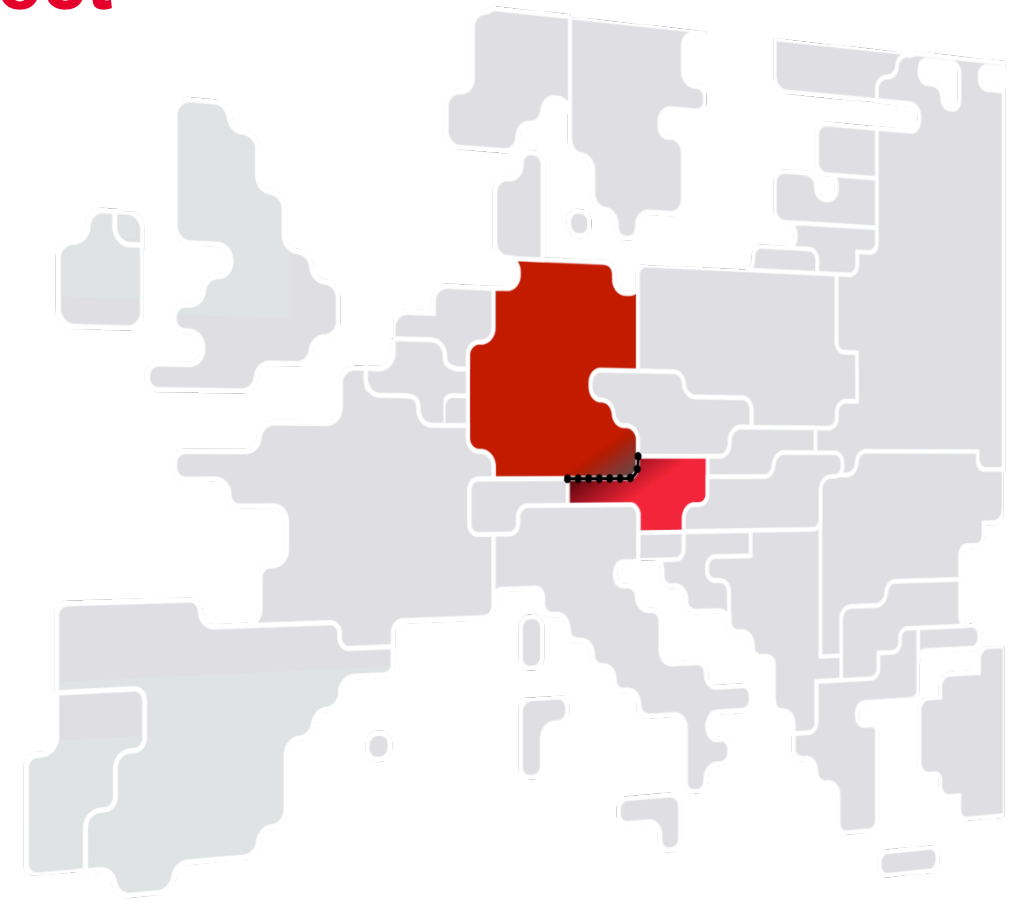
DE-AT BZB project

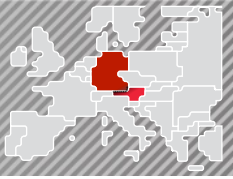
06th of July 2017, Munich



DE-AT BZB Project

Introduction

C.PFLANZ



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

Objective:

- Inform Market Parties on the DE-AT Bidding zone border project
  - Background & objectives
  - Planning
  - Stakeholder management

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Introduction

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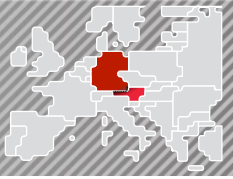

Starting point and main target to be acknowledged

- DE-AT TSOs have the **obligation from regulators** to implement a capacity management mechanism by October 2018
- Since Core DA FB CC will not be operational by this deadline, the DE-AT capacity management mechanism shall be **temporary implemented in CWE FB DA MC**
- During this temporary period the TSOs will be able to limit the flow between DE and AT leading to a higher level of security
- As soon as Core DA FB is available, all methods and processes will be adopted accordingly
- Full harmonization and coordination for all bidding zone borders **enduring solution will be achieved in Core FB DA MC**
- Following the outcome of the negotiations between BNetzA and E-Control, the deadline for **Go Live has been updated to 1st of October** with a test phase starting on July 1st, 2018

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Regulatory Request triggered the project

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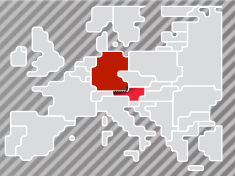

