

CWE Consultative Group call

Meeting minutes, 15th of June 2020

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| Version | 1.0 |
| Date | 15-06-2020 |
| Author | KOCH, Tim |
| Name | Company |
| MARKET PARTICIPANTS / OTHER | |
| B. WALTER | ENBW |
| H. ROBAYE | Engie / CCG co-chair |
| Y. CHEN | Vattenfal |
| C. MUNSTER | |
| M. STEINBACH | BDEW |
| M. VAN BOSSUYT | FEBELIEC |
| M. HORESJOVA | CEZ |
| R. GJURKOWITSCH | EXAA |
| H. MARCIOT | UFE |
| I. JANKOVIC | Verbund |
| M. BONDE | Uniper |
| P. SALLEE | Mercuria |
| J. LE PAGE | EFET |
| S. MESSA | Wattsight |
| F. PIROVANO | EDF trading |
| A. GUILLOU | UFE |
| G. MAES | Electrabel |
| S. SALIE | |
| A. TUPAK | BKW Energie AG |
| V. VIGOR-BEAULIEU | |
| V. TEVENIN | |
| O. LORIG | Tiwag |
| R. NILSSON | NordPool |
| O. ISLEI | Shell |
| R. SCHNEIDER | EXAA |
| P.V. NGUYEN | UFE Electricite |
| E. LEFEVRE | ENGIE |
| A. HOLZMANN | AUSTRIAN ENERGY AGENCY |
| L. ZWIEB | |
| S. AREZKI | |
| D. LELIEFELD | Shell |
| CWE NRAs | |
| A. GÉRARD | CRE |
| C. VERHELST | CREG |
| D. ALLMANN | BNetzA |
| N. SCHOUTTEET | CREG |

| Name | Company |
|-------------------|--------------------------|
| CWE TSOs | |
| D. BECK | <i>Amprion</i> |
| L. WITT | <i>Transnet BW</i> |
| E. REN | <i>RTE/ CCG Co-chair</i> |
| P. TOURNET | <i>RTE</i> |
| J. SOUISSI | <i>RTE</i> |
| A. DANTHINE | <i>Elia</i> |
| S. VAN CAMPENHOUT | <i>Elia</i> |
| G. ETIENNE | <i>Elia</i> |
| M. OBERMAIR | <i>APG</i> |
| C. JACHMANN | <i>APG</i> |
| G. KLINGSCH | <i>TTG</i> |
| J. GREUNSVEN | <i>TTN</i> |
| S. MULLER | <i>Logarithmo</i> |
| N. WILLEMSSEN | <i>Magnus Red PMO</i> |
| T. KOCH | <i>Magnus Red PMO</i> |

1 Welcome

H. ROBAYE and E. REN welcome the participants. E. REN shares the agenda for today's CWE CG call.

2 Update CWE projects

CEP implementation

E. REN provides an update on CEP implementation in CWE. All CWE member are in the transition phase to the target minRAM criteria following Article 16(8) of Regulation (EU) 2019/943. Transitory measures, such as action plans and derogations, allow a step-wise approach for reaching the minimum capacity ultimately by 31 December 2025. To maintain the trajectory to 2025, most CWE TSOs intend to submit an updated derogation for 2021.

MPs ask if CWE TSOs respect the CEP regulation at this point in time. E. REN indicates that all TSOs in CWE have either a derogation or an action plan. J. GREUNSVEN adds that therefore, all TSOs follow the regulation, as an action plan or derogation is part of the regulation. Currently, none of the CWE TSOs applies the 70% rule.

CWE TSOs clarify that the intention is to follow the path of derogations for as long as needed to secure a safe implementation of the 70% minRAM. Moreover, the implementation is also dependent on the implementation of the Core FB CCM and Core RD&CT, which allow for more control of loopflows and full optimization of remedial actions. These are key point in securing the validation process on TSO side. MPs indicate that a derogation can only be extended for 1 year. J. GREUNSVEN responds that CWE TSOs have a different reading of the regulation. CWE TSOs can file a new derogation if needed.

