CWE MPs and CWE TSOs

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Workshop with MPs & representatives of associations on FB IDCC methodology and approval process

27th of February, 2017

Participants			
Market Participants / Representatives of associations			
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1. Welcome & Introduction

PMO welcomes all participants and a short round of introduction was done.

It was explained that CWE TSOs are in the final phase of the completion of the FB IDCC approval package and TSOs therefore organised this dedicated workshop with MPs to:

- Explain the (complexity of the) FB IDCC method currently being developed;
- Provide insight in the activities performed and to share details of experimentation performed including high level results & conclusions;
- Provide an updated implementation planning;

- Inform MPs on the Consultation Period.

Background development FB IDCC methodology
TSOs provided MPs the background of the development of the FB IDCC methodology. The chronological time line is presented, the legal framework is shared and more specifically the NRAs' request to continue with FB IDCC within CWE is presented and explained to MPs.

2. Status

TSOs informed MPs on the current status of the FB IDCC approval package and the consultation & approval process. It was explained that the consultation document contains the following two elements:
- Technical Paper, describing the FB IDCC methodology and to be approved by NRAs.
- Context paper, providing additional information and not to be approved as such.

Also, it is shortly explained what the time line for consultation and approval is.

3. Explanation IDCC methodology

High level process overview of FB ID computation step
TSOs described the high-level process overview of the FB ID computation steps. The different steps in the process can be divided into:
- TSOs activities
- RSCs activities

Methodology comparison between the D-2 and ID FB methods
TSOs explained the different elements of the FB IDCC method compared to D-2. It was highlighted that the Intraday process is a FB capacity calculation process. However, for the time being, it is not possible to allocate in FB domain so allocation will remain on ATC basis. Proposal of the TSOs (to be validated by NRAs) is to perform FB Intraday computation before 10:00PM i.e. prior to gate opening. Already allocated capacity from DA and LT is taken into account and is firm.

TSOs described the different inputs for the IDCC capacity calculation (see the table on slide 7 in the meeting document). Some inputs have new names compared to D-2 FB Capacity Calculations:
- CNEC = Critical Network Element Contingency → new name for CBCO in DA
- CGM = Common Grid Model → base-case in DA

MPs would like to know what changes in the GSK selection process between Day-ahead and ID. TSOs explain that the method for the GSK is determined by each TSO individually. In the consultation document, the process is described per bidding zone (and per TSO when needed). This document will be shared with MPs on the 1st of March.

RA selection
TSOs explained that RA selection was the main challenge to be designed. The question was raised by MPs whether costly RAs are included. TSOs responded that it is up to TSOs to decide which RA should be taken.

TSOs further clarified that for the computation of the relative margin in the objection function, the PTDFs for the 4 borders are considered with equal weight. MPs asked if the objective function of the optimizer will be published, to which TSOs answered that the objective function will be published in the approval package (maximize the minimum relative margin).

FB computation
TSOs explained how the FB domain is computed. MPs would like to know how TSOs will monitor how far the FB domain is from the MCP, when closer to real-time. TSOs informed MPs that when capacity is calculated, the FRM is taken into account. FRM provides a security margin to take uncertainty regarding predictions into account. TSOs aim to optimize the available domain around the MCP. Furthermore, TSOs make a security analysis close to real-time to be able to know what RAs need to be taken in real-time. MPs are asked to inform TSOs on preferred optimizations function during consultation.

ACTION CWE MPs:
- Provide feedback to TSOs on preferred optimizations function– consultation phase

MPs asked how often TSOs plan to do computations. TSOs explained that for the first version of the FB IDCC

methodology, one re-computation for 24 hours is foreseen starting around 8:00 PM, which will be finished before 10:00PM (current proposal from TSOs in the CACM ID gate opening time). A local re-assessment for 24 hours is also introduced to verify if the capacity computed can be released during intraday (see step 4 described below in the minutes). In the future, when optimizing FB IDCC, more re-computations will be performed.

