

CWE Consultative Group

Meeting minutes, 30th of March 2016, Amsterdam Schiphol

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Agenda of the meeting:

1. **Review of last Flow-Based market results and status on Euphemia developments**
 - Feedback on intuitive patch impact on prices
 - Feedback on price spikes 22nd September 2015
2. **Permanent solution for curtailment mitigation (Adequacy issue)**
3. **Status update on pending transparency requests within CWE region**
4. **Update on agreed transparency measures**
5. **Operational interface between CWE project partners and Market Participants**
6. **Status on Intraday Capacity Calculation**
7. **Regional coupling situation**
8. **Update on upcoming changes within CWE region**
 - CWE-CEE cooperation
 - APG integration
 - Interconnector BeDeLux project
 - LTCC workshop outcomes

SUMMARY OF DISCUSSIONS

In line with CWE Partners commitment to improve transparency and develop regular exchanges Market Participants, CWE TSOs and PXs have launched various actions and implemented transparency measures since last CWE Consultative Group meeting.

CWE Partners have answered questions and requirements raised by the Market Participants in the document "Flow-Based Market Results: request of information" communicated on 29th January 2016. Although some of Market Participants' concerns have been addressed, the 4 main transparency requests related to data publication are still pending, TSOs considering this data confidential information that they do not have the discretion to share. TSOs' limitations will be developed in a formal letter addressed to NRAs explaining the various TSOs positions. Based on this document, CWE NRAs will express their position and provide guidance for possible implementation of additional transparency measures.

Members of the CWE Consultative Group have also agreed on a standard approach (the Standard Process for Assessing significant Changes assessments) to analyze and communicate on future changes that will be implemented within CWE region. This new approach, framed by the CWE Change Control Procedure and based on a set of 12 representative categories of typical days, should provide more thorough information about main foreseen changes.

As regards CWE region developments, CWE TSOs have announced the recent implementation of the Intraday ATC Capacity Calculation process (CWE ID ATC CC) after Flow-Based market coupling for all CWE borders on 29th March (for Business Day 30th March). Next to the possible incremental improvements of intraday capacities at mid-term, the main objective of CWE TSOs is now to progress on the design and experimentation of Flow-Based intraday V1. The approval package of the solution will be submitted to CWE NRAs by end of Q1 2017, with an updated planning concerning the expected implementation date.

Lastly, TSO have presented their analysis on the market results on the Belgian day-ahead market on 22nd and 23rd September 2015.

The main point of discussion concerned the triggers for launching remedial actions on 23rd September 2015. One TSO explained that maintenance work was put on hold and topology measures were taken considering that imports reached close to the maximum feasible import capacity of the country on 22nd September. It also indicated that the price level on 22nd September was one the indicators of this technical limit of the system, and a trigger for the actions on 23rd September. Market Participants expressed their deep concern with remedial actions being taken on the basis of market prices. Other TSOs expressed that the priority of the TSO is the safety of the grid and that for them, day-ahead capacity calculation should be done independently from expected market prices.

The Belgian regulator also presented its conclusion about the origin of the spikes (mainly due to loopflows). The Belgian Regulator also proposed some structural modification of the market design aiming at lowering the impact of loopflows.

CWE TSOs also confirmed they monitor the prices and developments in the markets. They explained that their priority is to maintain the security of the system in order to provide the markets a basis for trading energy.

Analysis on the intuitive patch has also been presented. It is concluded that the "intuitive patch" has a significant impact on prices especially in already stressed situations. CWE partners will conduct a study on the impact of the intuitive patch and propose possible amendments to the flow-based MC methodology as the case may be.

In general, Market Participants ask NRAs and TSOs to have transparency on the results of the various studies currently performed in the CWE Region.

CWE partners will inform Market Parties of the main achievements within CWE region in the coming months through the CWE Consultative group mailing list and publication on JAO website. The next meeting will be organized after the summer 2016.

