

Long Term Flow-Based Allocation

Frequently Asked Questions



This document is intended to support Market Participants by providing answers to frequently asked questions regarding Long-term Flow-Based Allocation and its associated processes.



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List of impacted borders:

Joint calendar annual and monthly flow-based auctions on Core and Nordic regions (Base, with or without maintenance periods), with FTR options for all borders on Core region except HR-SI, that will remain PTR

Core Region	Nordic Region
AT<>CZ	D1<>D2
AT<>DE	
AT<>HU	
AT<>SI	
BE<>DE	
BE<>FR	
BE<>NL	
CZ<>DE	
CZ<>PL	
CZ<>SK	
DE<>PL	
DE<>FR	
DE<>NL	
HR<>HU	
HR<>SI	
HU<>RO	
HU<>SI	
HU<>SK	
PL<>SK	

1. Simulation Platform

In the context of the Long-Term Flow-Based Allocation (LTFBA) Project, we have the Simulation Platform web interface which allows users to verify the flow-based capacity parameters and simulate long-term flow-based auctions. The tool is available for all market participants, transmission system operators and JAO users.

- Prod endpoint: [LTFBA Simulation Platform](#)
- [User Guide](#)

Currently the outputs of the Simulation Platform are: Bid stream, Log file, LTFBA results in xml and xlsx format.

The .xlsx output contains:

- Bids
- AcceptedVolumes
- AuctionPrices

2. External Parallel Run

The link towards the results of the External Parallel Run on CORE:
[External Parallel Run | JAO S.A. Leading service provider for TSOs](#)

3. Auction specification and offered capacity

3.1. Will the LTFBA Auction Specification publish a maximum or indicative MW quantity for each bidding-zone border and direction?

No simple border-level MW capacity will be presented in the same way as under an ATC-based auction. The Auction Specification provides the auction identification, borders, timetable and relevant maintenance information. The final offered capacity is published through the JAO Publication Tool before bidding opens.

- The published flow-based information includes RAM and PTDF values.
- Where applicable, it also includes external constraints, Max Exchanges (MaxBex) and minimum/maximum net positions.
- Maintenance information is included for the relevant HVDC borders.

3.2. May a Market Participant submit a demanded quantity that is higher than the volume ultimately available for allocation?

Yes. LTFBA does not apply the ATC-style rule requiring the bid quantity to be below a single published border capacity. A participant may submit its desired quantity, subject to document validation, participation entitlements and credit-limit requirements. The accepted quantity is determined during auction clearing by the flow-based optimisation algorithm.

3.3. Does eCAT validate bid MW against an auction-specific border capacity when the bid is submitted?

No ATC-style comparison is performed between the requested MW and a published border capacity for an LTFBA auction. The feasibility of the requested volume is assessed during the optimization process.

3.4. Are bidding-zone import and export constraints visible before gate closure?

Yes, through the published flow-based domain parameters rather than through a single border capacity value. These parameters provide transparency on the constraints used by the allocation algorithm.

3.5. Is the published Flow-Based Domain informational only?

No. The Flow-Based Domain is an input used by the allocation algorithm. It is also published to provide transparency and may support participant analysis or simulation. The Flow-based domain file and the Bid price cap file will be also available in the Trader UI.

3.6. Will JAO provide a simplified border-level capacity indicator for bid sizing?

No simplified border-level indicator is currently foreseen. Participants should use the published auction information and flow-based parameters as inputs to their own commercial assessment.

3.7. What pre-submission quantity checks should Market Participants perform?

There is no direct equivalent to the ATC check that a bid must not exceed a published border capacity. Before submission, participants should:

- Confirm that the required participation entitlements are active.

- Confirm that sufficient collateral and credit cover are available.
- Review the Auction Specification, Flow-Based Domain and related publications.
- Select demand volumes and prices based on their own commercial assessment and, where applicable, internal modelling.

4. XML formats, web services and automation

4.1. Are major changes expected to the existing XML file structures?

No major restructuring of the existing participant file flows is currently foreseen. The principal enhancement is that participants may submit LTFBA bids in either ECAN or IEC format, depending on participant configuration.

Note: A participant wishing to use the IEC bid format should request the required configuration through a support ticket.