TSOs highlighted that the most critical part in the methodology was the development of the RA-optimizer. If this optimizer is operational, it is expected to be less difficult to have multiple re-computations. However, updated grid models (IDCF) are required for re-computations, these have not been used in common process as the quality and stability is not clear for some TSOs. Furthermore, the short timing between capacity calculation and security analysis need to be taken into account. TSOs explained that currently, time lines for future updates of the methodology are not yet discussed.

MPs propose an additional process to be able to have more computations: to use the NPs per country after gate opening to redefine ATC and to see if there is additional capacity possible by re-computing ATC around 11:00PM. TSOs indicate that each re-computation means a new RA-optimization and that it is unknown how to compute a FB domain when the market is open. TSOs will however investigate the proposition done by MPs.

ACTION CWE TSOs:

- Investigate MPs proposal for more computations by using the NPs per country after gate opening to redefine ATC and to see if there is additional capacity possible by re-computing ATC around 11:00PM – after consultation

MPs asked whether priority is placed on certain borders when ATCs are extracted. TSOs responded they cannot choose to give more capacity to one border or the other. The rule is equal to every border, just like for DA. TSOs performed an analysis on a possible desired Market direction based on the DA market clearing point but it was not possible to define this direction. TSOs are open to feedback and proposals from MPs concerning this topic during consultation.

High level process overview of FB IDCC

The high-level process overview for Intraday capacity calculation was explained by TSOs. The IDCC process is close to the process existing today. The third step 'ID ATC extraction and increase request computation' is new.

Step 4 'Assessment of increase requests'

There was some confusion on the term 'increase requests'. MPs had the impression that this involved requests from MPs to increase capacity by providing bids, but the term actually refers to TSO-TSO requests.

MPs asked how much time there is to make a proposal for increases. TSOs explained that this is different per TSO and that proposal for increase is related to impact on the grid. For the first delivery of the ATCs around 9:30PM, the capacity will be directly send to the allocation platforms to be available at least 15 minutes before 10:00PM. For the other deliveries, the timing of the deliveries depends on the border as today. TSOs aim to have capacity available on the allocation platform one hour before the gate closing time (currently 1 hour before gate closing and energy delivery).

MPs wonder if Step 4 'Assessment of increase requests' is really necessary, or if it is a way to keep some margin. MPs would like to know if this step is consistent with NRAs' request to deliver a full FB IDCC computation as described in CACM. TSOs explain that CWE is not a CCR and therefore has no obligations deriving from CACM. However, TSOs have taken CACM into account as much as possible and will do so for future improvements.

NRAs provided the feedback they share MPs concerns, but do think the presented methodology is an improvement compared to today's situation. Therefore, for now, NRAs are open to discuss the process proposed by TSOs if TSOs are able to justify the steps described in the approval package.

Learnings experimentation

TSOs explained the three experimentation phases performed to develop the ID capacity calculation process. It was highlighted that an important conclusion from phase 2 is the decision for 24 hour RA optimization and use the relative margin instead of the absolute margin. Additional experimentation was performed based on this conclusion. TSOs also developed new indicators to assess the quality of the process:

- DA Market Clearing Point Inclusion indicator to check the feasibility of already allocated capacity
- ATC indicators to evaluate the benefit of the new ID capacity calculation process in terms of availability of ATC for likely market directions.

The results of the additional experimentation were presented. It was explained what the ATC indicators based on the extracted ATC domain from DA FB computation and from ID computation are used for. By comparing these results per border and direction, TSOs are getting one value: value added or value lost. For each computed business day, the sum of lost and added values for all borders and directions are indicated in the first two columns in the table (see slide 11 and 12 of the meeting document), where the first column gives the results obtained without application of the RA optimizer and the second column gives results after application of the RA optimizer. TSOs explained that most of the times when the margin was positive (i.e. MCP inclusion indicator is positive), so was the ATC indicator value and the other way around when the margin was negative (i.e. MCP inclusion indicator is negative); the ATC indicator was negative as well.