1 Review of last Flow-Based market results

Flow-Based market results

- After 10 months experience with the Flow-Based methodology, CWE partners confirm a general improvement of all market results indicators:
 - Increase of full price convergence
 - Decrease of partial price convergence
 - Decrease of high price spreads
 - Increase of exchanges in the relevant market directions
- Furthermore, it should be noted that the Flow-Based methodology has increased the hourly Net Export volatility.
- CWE Net position indicator: Market Participants remarked that the indicator is not relevant anymore (due to the fact that there is no Long Term Nomination on BE borders since 1st Jan 2016). TSO agreed to adjust the indicator for next meeting.
- EPEX Spot informs that the simulation results of Flow-Based Plain MC will be now published on a monthly basis every 15th of the month on a ftp server accessible to Market Parties.
- As requested by CWE NRAs, CWE partners will conduct a study of one-year comparison between Flow-Based Intuitive and Flow-Based Plain results. Based on the results of the study, CWE NRAs will consider if a change towards the Flow-Based Plain methodology is relevant and justified. The analysis will not include a comparison with ATC results as there are not calculated anymore. At this stage, a higher occurrence of better welfare results under Flow-Based Plain has been observed in comparison to the Flow-Based Intuitive methodology.
- For the next CWE Consultative group meeting, Market Parties would like CWE partners to present the Surplus Distribution indicator per country. This has been agreed.

Action CWE Partners: Present the conclusions of the comparison study between Flow-Based Intuitive and Flow-Based Plain methodology adjust the net position indicator and include a surplus distribution indicator per country

Intuitive patch impact on prices: main conclusions

- EPEX Spot has performed a thorough analysis to answer Market Participants concerns regarding the intuitive patch impact on prices since the Flow-Based market coupling go-live. A summary of the conclusions is presented during the meeting. The complete answer has already been published on the Q/A Forum.
- At first glance, it appears that the intuitive functionality has performed as expected, though situation with higher than average market prices have been observed for some business days. At this moment, no clear case for a change has been identified.
- In stressed situations such as October 16th 2015, the activation of the intuitive patch resulted in high price differences and has limited the Belgian import. However on November 14th 2015, the intuitive patch played its role in order to prevent the most expensive market to export and the Belgian price to increase.
- Request from MPs: Market Participants were surprised that no reporting was made on the surplus in plain FB versus FBI. Would it be possible to also analyze the impact on welfare results for the days presented in the study (September 22nd, October 16th, November 13rd and November 14th)? Furthermore, Could you specify if there is a correlation between the LTA coverage patch and the intuitive patch activation? In addition, Market Participants expressed concerns regarding FBI and the performance of Euphemia. They suggest following this closely (in particular, does the intuitive patch generate more PRBs?).
- Project Answer: CWE project partners will investigate the impact on welfare results for the mentioned business days and provide feedback to the Market Parties before the next CWE Consultative Group meeting.

Action CWE Partners: analyze the impact on welfare results for the business days of September 22nd, October 16th, November 13rd, and November 14th 2015 and provide feedback before the next CWE Consultative Group meeting.

Feedback on price spikes of 22nd September 2015 (CWE Partners report)

- CWE partners have recently published a report on the JAO website regarding the price spikes situation observed on September 22nd 2015 and presented the main conclusions during the meeting:
 - A combination of challenges faced within the Belgium grid and a decrease of the forecasted solar infeed put pressure on the Belgian electricity prices.
 - The import of the Belgian hub after Day-Ahead Market Coupling was very close to the technical maximum feasible limit for that day
 - On hour 15, a market price of 500 EUR/MWh for the Belgian hub was reached and triggered a second auction that ended successfully.

