



Core Consultative Group meeting

Minutes of meeting - final version

6th of July 2017

Munich – Hilton Airport Hotel

	Company	Country
Market Participant / Association	ČEZ, a. s. - Trading	Czech Republic
	EDF	France
	Engie	France
	Polenergia	Germany
	Uniper	Germany
	EFET	Belgium
	PGE	Poland
	BDEW	Germany
	Eurelectric	Global
	Market Parties Platform (MPP)	CWE countries
	Citadel	UK
NEMOs	Nord Pool	UK
NRA s	E-Control	Austria
	CREG	Belgium
Core TSO s	RTE	France
	TenneT GmbH	Germany
	Mavir	Hungary
	Elia	Belgium

1. Welcome and introduction

C.PFLANZ, chairman of the Core TSOs SG on behalf of all Core TSOs, opens the meeting and welcomes TSO representatives, Market Participants (MPs) and Associations and Core NRA representatives.

C.PFLANZ confirms the appointment of H.ROBAYE (ENGIE) as co-chair of the Core Consultative Group on behalf of Market Parties & Associations.

H.ROBAYE welcomes the co-chairing as it is proven beneficial in the CWE Consultative Group. It would allow MPs and Associations to be prepared and coordinated prior and after the Core Consultative Meetings.

The objective of this meeting is to take the opportunity to:

- Exchange on the Core DA and Core ID FB CC methodologies as submitted for public consultation
- Continue positive exchanges between all parties related to market integration developments in Core CCR

All presented slides will be distributed to the CCG and published on the Core CCRs dedicated webpage on ENTO-e platform

2. Core status and developments

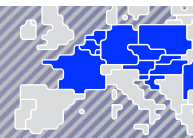
C.PFLANZ informs the participants on the developments in Core.

Recent developments and outlook

Fallback procedures for DA FB MC'

After Public Consultation, the final approval document including Consultation report is submitted to NRAs on 17th May. NRAs approval is expected 6 months after.

Regional design of LTRs in CCRs where LTRs exist



After Public Consultation, the final approval document including Consultation report is submitted to NRAs on 17th May. NRAs approval is expected 6 months after.

DA and ID FB CC methodologies

On 30th June, Core TSOs have launched the DA and ID FB CC methodology Proposal and Explanatory Note for Public Consultation. The Consultation will last for 4 weeks until the 31st July. Extension of the consultation period is not feasible since the Approval Documents will need to be finalized and approved by TSOs afterwards prior submitting to NRAs on 15th of September.

RD&CT

MP and Associations propose to start discussion on RD&CT early prior the submission of a proposal for consultation. Especially since there is a relationship with the RD&CT and DA CC. It is requested to add the topic RD&CT to the agenda for next CCG.

C.PLANZ explains that in the Core region the principles starting points that are currently being defined in ENTSO-e will be taken as the basis. These are aimed to be available in Autumn 2017.

In general C.PFLANZ reminds that after delivering the methodologies which are finally manageable the main challenges will be to implement all methodologies. MP explain that it is not necessary to have the ENTSO-E proposal in order to start discussing/brainstorming on these principles.

Consultation and Approval process

C.PFLANZ stresses that Core TSOs acknowledge the duration of the public consultation might cause difficulties for MPs to respond due to the summer period. TSOs however are bounded to the challenging deadlines with the legal obligation to deliver the final methodologies to NRAs 9 months after the Acer Decision on Core CCR, taken on 17 November 2016. This leaves no flexibility to extend the duration for public consultation. All Market Participants' responses will be carefully analyzed and assembled in a Consultation Report for DA and one for ID. These reports will be included in the final Approval Documents that will be submitted to NRAs. Core TSOs foresee to submit the final approval documents for DA and ID to the NRAs latest on the 17th of September. NRAs will have 6 months time to form a common opinion on the Proposals.

MPs and Associations announce that they are prepared to comment on the proposals during the summer period and Public Consultation and are organizing themselves to provide coordinated input at association level representing many companies. MPs stress that the answer should therefore be considered as representing a very large number of companies.

MPs and Associations would welcome a proactive distribution of url's in case of Public Consultations are launched in order to have a consistent way to inform the market reaching as many people as possible.

Core NRAs are aligning opinions and foresee to deliver to TSOs the coordinated NRA Shadow Opinion by the end of the Public Consultation period.

3. High level roadmap Core DA and ID FB CC implementation

C.PFLANZ informs MPs on the high level roadmap for the Core DA and ID FB CC implementation and foreseen timeline. The time lines presented are subject to several dependencies: e.g. progress of the internal parallel run, implementation, proposed changes to the concept after public consultation, implementation of IT systems and operational processes, NRA approval of the methodologies.

- Day-ahead → Core TSOs aim to implement the Core DA FB CC methodology to be operationally ready for the external parallel in S1-2019
- Intraday → Core TSOs aim to implement the Core ID FB CC methodology to be operationally ready for the external parallel in S2-2020

MPs and Associations ask NRAs to present their view on to what extent and where (CWE or Core) the 15 conditions from CWE NRA position paper will be implemented. H. ROBAYE has to transfer that request to the CWE CCG. The updated list should however also be available in the CORE CCG.

