentation”.*
- PXs highlight that they are willing to be more transparent and open towards all stakeholders. In this respect, PXs are organizing a forum on January 11<sup>st</sup> 2016 in Brussels to provide further information on Euphemia functioning and developments. Invitations to the forum will be sent in due time.
- For this CWE Consultative Group meeting, PXs shared with market parties a presentation providing information on the background of the single price coupling solution, the complexity and challenges to improve the solution over time, the functioning of Euphemia and issues related to PRBs, and finally the next steps improvements for Euphemia.
- A three steps approach has been used to build and improve the solution between 2010 and nowadays. Over this period, it is worth noticing that significant performance improvements have been implemented within Euphemia. For instance, the last release of Euphemia (version 9.3) includes PUN search improvements but also a new feature to reduce PRBs occurrences.
- In next releases of Euphemia, PXs are aiming to implement subsequent improvements in order to reduce the welfare gap. At long term, three possible approaches (such as reducing the range of product treated by Euphemia) are investigated by PXs to reduce the complexity of the solution. PXs remind that these solutions will require market parties consultation and regulators’ approval before its implementation.
- CWE NRAs inform CWE Consultative Group members that CACM guideline specify that regulators are responsible for approval of the algorithm solution. Therefore, market parties are welcome to share their feedback and remarks concerning the current algorithm solution.
- Request from MPs: In order to ease the approval of the algorithm solution, market parties request more detailed elements on the origin of the technical problems faced by PXs and suggest to realize a diagnosis of the complexity of the solution and to discuss this proposal at the next European Stakeholder Committee.

Moreover, market parties would like to discuss the possible impact of the patch on the performance of the algorithm during the forum organized by the PXs on January 11<sup>st</sup> 2016.

### 3 Interface between CWE project partners and market participants

**Communication of the PX monthly report**

- After discussions with PCR parties, PCR PXs did not agree to communicate the PX monthly report to market parties as there is no consensus on the disclosure of the copperplate indicator. Market parties are therefore invited to further indicate to PCR parties which additional indicators they would like to get access to. Market Parties already confirm their request to have access to the indicator comparing FB and FBI.

**Action Market Parties Collect and coordinate stakeholders’ requests in terms of PXs indicators and provide feedback to CWE partners. In particular, (and confer point on intuitive patch), provide feedback on the possibility to publish indicator on FBI.**

**Q&A Forum status and reorganization**

- CWE Partners presents the recent changes implemented on the Q&A Forum to adapt the platform to the post go-live activities and issues.
- The Q&A Forum platform should still remain the main channel and preferred ‘single point of contact’ to raise questions and concerns related to the Flow-Based methodology. Therefore, CWE project partners encourage the market parties to use the Q&A forum
- Request from MPs: MPs express their dissatisfaction with the slow pace of replies (up to several weeks/months). For high priority questions, market parties would like CWE project partners to set up a process that could speed-up the feedback from FB experts.
- Project Answer: CWE project explained that some questions require input from different bodies and hence require time to be investigated. CWE partners will investigate the possibility to adapt the Q&A Forum in order to identify and address high priority questions as soon as possible.

**Action CWE Partners: Investigate the possibility to adapt the Q&A Forum to identify and address high priority questions quicker.**

**Flow-Based data published**

- Data related to Flow-Based are available on the CASC website but also via the extended Utility Tool. CWE project partners are willing to continuously provide clarifications on the publication handbook to help market parties. Market Parties suggest to use illustrative examples for some typical cases.

- CWE partners remind the list of data and the description of the indicators available via the Utility Tool.
- Request from MPs: Is it foreseen to publish information about GSK in a next version of the Utility tool?
- Project Answer: GSK information is not published currently as it is considered as confidential information. However, CWE project partners and regulators will discuss this request at their next meeting.
- Request from MPs: Market parties would like to get ex-post access to D-2 realized flows on the Critical Branches (or virtually for critical outages), as it was done in the past on the ENTSO-e platform border by border.
- Project Answer: CWE partners will investigate this request with CWE NRAs and provide feedback to market parties.

**Action CWE Partners: Inform market parties about the possibility to publish GSK information and D-2 flows on CBs after discussions with NRAs.**

## 4 Transparency proposal and dialogue for transparency measures within CWE region

- CWE Partners acknowledged transparency concerns from stakeholders and confirmed their willingness to strengthen the direct dialogue with them in order to provide appropriate answers and solutions. However as market prices depend on a variety of different factors TSOs do not have the capability explaining market prices in detail but are willing to provide further explanation and transparency regarding the “drivers” of the flow based domain.
- The requests raised by market parties have been analyzed by CWE partners whom provided transparency propositions that should be continuously improved to meet expectations. Furthermore, CWE experts have presented a standard approach to analyze future significant changes that could occur in the CWE region.