- It can be also observed that the activation of the intuitive patch led to an increase of market clearing price for hour 15. More detailed analysis will be performed in the global Flow-Based Intuitive / Plain comparison study.
- The analysis shows that all the operational procedures were correctly executed by the TSOs on that day and that the general context led to a limitation of the operational acceptable actions which could be taken. The Belgian TSOs decided to take additional measures the days after that event in order to secure the stability of the system while maintaining transmission capacity for the market.
- The priority of the TSOs is to maintain the security of the system in order to provide the markets a basis for trading energy. Measures taken are integrated in the relevant tools and files. It is concluded that the “intuitive patch” has a significant impact on prices especially in already stressed situations.
- Market Participants asked whether the high price situation was the main trigger of the remedial actions undertaken on the 22nd September 2015.
- One TSO explained that maintenance work was put on hold and topology measures were taken considering that imports reached close to the maximum feasible import capacity of the country on 22nd September. It also indicated that the price level on 22nd September was one the indicators of this technical limit of the system, and a trigger for the actions on 23rd September. Other TSOs expressed that the priority of the TSO is the safety of the grid and that for them, day-ahead capacity calculation should be done independently from expected market prices.
- Market participants also questioned why these extra actions were not taken for the 22nd given the fact that the technical and physical indicators seemed to be same. They expressed strong reservations and dissatisfaction, as in the view of Market Participants and according to European legislation, TSOs should not be taking remedial actions based on price indicators. According to Market Participants these actions should be based only on technical indicators. They consider that TSOs should not make any assessment on prices. Market Participants also remind that there are second auctions in place in case high prices are reached. For any future similar situation in the future, Market Participants would like to get quickly informed of why such measures were taken and what would be the next actions taken for the coming days. Last but not least, Market Participants have the impression that there is sometimes a lag between the start of an event (eg a PST in revision) and the impact on the FB domain. They would like to understand this phenomenon better.
- NRAs deem that TSOs should generally influence market prices as little as possible but will further coordinate on that issue before providing a common position.

Action NRAs: coordinate and provide common position with regards to Market Parties concern about TSOs’ action, and influence on prices.

Feedback on price spikes of 22nd September 2015 (NRAs presentation)

- CREG presents the conclusions of the report they published regarding “price spikes observed on the Belgian day-ahead spot exchange Belpex on 22nd September 2015”. It should be noted that the report will be soon updated with an analysis on market situation on 16th October 2015.
 - In addition to the CWE Partners analysis, it can be observed from the Belgian market situation on that day that real time generation load was most of the time quite close to the total available capacity and physical import.
 - CREG considers that the main cause of price spikes is linked to an inefficient and discriminatory use of cross-border capacity but also the priority given to loop-flows in comparison of commercial exchanges. Overall, of the 1800 MW physical capacity on BE-NL, 65% of the capacities were used for non-competitive flows.
 - As a conclusion, the regulator deems that the absence of loop flows would have strongly limited the price spikes and proposes a set of cross-border solutions to prevent such situations in the future. For instance, CREG suggests reviewing the delineation of bidding zones and use PSTs and internal re-dispatch to limit non-competitive flows in base case scenarios. Furthermore, CREG believes that the implementation of advanced hybrid flow-based market coupling could help limiting such non desirable situations.
 - It can be finally observed that without the activation of the LTA coverage, the baseload price would have been much higher (estimated at 1293,16 €/MWh).
- BNetzA acknowledges the seriousness of the situation and takes note of the conclusions of the Belgian regulator. However, BNetzA believes that additional causes can explain market situation on that day, more specifically an adequacy issue and the maintenance works ongoing on different generation plants. Additionally, it should be noted that Flow-Based Plain methodology would have reduced the price level on that day.
- Market Participants expressed concerns regarding conclusions of CREG on bidding zones: the CACM guidelines foresees a periodical review of the bidding zones, upon a study steered by Entso-E. They are surprised to see such conclusion aside of the study.
- Request from MPs: Market Participants would like to be informed of the conclusions from the Hybrid Coupling study performed by the TSOs.