4.2. Will the participant-facing API change for LTFBA?

No new participant-facing API endpoints, request or response structures, or authentication changes are currently foreseen. Existing web-service bid submission remains supported. Participants may submit ECAN or IEC bid documents according to their configured format.

- No new endpoints are currently foreseen.
- No authentication or security-mechanism change is currently foreseen.
- Bid submission through web services continues to be supported.

4.3. Can XML bid submission be tested for CORE and Nordic auctions?

Yes. LTFBA UAT supports XML bid submission for both CORE and Nordic auction scenarios.

4.4. How will the Allocation Result file be structured?

The current design uses one Allocation Result file per auction resulting in multiple border directions represented within the same XML document. Border identification is carried within the XML structure. No naming-convention change is currently foreseen.

- Automated processing should not assume one file per border direction.
- Parsers should identify borders from the XML content.
- Participants should test multi-border files before production go-live.

5. Collateral and credit cover

5.1. How is the collateral bid price cap determined?

The applicable methodology is defined in the EU Harmonised Allocation Rules. The price cap is a regulatory input used for collateral and maximum-payment-obligation calculations. It is not a separate CORE-specific or Nordic-specific commercial rule created by JAO.

The HAR bid price cap is a dynamically calculated market-based ceiling, derived from recent positive forward-adjusted bidding-zone price spreads, that is applied only in MPO/credit-cover calculations so that extremely high bids do not create excessive collateral requirements, while leaving the actual auction bidding and allocation process unchanged.

Note: Article 34 of the EU HAR details the calculation for the MPO in the LTFBA setup, as well as the calculation method for the price cap (paragraph 7 of Article 34).

6. For flow-based allocation for the calculation of maximum payment obligations related to each oriented bidding zone border, the single allocation platform shall sort the registered bids of a registered participant by bid price in descending order (merit-order). Bid 1 shall be the bid with the highest bid price and bid n shall be the bid with the lowest bid price. The bid price used for MPO calculation for each bid shall be subject to a price cap, applied as follows:
- (a) in the event the bid price is lower than the price cap, the bid price shall be used for the calculation;
 - (b) in the event the bid price is higher than or equal to the price cap, the price cap shall be used for the calculation.

The single allocation platform shall calculate the maximum payment obligations according to the following equation:

$$MPO = \sum_{\text{hours}} \text{Max} [\text{Min}(\text{Bid Price (1)}; \text{Price Cap})$$

$$* \text{Bid Quantity (1)}; \text{Min}(\text{Bid Price (2)}; \text{Price Cap})$$

$$* \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \dots; \text{Min}(\text{Bid Price (n-1)}; \text{Price Cap})$$

$$* \sum_{i=1}^n \text{Bid Quantity (i)}; \text{Min}(\text{Bid Price (n)}; \text{Price Cap}) * \sum_{i=1}^n \text{Bid Quantity (i)}]$$

Image 1: Extract from the EU HAR, Article 34.7

5.2. Will collateral-breach notifications remain available after go-live?

Yes. Notifications and platform visibility remain aligned with the existing credit-cover management approach. Participants should continue to monitor available collateral and credit cover during bidding.

- Existing notification mechanisms remain available.
- Collateral information remains visible in the platform.
- Participants remain responsible for maintaining sufficient credit cover.

5.3. Why is the bid price cap published two working days before bidding-gate closure, and can it be published earlier?

The HAR specifies that, for flow-based allocation, the calculated price cap is published two working days before auction gate closure, where applicable. The yearly calculation uses the last six calendar months of SDAC prices, and a yearly forward price published no more than two working days before publication of the cap. The

approved project design therefore configures the bid-price-cap submission deadline at T-2 working days.

No earlier publication is foreseen, because it will be contradictory to the Rules.

<<The single allocation platform shall publish the calculated price cap for bid collaterals, two (2) working days before the gate closure of the auction, if applicable.”” (article 28.3 b)

6. Auction timing, resale and returns

6.1. What bidding windows should participants expect?

Final opening and closing times are defined in the final auction calendar JAO will publish in the first half of October. Current planning assumptions indicate approximately five days for yearly-auction bidding and approximately two days for monthly-auction bidding. These durations refer to the interval between bid gate opening and closing deadlines.

6.2. How will resale and return gates operate?

Return processes apply in connection with monthly auctions, and the return gate is expected to close more than one week before monthly bidding opens.