An overview of the parallel runs and implementation has been given per TSO:

- APG: voluntary calculations are ongoing. Results are not published. A report might be published in the future.
 - MPs ask for an ex-post report on the CEP //run performed by APG.
- Elia: the parallel run is concluded. The process went live on 01/04/20. The published data allows MPs to see in full transparency what minRAM values are applied.
- RTE: reporting to CRE has started in March.
- TenneT NL: the parallel run is finished, as of 01/04, the daily detailed results are published on JAO. The results of the parallel run are published on the dedicated JAO page.

MPs express disappointment related to the speed of CEP implementation. E. REN understands MPs position and explains the short timelines until CEP entered into force and highlights the improvements made: (1) currently 20% minRAM is applied in CWE and (2) assessments are ongoing to further increase the minRAM. A. GERARD complements that implementation of the 70% requirement requires time. It is a complete change of paradigm. It should be acknowledged that its implementation takes time and that analyses and IT developments are needed to ensure implementation happens with due regard for system security. CWE NRAs are closely monitoring the process.

It is clarified that the 70% minRAM applies to the DA timeframe. The LT timeframe is discussed in light of the Core methodology. For intraday in CWE, discussions with CWE NRAs and TSOs are ongoing. CWE TSOs will share an update on the changes in the intraday process with CWE MPs once discussions with CWE NRAs are finalized.

ACTION: CWE TSOs to share an update on CEP inclusion in CWE ID ATC increase / decrease methodology once discussions with CWE NRAs are finalized – End of June

Backfill historical CBs

E. REN informs MPs on the finalization of the backfill of historical CBs. CWE TSOs foresee to have the backfill completed during Summer.

3 Update CWE methodologies for CEP and ALEGrO implementation

E. REN reminds MPs on the updates made to the CWE FBMC approval document for CEP and ALEGrO implementation. Discussions with CWE NRAs on the required updates of the ID ATC methodology are still ongoing and it is foreseen to submit the updated ID ATC methodology to CWE NRAs beginning of June.

A. DANTHINE introduces the updates expected to improve the performance of the CWE system an EUPHEMIA. Most notably, the method for calculating the LTA inclusion changes. With this new approach, the same LTA domain will be provided to the market, but at the same time the performance of the capacity calculation- and allocation systems is improved.

For LTA inclusion, there are two improvements, which are both needed to ensure CWE performance:

1. Improved virtual branches
2. Extended LTA inclusion

Improved virtual branches. The main change is that the virtual branches will not be scaled with the RAM like in the past. For reporting, the most limiting line (Highest LTA margin) will give its name to the newly constructed branches (virtual branches). The other lines will be shifted similarly to an application of FAV while with the current approach they were deleted.

Extended LTA inclusion. In the extended LTA inclusion process, the market coupling algorithm now receives two domains (one FB domain with MinRAM and one LTA domain) representing the flow-based capacities of the CWE region. EUPHEMIA does not recalculate the flow-based domain (it does not create an LTA included domain). Instead, the “Balas formulation for LTA inclusion” allows EUPHEMIA to choose which combination of both domains creates most social welfare, where the share of the LTA domain and the share of virgin FB domain is expressed with a factor alpha. Extensive analysis has shown that the implementation of the “Balas formulation” (Extended LTA inclusion) yields the same market coupling results as LTA inclusion via improved virtual branches.

MPs ask whether the improved LTA inclusion will be applied on all CWE borders or only ALEGrO. A. DANTHINE confirms that it will apply to all CWE borders. MPs furthermore ask if the new “Balas formulation” has been approved by CWE NRAs and when it will be implemented. A. DANTHINE explains that the methodology is currently under review by CWE NRAs. CWE NRAs position is expected in September. For now, there is no clear timeline on the implementation yet, as EUPHEMIA 10.5 is a prerequisite for Extended LTA formulation. Implementation is foreseen in Q4 2020.

MPs ask whether the market will be consulted on the foreseen changes. C. VERHELST responds that CWE NRAs will compose a common position paper and that some member states will perform a public consultation. CREG and CRE will start mid-July, ACM already initiated the [consultation via its website](#). MPs respond that the timing for the consultation is difficult as it is the summer period. A. GERARD understands MPs position and she clarifies that the changes as presented today by CWE TSOs are the updates as included in the updated approval document. If CWE MPs have any concerns, they are invited to inform CWE NRAs on this.