- **Project Answer:** The Hybrid Coupling study will be completed by Q2 2016 and reviewed by the NRAs. The conclusions of the study will be presented to the Market Parties in the next CWE Consultative Group meeting.

Action CWE Partners: Present the conclusions of the Hybrid Coupling study in the next CWE Consultative Group meeting

Action CWE NRAs: Present progress status on the Flow-Factor Competition study in the next CWE Consultative Group meeting

2 Permanent solution for curtailment

- EPEX Spot presented a PCR status report concerning the implementation of Euphemia solution 9.4 scheduled for week 16 (11-15 April). This release will include improvements to permanently mitigate curtailment situations, but also additional improvements (ex. PRB reinsertion) and bug fixes.
- The Adequacy report published in November 2014, highlighted curtailment situations, corresponding to cases where price taking demand orders cannot be fully matched. These curtailment situations in day-ahead would possibly lead to adequacy issues in real time. NRAs therefore requested CWE project partners in their position paper to implement a solution to solve curtailment situations (also known as the "Adequacy issue").
- The curtailment mitigation functionality was first implemented in a previous version of Euphemia (E9.3) but it resulted in an important performance reduction. Consequently, the algorithm provider and PCR algorithm experts worked on a new curtailment mitigation solution that is currently being tested for the next Euphemia release. The first feedback from the algorithm provider is positive and suggests that the application of the patch will not significantly impact the performance of the solution though the solution provides the same expected results.
- It should be noted that 19 seconds on average is the time needed for the algorithm to find a first solution (including performance mitigation patch), while performance improvements of the new release mostly focus on improving this first solution.
- Market Participants highlight that the "curtailment mitigation" will only be applied on the relevant organized markets – OTC trades are consequently not affected by the mitigation.
- **Question from MPs:** What is the main difference between Euphemia solutions E9.3 and E9.4 with regards to the curtailment mitigation functionality?
- **Project Answer:** Euphemia 9.3 penalizes the curtailment ratio of all sell orders submitted at -500€ and demand orders submitted at 3000€ (called Price Taking Orders) in its objective function. Euphemia 9.4 has a smarter approach as it penalizes only the curtailment ratio of Price Taking Orders with the maximum curtailment ratio. That is only in case a curtailment situation is encountered in the course of the algorithm calculation. This implementation is more efficient and allows the algorithm to calculate the first solution faster and provides more time to improve the solution. Mathematically speaking both implementations can be considered equivalent in case of no curtailment, but since 9.4 has better performance, the solution found by the algorithm might not be the same as the one 9.3 would have found.

3 Status update on pending transparency requests within CWE region

- *In this section, CWE Partners intends to provide feedback to MPP-EFET paper named 'Flow-Based Market Results: request of information'. CWE partners' detailed answers on questions on Flow-Based operations from last CWE Consultative Group meeting can be found in the document 'Feedback on FB Operational questions from MP's'.*

Transparency propositions from last CWE Consultative Group meeting

- 4 transparency requests (see below) from Market Parties are still pending, TSOs considering this data confidential information that they do not have the discretion to share. TSOs will shortly communicate a formal letter to NRAs presenting these limitations and explaining the various TSOs positions. NRAs should provide their position in reaction to this document by end of April 2016.
 - D2CF and CGM data (request #8)
 - RAM and FRM margin (request #9)
 - Critical branches (request #10)
 - GSK harmonization & transparency (request #11)
- In order to meet Market Participants expectations, NRAs suggest as an alternative the possibility that TSOs would publish on a regular basis a report, including the active critical branches, FMAX values, and the final observed flows on the most important lines but on anonymous basis. However, the disclosure of this information is also related to TSOs confidential information and would require significant efforts from TSOs parties. Market Participants are complaining about the lack of progress in this file. The requests are raised for a long time, discussion took place in the last 2 CCG without real progress.

Action CWE NRAs: Take a position on the pending transparency measures (#8, #9, #10, and #11) following the communication of TSOs formal letter.