MPs and Associations stress the importance to:

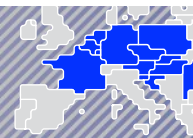
- be transparent on the priorities and expectations for implementing the DA FB and the 15 conditions, a stepwise implementation is acceptable but full transparency and commitment on the milestones is crucial.
- have transparency on the main implementation issue, difficulties, etc that could cause delays (risk assessment)

4. Core day-ahead flow-based capacity calculation methodology

DA FB CC methodology

D.GARREC, convener of the TSO Flow-based Experts Working Group, introduces the Core DA FB CCM as described in the Proposal and Explanatory Note. He presents the main principles of the Core DA FB CC method (see workshop document) in an interactive discussion with MPs addressing concerns and answering questions.

Level of details in Proposal



The Core Consultative Group is discussing how to deal with the lack of details in the legally binding document (Proposal). MPs and Associations are surprised that the proposal is describing what should be done, but not how it will be done. It is also not providing information on how the parameters (such as the criteria for CNE) will be determined. It seems for them that it will be up to each TSO to decide on their own.

MP explained that in the absence of full accuracy of the methodologies, the minimum requirement would be to have full clarity on how the CC method will be detailed and amended and how the governance would be done. One MP also explained that should adjustments of the methodology have to take place during the implementation it is crucial to have a frozen method, sufficiently in time for the go live.

C.PFLANZ reminds that the CACM approval process applicable to Core is different than previously used in CWE. According to CACM first the CC method is to be described (legal binding obligation) and only after that all details are to be specified by performing test /runs. This results into Approval Documents that are not sufficiently detailed.

TSOs explained that it is huge challenge to meet all the deadlines set forth by CACM, which is leading to issue at NRAs and TSOs to decide and deliver the level of details required to have efficient market functioning.

MPs and Associations additionally ask to apply a default principle to harmonize as much as possible the methodologies and parameters (GSK, External constraints selection, etc.) and only if this would not possible, to justify this in the Proposal and clearly describe the differences leading to the need for derogation.

C.PFLANZ invites all MPs and Associations to timely provide all their feedback via the Public Consultation in order to ensure they are taking into considerations.

5. Core intraday flow-based capacity calculation methodology

C.PFLANZ informs that Core TSOs decided to use the FB DA CC methodology as a starting point for the FB ID CC methodology. The main differentiating principles are presented in the slides.

MPs and Associations indicate that - as a target for the future - hourly re-computation would be expected in order to manage the increasing uncertainties in the grid. However there is a trade off with a possible duration of a related market suspensions.

6. Transparency

C.PFLANZ informs that NRAs in the Core IG (NRAs - TSOs meeting) asked TSOs to apply at least the CWE level of transparency. Core TSOs acknowledge obligations stemming from EU legislation must be fulfilled. However, the CWE transparency level goes beyond what is allowed by some countries national laws. Therefore, Core TSOs choose to add an article in the Proposal for DA stating that 'when compliant with national regulations, additional data (e.g. static grid model) will be published'. This additional data is in line with the current transparency level in CWE. MP asked what are the exact legal barriers that would prevent the implementation of the transparency level of CWE.

In the ID Proposal, it is indicated that publication of data shall be in line with Article 3 of the CACM Regulation aiming at ensuring and enhancing the transparency and reliability of information and will be based on the definitions of Commission Regulation (EU) No 543/2013 on submission and publication of data in electricity markets. In close alignment with NRAs, it will be further detailed what this means in operations.

MPs and Associations state that the level of transparency at Core CCR level should at least meet the level of transparency in place today at CWE level.

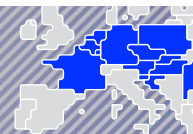
MPs and Associations ask for a process to be pro-actively informed in case of changes in the methodology or process that might impact prices, similar to the current "SPAIC" analysis. They also ask proactive information in case of changes of parameters such as FRM for instance.

7. DE-AT BZB project

On request of MPs, the DE-AT Bidding zone border-project presents a status update in today's Core Consultative Group meeting.

The below answers have been provided on questions of MPs and Associations:

- DE-AT congestion will be implemented as a temporary solution in CWE, applying the CWE process and methods, until the Core CCM is in place
- As soon as Core FB DA CC process is replacing CWE, the DE-AT congestion is automatically implemented in Core, since in Core the DE-AT border already exists following the ACER decision
- 50Hertz is party in the project, but for the interim solution there will not be 50Hertz CBCOs included in the CWE process
- The DE and AT NRAs agreed on 4.9 GW as LT capacity
- Although not decided, the working assumption is that the minimum LT capacity of 4.9 GW will be implemented in



both directions

- There is commitment from E-control and BNetZA that the LT capacity split is aimed at 60% for Yearly and 40% for Monthly
- Although not decided, TSOs preferred to go for FTR options rather than PTR UIOSI
- The effects of the DE-AT congestion is not yet known and a SPAIC is foreseen in Q3 2017 for capacity calculation impact and Q2 2018 also including the allocation impact.
- The //run will not cover the winter, since the solution is required operational prior the first coming winter 2017/2018. This is forced due to the fact that from October 2017 it will not longer be possible to contract reverse power plants.

In general MPs and Associations ask to confirm that SPAIC analysis correctly separate the impacts from the DE-AT split than the impact of other changes. H.ROBAYE is asked to refer to this request also in the CWE CG.

8. AOB

MPs and Associations ask the Co-chairs to organize the next CCG meeting either by conference call or physical attendance for end of September/ October to discuss (i) Da and ID Proposal submitted to NRAs and (ii) RD&CT. For the sake of good coordination with CWE CCG, they strongly advice to organize both meeting at the same moment (or possible two consecutive days).