BnetzA

- German regulator BNetzA requires German TSOs to implement a capacity management mechanism on the DE-AT border (See Press Release)
- German TSOs are bound to this instruction and this urges German TSOs to implement this border far ahead of current Core CCR TSOs' planning, that shall meet requirements of ACER's CCR decision, foreseeing separate German and Austrian bidding zones, with the border between both bidding zones as part of CCR Core, as well

Reserve power contract arrangements not approved after winter 2017/2018

- German TSOs are contracting reserve power plants to secure availability of re-dispatch options during the winter period (Netzreserve), in Germany and neighboring countries
- There are clear signals that contracting foreign reserve power plants will not be approved any longer after winter 2017/18
  - Current contracts with foreign generators will end in Spring 2018
- Instead, the need for reserve power plants shall be reduced by limiting power flows across the German-Austrian border
- This in consequence means that some kind of capacity management must be implemented before winter 2018/2019

BnetzA and E-control agreed on framework

- Mid of May 2017 E-Control and BNetzA published a press release, stating that both regulators have agreed on a common framework for the introduction of capacity management:
  - Inclusion of this border in CWE FB MC
  - 4.9 GW exchange capacity of Long Term Transmission Rights
  - An updated go-live date of 1st October 2018

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Target Solutions

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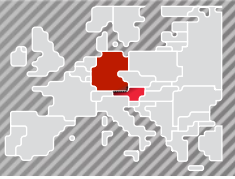

Below you will find the defined target solutions to introduce a Bidding Zone Border in Germany and Austria for initially the temporary solution in CWE FB DA MC

- As soon as Core DA FB is available, all methods and processes will be adopted accordingly
- During this interim period the TSOs are able to limit the flow between DE and AT leading to a higher level of security

	DAY-AHEAD	INTRADAY	LONG TERM
TARGET SOLUTION	Flow-based	Day-ahead leftover capacities (CR for Flow-based)	Monthly & Yearly Products
IMPLEMENTATION DATE	29 September 2018	30 September 2018	Mid September 2018 (monthly) & 21/11/2018 (yearly)
DELIVERY DATE	1 October 2018	1 October 2018	1st of October 2018 & 1st of January 2019
PERIMETER	CWE DA FB CC process	CWE ID ATC after FBMC process (CWE FB IDCC process)	DE-AT long-term CC & Allocation
Alternatives	Implicit NTC Explicit NTC	-	-
ALLOCATION	Allocation via MRC	Implicit* Allocation via XBID	Allocation in JAO

* Explicit access for Intraday will have to be further discussed

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High-level Implementation plan

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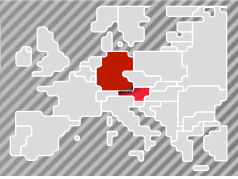

Decision alternative : Implicit NTC

Evaluation progress

Go Live DE-AT

2017 | 2018

Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Oct

Project initiation

- Define Concept
- Target solutions & planning
- Implementation of changes
- Testing & simulations

Long Term

- Experimentations & Concept
- Design
- Develop
- Test
- Procedures
- Go Live preparations
- Go-live DE-AT Monthly auctions

Day ahead

- Experimentations (TSO SPAIC)
- Experimentations (TSO-NEMO SPAIC)
- EXT Parallel run
- Design phase
- Procedures
- Development phase
- Test phase (SAT, SIT, FIT & Member Test)
- Go-live DE-AT FB DA

Intraday

- INT // run FB IDCC
- EXT // run
- Procedures
- ID ATC design phase
- ID ATC development phase
- Test phase (SAT, SIT, FIT & Member Test)
- FB IDCC design, development and testing
- Go-live DE-AT ID after FBMC

Stakeholder management

- DE-AT NRA Meeting 01/06
- Transparency discussions with NRAs and Market Parties

NRA Meetings | Business | IT systems | To be planned

01/10/2018

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Stakeholder management

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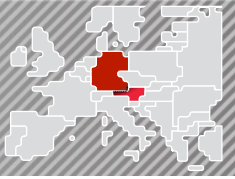

Regular exchanges is a fundamental principle of the DE-AT BZB project and all project parties are committed to full transparency, while taking into consideration the concerns of stakeholders

The project defined a 4-step approach on stakeholder involvement

1. **Create a specific web page** to broadly share background information on the project. One section “Questions & Answers” will be created to ensure the most common questions are being answered and available for everyone

2. **Intensive dialogue with concerned TSOs & NRAs**

3. **Intensive dialogue with DE-AT market associations**

4. **Pursue CWE Consultative Group & Core Consultative Group** (x2/year) to broadly involve and inform stakeholders

There have been several press releases related to the project that are acknowledged by the DE-AT BZB project

- EFET statement on the implementation of the BNetzA decision (May 11)
- Press release V4 TSOs (CEPS, MAVIR, PSE, SEPS) and TRANSELECTRICA