### Description of the process to perform future impact assessment

- CWE Flow-Based experts used a K-means algorithm methodology to categorize business days in 10 different domains clusters. For future significant changes in the CWE region, CWE partners propose to use a standard approach based on the 10 categories of typical days to perform impact assessment analysis. This standard approach should be finalized by the end of the year.
- MPs questioned the proposition on the default change process and set of typical days, in particular, about the fact that most of the selected days belong to the pre-go live period.
- Question from MPs: How can we assess the representativeness of the 10 categories of the typical days, especially as many will be linked to parallel run data? Could we also include additional categories, representing more typical winter days?
- Project answer: The clusters have been defined based on one year of data and should therefore represent the main trends and seasonal effect of year. However, the categories and process can be further completed with new categories such as typical winter days.
- Question from MPs: do TSOs intend to publish the FB parameters for these typical days (before and after change) ?
- Project answer: yes, the publication of the FB parameters could be done

**Action CWE Partners: constitute a limited group (4 persons) of TSOs experts and Market Parties experts to co-create a proposition for the standard approach (including categories of typical days) and jointly submit it to the next CWE Consultative Group.**

### Suggestions of improvements on transparency

- Market participants have proposed 13 transparency measures for the CWE region, with justification on their objectives and expected benefits. CWE partners propositions are discussed during the meeting:
  - CBCO drivers (request #1): CWE TSOs agree to provide available pedagogical information on the CBCO drivers
  - CBCO publication (request #2): TSOs experts and market parties to review the proposition for the standard approach and jointly submit it to the next CWE Consultative Group.
  - Max imports and exports (request #3): The methodology for defining limits for Max import & export is already described in the approval package, available on the CASC website. CWE Consultative Group members agree that the CASC platform is the right communication channel to inform stakeholders when this parameter is modified by a TSO

- Phase shifter (request #4): CWE TSOs agree to provide pedagogical information on the workings phase-shifters within the flow-based process. TSOs will investigate if they can provide additional quantitative information concerning the integration of the phase-shifters in the flow-based process.
- CBCO publication comments (request #5): CWE TSOs are not responsible to assess if a change is to be considered as significant or not. CWE TSOs will however investigate if such information can be provided in case major topological change.
- CBCO publication warnings (request #6): CWE TSOs propose to publish the information concerning the planned changes of seasonal rating at hub-level and also the planned changes in external constraints
- Identify “intuitive patched” hours (request #7): PXs are willing to be more transparent and are investigating the possibility to publish this information to market participants, initially with a monthly report, ultimately on a daily basis. As PXs need the approval of PCR partners, they expect to start publication in Q2 2016. PXs and market parties agree to discuss this proposal in the next Euphemia workshop on January 11<sup>st</sup> 2016.
- D2CF and CGM data (request #8): TSO’s will investigate the possibility to provide generation and vertical load broken down by control instead of hub level (like published today). Market parties suggest NRAs to clarify their position towards TSOs in their next meeting.
- RAM and FRM margin (request #9): TSOs are providing RAM related to fixed labels (D+2), but cannot provide a breakdown related to specific elements leading to RAM. Market parties suggest that NRAs clarify their position towards TSOs in their next meeting.
- Critical branches (request #10): the provision of a mapping between ID and real lines & the separation between CB and CO is not feasible, since this is TSO confidential information. Market parties suggest that NRAs clarify their position towards TSOs in their next meeting. NRAs expressed their agreements with regards to MPs’request (ie full transparency on the names of the lines as well as CO).
- GSK harmonization & transparency (request #11): CWE TSOs consider that the requested GSK information is TSO confidential information, so no additional actions are foreseen. Market parties suggest that NRAs clarify their position towards TSOs in their next meeting.
- Keep documentation up to date (request #12): TSOs are will to keep documentation up to date and to develop more material online for pedagogical use, within reasonable usage of resources. Furthermore, new items related to publication will be updated in the publication handbook
- Hotline (request #13): In order to answer quickly to high priority questions, CWE partners will investigate the possibility to adapt the Q&A Forum to identify and address urgent questions as soon as possible. If deemed necessary, market participants are also invited to further specify the requirements to set up a technical and commercial interface in addition to the Q&A Forum.