Status on new questions on methodology and requirements addressed after last CWE Consultative Group meeting

- CWE Flow-Based experts presents their feedback concerning Market Parties' new requirements and methodology questions:
 - Question 10 (Flow-Based domain computation process): From the CWE TSOs point of view, the currently available information on methodological aspects (cf. Approval package) is already very extensive and detailed. In addition, pedagogical information has been shared and changes will be translated in the upcoming Standard Process for Assessing significant Changes (SPAIC) assessments.
 - Question 11 (Assessment of max import/export constraints): The methodology concerning the external constraints is clearly described and approved by CWE NRAs in the existing approval package. In the position paper of the NRAs, the CWE NRAs have requested to evaluate these external constraints in Q2 2016, these studies have recently been delivered towards the NRAs.
- Question from MPs: Would it be possible to share the External Constraints study results with Market Participants?
- Project Answer: CWE Partners will investigate with NRAs to which extent the results of the External Constraints study can be shared with Market Parties.
 - Question 12 (phase-shifter and HVDC settings): some pedagogical information concerning the phase-shifter settings has been provided to the CWE Consultative Group meeting. CWE TSOs create the CGM taking into account all available best forecasts, including HVDC.
 - Requirement 1 (transmission infrastructure impact on Flow-Based domain): The upcoming Standard Process for Assessing (significant) Changes (SPAIC) methodology foresees to assess the impact of outages (with long duration) of the transmission infrastructure.
 - Requirement 2 (set of hourly situations): The project partners have investigated this request and believe that it would be difficult to define this set of hourly situations in a representative manner. The proposed and accepted methodology with the standard approach (SPAIC) should be the selected method for any future representative impact of changes.
 - Requirement 3 (Periodic reports): Quarterly report comparing FB and ATC is not feasible as ATC are not calculated anymore. Regarding the costs (in term of DA welfare) of applying the intuitive patch, Market Parties will be able to retrieve this information in the monthly PX report monthly indicators (supplier, buyer surpluses, congestion rent and welfare). Regarding the costs of applying the adequacy patch, they would be relevant only in case of curtailment situation in one or more MRC markets. That is why it has not been planned to automate the publication of the comparison of the results when the adequacy patch is activated and not activated. Would this occur, the project will launch an impact assessment analysis.
 - Requirement 4 (Periodic reports): TSOs do not believe it is feasible to use an indicator as proposed by the market parties. There can be large discrepancies between the day-ahead market coupling results and the real time measurements. This is due to the intraday and balancing market, and the real time operation of the grid. The proposed indicator would require assessing each timeframe separately in order to isolate the day-ahead results. Given the work required to simulate the power flow on assets corresponding to active CBCO against their limit, it is not deemed reasonable to report on this indicator shortly after real time. As an alternative the TSOs propose to use the results from the FRM study, which assess the performance of the FB methodology and is update on a yearly basis.
- Question from MPs: What is for CWE Project partners the target to achieve Flow-Based market coupling success?
- Project Answer: One of the main achievements of Flow-Based market coupling is the ability to provide maximum capacities to the market considering the security of supply. A good indicator could be to compare the optimal capacities computed with what has been finally provided to the market.

Action CWE Partners: investigate with NRAs to which extent the results of the External Constraints and FRM studies can be shared with Market Parties and provide feedback for the next CWE Consultative Group meeting.

4 Update on agreed transparency measures

- In last CWE Consultative Group meeting, CWE Partners committed to implement some transparency measures expected by Market Participants. The status on the various measures is provided in the meeting
 - CBCO drivers (request #1): pedagogical information on the CBCO drivers is available in the document "*Pedagogical Information on Transparency Proposals (FV)*" provided in session file.

