



Core Consultative Group meeting

Minutes of meeting – DRAFT

3rd of April 2018

NH Conference Centre – Vienna Airport

	Name	Representing	Country
Market Participant / Association	H. ROBAYE	Co-chair Core MPs (Engie)	Belgium
	M. VAN BOSSUYT	Febeliec	Belgium
	J. Le PAGE	EFET	EU
	O. BUGAYOVA	CEZ	Czech Republic
	Y. PHULPIN	EDF Trading	FR
	A. GUILLOU	MPP	EU
	G. MAES	Engie	Belgium
	K. KEYSERLINGK	RWE	DE
	E.WAGNER	Energieallianz	Austria
	F. JUDEX	Energieallianz	Austria
	J. GUZIKOWSKI	PGE	Poland
	P. GIESBERTZ	Statkraft	Netherlands
	R. OTTER	Energie Nederland	Netherlands
	M. HAHN	ENERGIE AG	EU
	A. GRUBER	Oesterreichs Energie	Austria
	M.WATSCHER	TIWAG	Austria
A.TUPAC	BKW Energie AG	Switzerland	
F.MADER	W.E.B. Windenergie AG	Austria	
S. KITZLER	APCS	Austria	
M. SCHAUERHUBER	VTR	Austria	
L. JAZBEC (by phone)	GEN-I	Slovenia	
NEMOs	G. ION (by phone)	OPCOM	Romania
ACER	T. QUERRIOUX	ACER	EU
NRAs	Z. KOESSLDORFER	E-Control (Lead Core NRA)	Austria
	J. de SAINT PIERRE	CRE	France
	H. MILICIC	HERA	Croatia
	T. BATAVIER	ACM	Netherlands
	R.TUETMANN (by phone)	BNetzA	Germany
D. ALLMANN (by phone)	BNetzA	Germany	
Core TSOs	K. TREPPER	Co-chair Core TSOs (Amprion)	Germany
	M. VUKASOVIC	Core RD&CT PT convener (APG)	Austria
	F. HEUS	Core LTCC PT convener (Tennet)	Netherlands
	M. RUBEN	Core Market WG (50Hertz)	Germany
	G. MEUTGEERT	FB PT Convener (Magnus Red)	Netherlands
	H. HATZ	FB & LTCC expert (APG)	Austria
	S. van CAMPENHOUT	FB expert (Elia)	Belgium
M. JANOWSKI	LTCC expert (PSE)	Poland	
PMO	R. IONITA	PMO (Magnus Red)	Netherlands



Abbreviations (in alphabetical order)	Explanations
4M MC	4M Market Coupling
ACER	Agency for the Cooperation of Energy Regulators
BZ	Bidding Zone
BZB	Bidding Zone Border
CACM	Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management
CCR	Capacity Calculation Region
CEP	EU's Clean Energy for All Europeans package
Core NRAs	National Regulatory Authorities in Core CCR
Core RSCs	Regional Security Coordinators working in Core CCR (i.e. Coreso and TSCNET)
DA & ID CCMs	Day-ahead and intraday capacity calculation methodologies
ENTSO-E	European Network of Transmission System Operators for Electricity
ext//run	External parallel run
FB	Flow based
FCA	Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (Text with EEA relevance)
FTRs	Financial Transmission Rights
HLBP	High Level Business Process
int//run	Internal parallel run
JAO	Joint Allocation Office
LTCC	Long term capacity calculation
LTSR	Long term splitting rules
LTTRs	Long Term Transmission Rights
MPs	Market Participants & Associations
minRAM	Minimum Remaining Available Margins
NEMOs	Nominated Electricity Market Operators
NTC	Net Transmission Capacity
PMO	Project Management Office
PTRs	Physical Transmission Rights
PT	Project team
RAs	Remedial Actions
RD&CT	Redispatch and countertrading
TSOs	Transmission System Operators

1. Welcome and introduction

K.TREPPER, co-chair of the Core TSOs on behalf of all Core TSOs, opens the meeting and welcomes Market Participants & Associations (MPs) and Core NRAs to the meeting. Also a word of welcome by H.ROBAYE, co-chair on behalf of the MPs. A tour-de-table is being held.