MPs would like to know if the process could limit the gain of re-computation of the FB domain. TSOs answered that this could be the case since the way TSOs calculate the domain, is influencing the result. TSOs have no preference for directions and borders, TSOs do not prioritise. All calculations are based on the latest available information TSOs have and try to "give some space around the already allocated capacity". It was indicated that in DA there is a common indicator to measure results of available capacity, Social Welfare. For ID it is not possible to compute a Social Welfare indicator. To optimize the process further, it is necessary to find a good indicator.

MPs propose to derive some proxy of the welfare when the domain is increased in the direction where MCP is going. If the MCP is allowed to go further in that direction, a rough estimation can be made by TSOs on Social Welfare. TSOs respond that this is not always so easy since TSOs need to consider the DA result. The RAM for ID is not the same. An assessment per TSO is needed and also the market needs to assess the optimal situation.

Another proposal for an indicator from MPs is to use the DA order books to do a calculation. TSOs indicate they are not sure if it will reflect the ID capacity, but TSOs are open to discuss with MPs to find the best KPI.
MPs asked if it is legitimate to have different FRM for different processes (security analysis and capacity calculation). TSOs answered that the system has to be secure in real time. TSOs need to take some margin to decide on capacities available in real time and a security assessment is required.

TSOs summed up the main conclusion from experimentation:

- Process and concept are working according to expectations, better results compared to today;
- It is important to develop a solution which uses RAO to improve the results;
- Added value of the FB IDCC computation depends on the inputs. This needs to be build upon and further developed;
- TSOs are computing the domain based on most recent information to better reflect the expected real-time situation that improves the security of supply.

4. High level planning for implementation

TSOs explained the high level planning for implementation of FB IDCC. Operational go-live is foreseen mid of Q3, beginning of Q4 2018.

MPs asked to what extend the planning is related to XBID. TSOs answered FB IDCC can go-live without XBID since there is no dependency. TSOs will use the current ID platform (ICS).

TSOs were requested to shed some light on the state of the current methodology and of RAO. TSOs explained that during the consultation the technical and context paper will be provided to MPs, describing the current methodology. For RAO, a prototype has been built, this prototype needs to be industrialized. The ideas of the concept however will not change between now and the external parallel run. It was explained that it is the idea to develop the method in CWE, but as much as possible in line with future requirements. The consultation document includes a chapter with possible improvements for FB IDCC in the Core region.

5. Q&A methodology & implementation

MPs asked whether the Consultation Document will include more results of the impact assessment than shown today, to which TSOs replied that the information is indeed more detailed. Two additional weeks for experimentation phase 3 are added.

To the question if the consultation document includes how RAs are defined, it was explained that RAs are used

as in FB DA capacity calculation and that details on RAs will not be provided. When you look at RAO behaviour it takes into account the sum of the 4 zone-to-zone PTDF.

MPs noted that it seems like the LTA inclusion patch is activated many times. TSOs explained that the objective is not to activate the LTA inclusion patch too much without taking into account the FRM. It is tried to cover already allocated capacity as much as possible and expand capacity close to MCP. TSOs indicate that this is a question in the consultation survey as well. TSOs would like to know if this is what MPs need. TSOs need to respect security measures, then provide the allocated capacity and if this is not possible TSOs can take safety measures but this is a last resort and only when there is a security issue. MPs asked what happens when MCP cannot be included. TSOs explained that this will be investigated during the internal parallel run.

6. Approval process

Approval package: high level description
TSOs gave a high level description of the NRA approval process for both the technical and context paper.

Consultation process
TSOs explained the consultation process. The consultation will be launched via JAO website and local TSO websites on the 1st of March. It will have a duration of two weeks. After the Consultation, CWE TSOs will carefully analyse the received responses and assemble all views in a Consultation Report.

7. Closure & AOB

TSOs gave a reminder of the objective of today's workshop, and summarised the next steps for finalisation of the Consultation Document and process:

- CWE TSOs to continue drafting the CWE FB IDCC Consultation Document, taking into account today's feedback;
- CWE TSOs to finalize the preparations for the Consultation Period;
- CWE TSOs to prepare the implementation of CWE FB IDCC;
- CWE MPs to support the finalisation of the FB IDCC approval package & process.