- CBCO publication (request #2): information about significant changes will be provided through the upcoming Standard Process for Assessing significant Changes (SPAIC) assessments detailed in the document “*CWE Standard Approach for Changes (FV)*” provided in session file.
- Max imports and exports (request #3): information about significant changes will be provided through the upcoming Standard Process for Assessing significant Changes (SPAIC) assessments detailed in the document “*CWE Standard Approach for Changes (FV)*” provided in session file.
- Phase shifter (request #4): pedagogical information on Phase shifters is available in the document “*Pedagogical Information on Transparency Proposals (FV)*” provided in session file.
- CBCO publication comments (request #5): information about significant changes will be provided through the upcoming Standard Process for Assessing significant Changes (SPAIC) assessments detailed in the document “*CWE Standard Approach for Changes (FV)*” provided in session file. Besides, CWE is initiating development of a CWE message board on JAO website to inform MP’s ASAP if unexpected changes occur with significant impact.
- CBCO publication warnings (request #6): information about significant changes will be provided through the upcoming Standard Process for Assessing significant Changes (SPAIC) assessments detailed in the document “*CWE Standard Approach for Changes (FV)*” provided in session file.
- Identify “intuitive patched” hours (request #7): Information regarding the activation of the intuitive patch is now available via the publication of the PXs reports every 15th of the month.
- Keep documentation up to date (request #12): CWE partners are continuously trying to keep documentation up to date and available to Market Parties.
- Hotline (request #13): CWE partners have investigated the possibility to adapt the Q&A Forum to identify and address urgent questions as soon as possible (see section 5 – Operational interface between CWE project partners and Market Participants).

5 Operational interface between CWE project partners and Market Participants

Standard process for impact assessment studies

- *The detailed process and methodology for the Standard Process for Assessing significant Changes (SPAIC) is presented in the document ‘CWE Standard Approach for Changes (FV)’.*
- After the last CWE Consultative Group meeting discussions, a workshop was organized with a small group of CWE project experts and market parties to review the Standard Process for Assessing significant Changes (SPAIC) assessments. The expert group agreed on the following topics:
 - List of changes that would trigger either an impact assessment analysis or a communication,
 - General process and method to perform the future impact assessments,
 - List of information / results expected as an output of the impact assessment.
- In particular, Market Participants requested to take into account several requests:
 - The standard approach is now based on 12 categories of typical days, including summer days, winter days, inter-season days and week-end days.
 - An additional set of FB parameters must be calculated in case a new known change occurs during the period when the impact assessment is performed.
 - In order to ensure good results with the standard approach, CWE project experts will ensure that the categories of typical days cover the different expected scenarios.
- Market Participants welcome the implementation of this new process to assess the impact of futures changes, but remind that their first priority remains the achievement of the transparency requests in order to facilitate understanding of Flow-Based market coupling results outcomes.

Action CWE Partners: provide feedback on the request from market participants to have an additional set of FB parameters in the SPAIC.

Q&A Forum status and reorganization

- CWE experts have investigated various possibilities to adapt the Q/A Forum in order to address high priority questions as quickly as possible. The proposition that has been selected would be to implement a priority ranking functionality (from 1 to 4) for each new question raised by the Market Participants. In this way, CWE experts will be able to easily prioritize handling of questions.

- It should be noted that this solution would only be efficient if Market Participants have a correct use of the ranking functionality. For instance, Market Participants could set up a process across associations and companies to agree on the ranking of questions before a formal classification of the question can be done on the Q/A Forum.
- Market Participants agree with approach proposed and suggest in the meantime to indicate priority questions using the follow-up functionality of the Q/A Forum

Action CWE Partners: Analyze feasibility of the technical solution with the Q/A Forum service provider and provide feedback to Market Participants.