Considering the large geographical scope of the CCR Core, K.TREPPER addresses the low number of MPs around the table, despite the respective TSOs' efforts to reach out to their MPs and assure wide participation from all Core countries. The participating Market and Consumer Associations and individual MPs ensure that their membership covers a broad range of market participants and a broad range of geographical areas.

Objective of the meeting is to:

- Inform & discuss recent developments in the Core CCR, amongst others:
 - ACER decision on DA & ID CCMs and its impact to the Core TSOs project
 - RD&CT – Status update and RD&CT roadmap
 - LTCC methodology – Status update and LTCC roadmap
 - LT Splitting Rules – Discussion with MPs on their preferences on the Splitting Rules options, Share outcomes of the MPs engagement survey



Update developments in Core

K.TREPPER presents an overview of the activities ongoing in the Core CCR, stemming from Network Codes & Guideline obligations.

Market Parties would appreciate having the methodology under 74.1 CACM also published (after Core NRAs approval), to understand TSOs incentives for coordination of redispatch.

ACTION Core NRAs:

- Investigate among Core NRAs if Core TSOs' methodology under CACM 74.1 can be published on ENTSO-E website (after the methodology will be approved by Core NRAs)
- Note added by NRAs at review of MoM (16.04.19): there is no CACM obligation for TSOs to publish this methodology ahead of the submission. However, because national frameworks foresee it, some Core NRAs perform public consultation and/or (many) publish documents (or their parts) in the course of these processes.

2. ACER decision on Core DA & ID CCMs

ACER decision on Core DA & ID CCMs

T.QUERRIOUX (ACER) presents a summary of the process, main debates and main changes introduced by the ACER decision on Core DA & ID CCMs. The methodology defines a trajectory compliant with the CEP: it applies unless the action plan or the derogation initiated by TSOs defines a different linear trajectory. 18 months after implementation (1st December 2020) a significant CCM review is required in the ACER decision (i.e. resulting in Core TSOs to propose amendments).

J. Le PAGE (EFET) asks if slide 6 of the ACER's presentation is already validated by all TSOs and all NRAs. T. QUERRIOUX explains that it represents ACER's understanding, that is still to be discussed with NRAs, but that ACER believes that there is more room for discussion in the context of NTCs and regarding inclusion of other non-Core borders.

Derogation/Action plans as foreseen in the Clean Energy package (topic linked to 70% threshold)

Core MPs express their strong interest in achieving a correct understanding of the ongoing process linked to the derogation and action plans that are required in the CEP in case the 70% threshold cannot be achieved. Core MPs' understanding is that derogation due to other BZs should be aligned at Core level in a coordinated process (if related to problem elsewhere). T. QUERRIOUX explains that derogations are always subject to regional assessments and subject to peer review and that "peer review" is not defined yet. They should be understood as a means to reach an outcome. Action Plans can be taken individually if TSOs declare structural congestion. Core MPs ask if the derogations will be assessed individually or all together in a coordinated way. Core NRAs state that they are still investigating the most effective process.

70% minRAM

H.ROBAYE highlights that for MPs it is important to understand under which circumstances the 70% cannot be met, and if the methodology prevents TSOs to use costly RAs to meet the target. G.MEUTGEERT (FB PT convener) explains that while the methodology does not impose the use of costly RAs, it also does not prevent it. He furthermore explains that TSOs focus is on how to comply with regulations and refers to the statements of T. QUERRIOUX who mentioned the detailed conditions for derogation are still under discussion.

Art 24 Reporting

At the request of MPs, T. QUERRIOUX explains the reporting process (by TSOs to NRAs): issues are to be reported on daily basis, frequency of issues on quarterly basis and solutions to remediate the problem on yearly basis.