**Action CWE Partners: Follow-up on transparency measures implementation and provide feedback to the CWE Consultative Group members in the next meeting. In particular, CWE TSOs and regulators will discuss the possibility to disclose additional confidential information in their next meeting**

**Action NRAs: Regulators are invited to clarify their position on a number of transparency requests from Market Parties and inform the CWE Consultative Group of their decision and intended actions.**

**Action CWE PXs: Discuss with market parties in next Euphemia workshop (January 11st 2016) the possibility to flag hours in which the intuitive patch was applied.**

## 5 Market Parties / NRAs reaction and questions

- *Market parties views and issues on Flow-based after six months of live operation are presented in the PDF document entitled “Transparency actions MPP-EFET”.*
- Market parties addresses several questions to CWE partners with regard to Flow-Based Market Coupling implementation, and illustrates their concerns with multiple practical examples:
  - The capacity domain has decreased since the launch of FB in comparison with the parallel run.
    - Why is that?
    - What shall we expect in the future and how we will measure it?
  - Parallel run increased German exports / live version decreases them
    - What happened, any change in the parameters?
    - If yes, why were the parameter changes not communicated to the market?
  - There is an increase in the number of CBCOs.
    - Was any information circulated to the market about this? What is the reason for this increase ?
  - Live flow-based is showing extreme and unpredictable day-to-day volatility in the Benelux.

- What is the explanation?
  - The “intuitive” patch seems to have a more significant impact on prices than during the parallel run
    - Why is that and how can we assess the real effect of the patch?
    - Would a reform of FB intuitive and a move to FB plain s,ll be possible? What would be the trigger?
  - Impact of flow-based on intraday capacity available to the market?
    - What progress has been made on a post flow-based calculation of intraday capacity? *Answer is provided in the section 7 of the CWE Consultative Group presentation*
- In addition to these concerns, market parties raise new questions to CWE partners during the meeting.
  - What is the most relevant metric to measure the variations of the Flow-Based domain?
  - The German exports capacity seems to be limited by the grid configuration. Why is that?
  - Could you explain why one specific CBCO seems to be constrained very often?
  - Could you explain how close the current situation is to the actual physical flows? Could you evaluate to what extent Flow-based is closer to reality than ATC?
- CWE partners have prepared first high-level answers to these questions and agree to prepare a written publication answering all these questions in detail. The publication will be provided to the CWE Consultative Group members prior to the next meeting and will also be published on the Q&A forum to let it accessible to broader audience. For other concerns, CWE Partners invite market parties to address their questions on the Q&A Forum platform.
- Concerning the request to publish the block bids in Belgium, CWE PXs inform that it has been already agreed to provide this information to market participants. However, a legal procedure is currently ongoing to formally approve the publication of this data.
- CWE PXs also inform that working Paper on the price spikes observed on the Belgian day-ahead spot exchange Belpex on 22<sup>nd</sup> September 2015 has been recently published on the CREG website. Market parties are welcomed to provide comments on the paper to complete the analysis.

**Action CWE Partners: CWE partners to publish before next CWE Consultative Group meeting a report answering all questions addressed by market parties.**

## 6 Regional coupling situation

- CWE PXs reminds the situation explained in the previous CWE Consultative Group meeting: Currently, a technical issue of a PX outside CWE may lead to a full decoupling of CWE. The geographic extension of PCR/MRC tends to increase the risk of technical problems resulting in MRC decoupling. Therefore, CWE Parties propose to introduce a regional coupling solution for CWE markets (plus BritNed) in case of a MRC full decoupling. The main objective of this proposal is to keep the CWE region coupled in case such situations occur.
- Following last meeting, CWE Partners have assessed if there was any possible impact of the fallback scenarios on the timings of the 15 min intraday auction in Germany. The analysis has shown that the impact would be minor, considering that in case of operational issue, the closure time of the 15 min Germany auction can be postponed until 15:40. However, if in extreme unlikely even due to operational issue this deadline can't be met, the 15 min Germany auction will be cancelled.
- The regional coupling solution will be implemented in 2016, with an update of the procedures in Q1 2016, following by a technical, procedural and member testing before the end of Q2 2016. More detailed information regarding new procedures and member test will follow in Q1 2016.

## 7 Status on calculation of Intraday capacities

- CWE project partners present the three-step approach for the implementation of Flow-Based Intraday in the CWE region. This approach has been built upon thorough analysis and exchanges with NRAs, considering CACM and EC prerequisites.
- As a stepwise approach, CWE TSOs agreed to implement a pragmatic ID ATC process for all CWE borders, following the recent implementation of a bilateral increase / decrease process starting from initial ATC values. This second step builds further on the first step and consists of a coordinated decrease / increase process for all CWE borders. The implementation of this new process is pending CWE regulators' approval.
- The medium term solution will be a Flow-Based Capacity calculation solution, ie a re-computation of the Flow Based domain, post day-ahead clearing, from which an ATC domain is derived and is used to “feed” the XBID platform. CWE TSOs have already started to work on this solution and foresee an implemented process by the end of 2017.
- The final – long term- solution will be a full “Flow based for intraday”, with a flow based allocation of capacities.