6 Status on calculation of Intraday capacities

- On 29th March (for Business Day 30th March), the Intraday ATC Capacity Calculation process (CWE ID ATC CC) after Flow-Based market coupling for all CWE borders has been implemented. The initial feedback from TSO after implementation is positive, though some technical issues were faced during the process. After some time experience with this new solution, TSOs will perform an evaluation to determine the possibility of incremental improvements of intraday capacities.
- CWE TSOs explain conceptual differences between the full ATC re-computation and the Flow-Based Intraday solution. One of the main drawbacks of the full ATC re-computation are that it requires complex coordination process between the TSOs to define feasible ATC and remedial actions would have to be handled through a highly manual process. Consequently, CWE TSOs have decided to focus on a first version of Flow-Based intraday, to ensure a fast delivery in line with CACM requirements and deadlines.
- Question from MPs: Regarding the ID Capacity calculation process (step 4), would it be possible to re-perform ID ATC extraction every hour to optimize the level of capacities in the various directions according to the Market clearing point ?
- Project Answer: CWE TSOs will investigate the proposition from Market Participants and inform about the results for the next CWE Consultative Group.
- The planning of Flow-Based intraday V1 is presented to Market Participants: Based on conceptual design of the solution, TSOs will complete an experimentation / prototyping phase by end of 2016. The approval package of Flow-Based intraday V1 will then be submitted to NRAs before the implementation of the solution can start.
- Question from MPs: Market Participants are concerned about the lack of information regarding the planning after 2017, and would like to know what is the current target date for go-live of Flow-Based intraday V1?
- Project Answer: Due to the various uncertainties at this stage of the process, CWE TSOs choose not to define a detailed planning for the target go-live date of the solution. Planning for 2017 (and onwards) will depend on the results of expert experimentations and will be defined in the implementation phase. An updated planning will be provided with the approval package for FB ID V1. Market Participants are disappointed about this.

Action CWE Partners: investigate the proposition from Market Participants on possible improvements of ID Capacity calculation process and inform about the results for the next CWE Consultative Group.

7 Regional coupling situation

- EPEX SPOT provided a status update on the Regional Coupling situation in the CWE region. In the current situation, a technical issue of a PX outside CWE would 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 Participants 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 (technical issue outside CWE-BN).
- In the regional CWE-BN coupling solution proposed, shadow auctions will be applied on external CXE borders for relevant interconnectors following MRC decoupling; and CWE markets (APX UK) will reopen for 10 minutes before closing by 14:08, with preliminary results available by 14:25.
- The fallback scenario of this regional solution, which is an extremely unlikely situation, would lead to a full decoupling declared in MRC, followed by a CWE-BN full decoupling. In the worst case, the CWE-BN decoupling would be declared at the latest at 14:35, with results publication at 14:55. A minimum of 35 minutes will be dedicated to the notification process.
- Before the regional coupling solution can be implemented, the Dutch grid code will be adapted, the procedures and the Market Participants messages will be updated, and a member testing phase will be organized in June 2016.
- PX experts are confident that the solution can be successfully implemented by early July 2016. However, if the current planning cannot be respected, the go-live date will be postponed after summer (Q3/Q4 2016). Market Participants ask to avoid any change during the summer period (mid July to end August).

- CWE Partners have prepared a set of questions to clarify any possible concerns regarding the last Regional Coupling process. If Market Participants have any pending questions on the solution, they are invited to address them via the CWE Consultative Group mailing list.

8 Update on upcoming changes within CWE region

CWE-CEE cooperation

- *Detailed information about CWE-CEE cooperation is presented in the document ‘CWE_CEE merger status update Feb 2016 (FV)’.*
- CWE and CEE TSOs have signed on March 3rd a Memorandum of Understanding (MoU) including a High Level Roadmap and project plan for common activities. The 2 main objective of this cooperation is to:
 - Develop a common Flow-Based day-ahead capacity calculation methodology for the merged CWE-CEE region,
 - Establish the principles and process for the merged region.
- The governance of the joint project between CWE and CEE TSOs has been defined and is now running. CWE project partners will regularly inform Market Participants about the progress of the CWE-CEE cooperation via the CWE Consultative Group.
- Question from MPs: similarly to the CWE project, are transparency issues part of the discussions related to the CWE-CEE cooperation?
- Project Answer: the CWE-CEE Steering Board is paying particular attention to transparency issues and possible synergies between the two regions will be evaluated.