Impact of ACER decision on the Core TSOs project

G.MEUTGEERT (FB PT convener) presents the current status of the project and impact of the ACER decision on the current tooling (that has been prepared as of June 2018). The internal parallel run (int//run) has been initiated focused on getting the computational chain in. The int//run should be understood as operational preparations for the external parallel run (ext//run): multiple phases testing of the operational process, the maturity of the tool, local developments at TSOs side to be able to send the input. The int//run is at this stage based on the June 2018 CCM proposal (as submitted by TSOs to NRAs. The tool is currently being updated to support the 70% minRAM. The ext//run is meant to start on a robust methodology and here the focus will also shift at the results, which means the process needs to be mature and operators need to be trained. TSOs are in the process of defining the right starting point of minRAM and the trajectory, so the exact thresholds to be applied are not yet defined. TSOs will however clearly communicate the assumptions prior commencement of the ext//run.

MPs stress the importance that Core TSOs should publish results that reflect the situation at go-live. In case of changes in the methodology (during the ext//run), Core TSOs are asked to provide (quantitative) insight in the impact on results published so far.

MPs ask how much information will be published as input data as this is important for MPs to be able to assess the outputs. G.MEUTGEERT explains that this will cover capacity calculation indicators and market coupling indicators as also used in other regions (e.g. CWE) in the past and will be published on JAO.



H.ROBAYE asks if the 4M MC TSOs & NEMOs are still working on a NTC coupling and if it is planned to go-live before Core. K.TREPPER answers that that project is indeed ongoing, but that the timeline will not interfere with the Core developments.

Transparency

Due to the exchange on transparency-related questions under the previous agenda topic (see before), there are no further questions.

3. Redispatch & Countertrading (RD&CT)

M.VUKASOVIC (RD&CT PT convener) presents the roadmap for RD&CT and the status update for each deliverable (as per slide 12 in the Supporting Document). By mid-August 2019, Core TSOs expect the NRA approval for methodologies under CACM 35.1 and 74.1. In parallel, Core TSOs are in ongoing alignment with Core NRAs to prepare the amendment of these methodology, as agreed upon. The experimentation phase is scheduled to end in June 2020.

MPs ask how the cost allocation of RAs is taken into account in the RD&CT methodology for the period before DA. M.VUKASOVIC answers that this has been discussed and some cases might be considered under the so-called "Mapping" (i.e. costly RAs and power plants running in stand-by to relieve congestion, when needed).

MPs would like to know how Core TSOs choose between different RAs to solve one congestion and how they choose on the most relevant congestion (out of many) if only one RA is available to relieve all congestions. M.VUKASOVIC explains that the tool will have the target function to minimise costs when considering different RAs available. In case not sufficient RAs are available to relieve congestion, this would be clearly visible in the output. As shadow costs per congestion are available, the algorithm can choose to solve the congestion(s) with the most added value from a total point of view, but other parameters are also set in a cautious way (e.g. distance from the congestion with the penalty costs of non-costly remedial actions, etc.).

At request of MPs, M. VUKASOVIC explains that preventive RAs will be taken into account in the methodology developed under CACM 35.1 (upon NRAs approval). He clarifies the difference between preventive and curative RAs. While preventive RAs are actions taken before the event happens, curative RAs refer to actions taken after the event happened. MPs ask to elaborate on the interactions with market parties during the amendment process. TSOs explain that this is not known yet and that they are in regular exchanges with NRAs also on this point.

4. Core LTCC Methodology

F.HEUS (Core LTCC PT convener) presents the roadmap and status update of the Core LTCC methodology. Core TSOs are preparing a coordinated-NTC methodology that is scenario-based.

MPs asks if the 70% minRAM as defined in the CEP will impact the Core LTCC methodology. F.HEUS explains the Core TSOs' understanding, that the CEP applies only to the CACM regulation and explicitly not to the FCA Regulation, hence the LTCC methodology will not heed the 70% stipulation. This leaves intact that the LTCC methodology which needs to be compatible with the DA CCM. This interpretation is shared by Core NRAs too. However, with regards to the CEP requirements, the present MPs explain that their understanding is that the threshold should apply to all timeframes, as there is no reference to a specific timeframe in the CEP. On the question addressed by another MP whether the 70% threshold introduced by CEP should be applicable to FCA as well, T. QUERRIOUX answers that the Agency's understanding is as well that FCA should not consider the 70% of CEP, hence supporting the understanding of the Core TSOs and NRAs.