4 ALEGrO project

ALEGrO introduction

Amprion and Elia present the update for the ALEGrO HVDC interconnector implementation. The ALEGrO project aims at technical readiness by end of Q3 2020. The go-live is foreseen for Q4 2020.

The current state of implementation is that the ALEGrO EXT // run is ongoing. By now, calculation has been ramped-up to 7/7 BDs. The first results show that ALEGrO is helping in achieving price convergence. Furthermore, the CWE approval packages have been updated. CWE NRA approval for the DA and ID timeframes is anticipated before ALEGrO go-live. Related to the infrastructure project, civil works are progressing according to time schedule and foreseen to be completed within the next months.

The exact date of the go-live will be communicated at a later stage given that the construction of the interconnector is still ongoing. Market Parties can expect more clarity during the summer period. There will be a technical go-live in the market followed by a commercial go-live. During this technical go-live, the systems will migrate to the ALEGrO ready version, but no capacity will be allocated on the interconnector. At the moment of technical go-live, CWE will apply Flow Based Plain (FBP). A ramp-up of DA capacity is foreseen to facilitate the significant changes to operational processes.

The regular transparency process for the commercialization is applicable. The Utility Tool will be updated to reflect the introduction of ALEGrO. MPs ask how the EXT // run results can be retrieved from JAO website, as currently, not all information is available. G. ETIENNE indicates that the market coupling data will be made available on short notice. Flow-based data can already be found in the updated JAO Utility Tool.

5 AOB

CWE NRAs' update on the publication of aggregated bid/offer curves by CWE NEMOs

N. SCHOUTTEET on behalf of CWE NRAs informs MPs on the status of CWE NRAs' initiative of calling upon the development of a technical solution for the publication of aggregated bid/offer curves in MNA environments. CWE NRAs launched an informal consultation. The replies received from stakeholders were carefully assessed and supported by the CWE NRAs. Based on the outcome of the informal consultation, an extended position paper (on all NRA level) was drafted. This document is currently under NRAs' validation, and will be shared with the MESC on the 17th of June.

MPs ask if CWE NRAs have an idea on the timeline for the implementation of the NRA proposals. N. SCHOUTTEET states that NEMOs will be asked to develop a concrete implementation timeline, but the aim is to have a final technical readiness by the end of the year. MPs wonder what will happen in case implementation via SDAC takes too long. N. SCHOUTTEET responds that it is expected that the implementation via SDAC will be the easiest solution as order books are aggregated on SDAC level (EUPHEMIA) and the extraction for publication can be done from the SDAC operational procedures.

MPs ask if an update of the approval package(s) is required, or if it is a stand-alone NRAs decision. N. SCHOUTTEET explains that there is no need to amend the CWE approval documents as publication of order books is not embedded in a regulatory document. Once NRAs have a joined position paper, this will be shared with NEMOs. Based on this paper, NEMOs can amend the ANDOA (contract between NEMOs participating in SDAC).

MPs ask who will define if there is insufficient liquidity to publish and whether the metrics will be shared ? N. SCHOUTTEET indicates that this is up to individual NEMOs to align with their local regulator. It is a trade-off between full transparency and confidential information of individual traders.

ACTION: CWE NRAs to share NRAs' position paper on the publication of aggregated bid/offer curves with CWE MPs – End of June

Next meeting

The next CCG meeting will be scheduled by the end of September / beginning of October. Preliminary agenda for this meeting:

- ALEGrO
- Update ongoing projects CWE: Status backfill historical CBs, CEP implementation //run follow-up
- Status of the updated CWE approval documents: CWE NRA approval / implementation
- Transition to Core CCR
- Other topics

H. ROBAYE and E. REN thank CWE MPs for their participation. Facilitation of the CCG call via MS Teams is welcomed as the chat function proved to be of added value in the discussions between CWE MPs, NRAs and TSOs today.