APG integration

- The second step of APG integration has been completed following the go-live of the new German / Austrian GSK since the 2nd December 2015 (for delivery date 4th December 2015). The final step for the full integration of APG (“full Flow-Based”) should be completed by Q3/Q4 2016.
- The “full Flow-Based” step consists notably in performing an impact assessment of APG critical branches integration in the CWE region. This analysis has already started and will be completed by using the standard Process for Assessing significant Changes (SPAIC) presented at the CCG on 19.11.2015 (10 representative FB days and 1 year of MC simulations). The results will be summarized in a conclusions report that will be presented at the next CWE Consultative Group meeting.
 - Market Participants are asking whether the “SPAIC” analysis will be performed with the 3 sets of FB parameters as requested during the technical workshop.
 - Answer CWE Partners: The study will be based on the comparison between the current situation (APG D2CF, DE/AT GSK, no APG CBs) and the prospective configuration (APG D2CF, DE/AT GSK, with APG CBs), using the default impact assessment for future changes” presented at the last CWE Consultative Group meeting (19th November 2015; 10 representative FB days and 1 year of MC simulations). Therefore the simulations required for the APG CB study were initiated right after the CCG meeting in November results of the APG CB study are expected in Q2 2016.

Interconnector BeDeLux project

- Initially set for April 2016, the IC BeDeLux project has decided to postpone the go-live date for commercialization of the new interconnector, due notably to the high volatility of production and load which complicates the discussion on PST coordination in a flow-based environment. These challenges can also be eased with the technical closure of the Luxring.
- A new planning of the project, including the LuxRing, will be communicated in June 2016, after having agreed a realistic planning with all stakeholders of the project. More detailed information about the project will be presented in the next CWE Consultative Group meeting.
- Market Participants express serious dissatisfaction regarding the lack of visibility on the IC BeDeLux project planning and expect more communication as soon as possible.

Long term capacity calculation

- *Detailed information about the outcomes of the workshop on Long Term Capacity Calculation is presented in the folder ‘LTCC files’, included as a session file of the meeting.*
- CWE TSOs organized a workshop on January 20th in order to discuss and received feedback on concepts for harmonized splitting rules and long term capacity calculation and allocation. In particular the following issues were discussed during the workshop:
 - Harmonized splitting rules: the proposal from TSO for discussion was to allocate at most 50% of the available capacity in the long-term timeframes;

- LT capacity calculation: a range of net positions could be defined resulting from a combination of scenarios and statistical approach;
- LT allocation: a single common auction per timeframe was proposed resulting in a marginal price per bidding zone border and allocated bids;
- LT rights: stakeholders requested to be informed about the consequences of these changes on LT right types such as FTRs and PTRs.
- Request from MPs: Market Participants consider that the response document regarding the LT conceptual framework does not provide expected feedback on all the questions rose during the workshop, and therefore would like to be informed as soon as detailed answers are available.
- Project Answer: CWE TSOs will make sure that stakeholders are informed of the progress made on the LT conceptual framework at the latest for the next CWE Consultative Group meeting.
- Question from MPs: What is the governance for the developments of the LT capacity calculation concepts and how the discussions at CWE level are coordinated with the FCA stakeholder meeting?
- Project Answer: ideas discussed at CWE level will be developed under the CWE governance. However, CWE TSOs will ensure that there is a proper alignment between concepts discussed at CWE level and in the FCA stakeholder meeting.

Action CWE Partners: provide detailed answers to stakeholders concerning the pending questions raised during the LTCC workshop.

Action CWE Partners: ensure alignment between CWE and FCA stakeholder meeting discussions concerning LT capacity calculation concepts.

The next CWE Consultative Group will be scheduled after summer 2016. CWE co-chairs will inform Market Participants of the date and agenda of the meeting as soon as possible.