F.HEUS explains the differences between the two approaches currently considered by Core TSOs in the development of the methodology:

- Approach 1: start from zero-balance, building up the capacities until it reaches the N-1 safe levels and the process stops
- Approach 2: start from zero-balance, TSOs compute bilateral NTCs and have a check if the computations are N-1 safe. In case they are not, remove some capacities until there is no congestion.

Link to Long Term splitting rules

Core TSOs explain that they are currently developing separate methods for LTCC and LTSR but with synchronized timings. Core TSOs aim to include the available results of the Robust Experimentation in the Public Consultation for LTCC; the results that will be available will be shared but it cannot be guaranteed that all experimentations are finalized upon public consultation.

High Level Business Process (HLBP)

F.HEUS and H.HATZ (LTCC expert) present the HLBP and clarify that both Core RSCs operate for the same CCR and work as a back-up of each other, thus there is no risk that the outcome of calculations is different. With regards to the additional intermediate step of capacity calculation having as potential output DA reservations, M.RUBEN (Core Market WG convener) explains that this could only be needed on the borders operated with PTRs and will not be needed in case all BZB move to FTRs.

5. Long Term splitting rules



M.RUBEN (Core Market WG convener) presents the status update of the Core LTSR methodology (Public Consultation will be aligned with the LTCC methodology as aforementioned) and introduces the aim of today's discussion which is to assess if the main conclusions of the informal survey are relevant among the entire Core Consultative Group.

The informal survey on hedging needs ran by Core TSOs in December 2018 showed that while the majority of 18 responders were in favor of Core TSOs offering all available capacities as soon as calculated, on a yearly basis, some small traders asked to ensure the monthly allocation to be available too (not only yearly). The majority of the MPs present in the room encourages indeed TSOs to offer 100% of capacities for LT in an auction organized as soon as the calculation is done, and, after recalculating capacities on a monthly basis, to offer any further capacities in monthly auctions too. One MP highlights that TSOs should not be worried about being in breach of FCA if for one month there are zero capacities after the monthly recalculation, as this is the outcome of the capacity calculation process, and TSOs cannot be held responsible for it.

A MP representing a small wind producer argues against giving 100% of available capacities to yearly auctions, as wind producers usually have a much better picture a few months ahead rather than a year ahead, and they usually sell electricity predominantly in the winter months.

Several MPs highlighted the importance of a liquid secondary market for LTTRs. This market would enable the resell of yearly products for monthly hedging.

H.ROBAYE highlights that it is important to separate the question of the timing of the auction from the product offered at the auction. In this respect, the Core MPs would prefer 100% allocated on yearly basis, but it can be different for month – block-bids like in the day ahead market (e.g. more for Jan, less for June, etc.). An alternative would be different products for the yearly market: simultaneous auctions for yearly, quarterly, monthly products, and monthly products offered again after recalculation (month-ahead).

No specific agreement has been reached, as Core TSOs wait for feedback from Core NRAs and the Core Steering Group.

During the discussions, M.RUBEN clarifies that Core TSOs plan to perform one yearly calculation in Oct/Nov (year before) and monthly recalculations afterwards. In this context, MPs ask Core TSOs to detail in the explanatory note how the share of NTCs will be split.

6. AOB & closure

Results of the MPs engagement survey

K.TREPPER presents the outcomes of the survey launched by Core TSOs in Feb 2019. She highlights that the participation was below Core TSOs' expectations (13 responders of which only a few provided feedback to all questions). Core TSOs' take-aways from the limited responses to the survey is to keep an active communication towards MPs and to highlight once again the Core section on ENTSO-E website: <https://www.entsoe.eu/network_codes/ccr-regions/#core> where e.g. methodologies and reports on public consultation are uploaded and also the current status of the Core CCR program is available. Furthermore, the ENTSO-E newsletter regularly informs about updates in the different CCRs.

Closure and next meetings

K.TREPPER thanks all participants for the active and open discussions and informs MPs that the minutes of meeting will be published on the ENTSO-E website (as usual). In alignment with H.ROBAYE a date for a physical Core Consultative Group meeting will be scheduled in Q3 2019. Additional workshops will be scheduled during the public consultation period of the LTCC & LTSR methodologies. K.TREPPER and H.ROBAYE will continue their regular bilateral alignment calls.