- Request from MPs: MPs regret the planning announced for the medium term solution. They understand the challenge of the CWE Intraday roadmap but still invite TSOs to investigate all pragmatic solutions and welcome short-term improvements to release capacities to the market, acknowledging only limited increase of capacity would already lead to a significant gain. MPs are convinced that a real re-computation of the domain is needed and that the proposed coordinated decrease/increase is welcome but not sufficient. Therefore, corresponding effort should be done to improve the current situation in the shortest term.
- Project Answer: CWE TSOs will take into account market participants' remarks and will present a more detailed planning during next CWE Consultative Group meeting.

**Action CWE Partners: Take into account market parties' remarks concerning solutions to release intraday capacities to the market and present more detailed planning for next CWE Consultative Group meeting.**

## 8 Update on upcoming changes within CWE region

### Interconnector BeDeLux project

- The target date for inclusion in the DA capacity calculation and allocation has been set to March 31<sup>st</sup> 2016. CWE NRAs will receive the impact study on the new IC BeDeLux (based on a limited number of select days) before the end of the year.
- The first step of the implementation (pre-interim phase) consists in the commissioning of a phase shifter and use of existing assets. It is considered as a technical testing phase, including no commercialization yet. The second step (interim phase) will allow to provide DA capacities from Q4 2016 and then DA + LT capacities (year, month) from Q4 2017 to the market. The third and last step will be launched in Q1 2018. It should allow the connection of combined cycle gas turbine (CCGT) to the Creos grid and the commercialization of DA, LT and ID capacities.
- CWE partners also remind that the BEC solution will need to be adapted to take into account the new interconnector, but stress the fact that the BEC has no impact on market results, but serves only for the administrative handling of the FB MC results.

### APG integration

- Following discussions with market parties, an additional document was published to provide relevant information to the market on the new German / Austrian GSK.
- CWE partners inform market parties that the new German / Austrian GSK will be in operation from the 2<sup>nd</sup> December 2015 (for delivery data 4<sup>th</sup> December 2015).
- The final step for final integration of APG will be the launch of "full Flow-Based". CWE partners foresee to apply the standard approach process to analyze this future change in the CWE region.
- Question from MPs: Does the impact of the German / Austrian GSK on the non-CWE countries has been analyzed (for instance, Czech, Poland)?
- Project Answer: The GSK is part of the method of coordinated capacity calculation. The Update of the GSK takes into account changes in the generation environment of the respective TSOs. No detailed analysis of the impact for non-CWE countries has been performed in the GSK impact assessment report. In case non-CWE countries also have implemented a coordinated way of calculating network capacities and as far as the German / Austrian GSK is needed there the update could also be used accordingly.
- Question from MPs: Could you provide the PTDFs information in the analysis of impact new DE/AT GSK (old and new PTDFs+RAM on top of prices and net exports already provided)
- Project Answer: OK

### Implementation of Financial Transmission Rights on Belgium borders

- CWE partners are technically ready for the implementation of FTRs on Belgium borders in 2016. Furthermore, all CWE NRAs approved the implementation of FTRs Options on the Belgian Borders via the EU Harmonization of Auction Rules (HAR) approval.
- General testing to check new allocation IT system compliancy with the new EU HAR regulation will be performed by the end of 2015. Finally, the first auctions will take place in December 2015 via Yearly Auctions.
- CREG appreciated market parties' comments on the implementation draft decision document and stresses that their decision on the firmness condition will not change. The regulator will however make sure that the compensation mechanism will work as expected in case of curtailment situations. All the consequences linked to the Day-Ahead market will be covered in the settlement of the FTRs and based on a case by case basis.
- Request from MPs: Would it be possible to explicitly refer to the CREG decision in the features of the product term sheets document?



- Project Answer: CWE TSOs will make sure that the correction provision on the compensation mechanism is mentioned in the term sheets of the product.

Action CWE Partners: Ensure the correct information provision on the compensation mechanism agreed by CREG and refer to this decision in the term sheets of the products that are published on CASC website.

The next CWE Consultative Group is foreseen for next spring 2016. CWE co-chairs will agree on the next date and inform Market Parties as soon as the meeting date is set.