



CWE Flow-Based Market Coupling Project

Current status
(September 2015)

CWE FB MC Project Status

Latest achievements



Latest achievements of the CWE project:

- The last **European Electricity Regulatory Forum in Florence** (4-5 June 2015) congratulated CWE parties for the successful launch of Flow-Based market coupling. The forum also encouraged CWE project for continued efforts regarding implementation of CACM guideline and coordination with other regions.
- Since Flow-Based market coupling go-live, CWE parties have maintained regularly exchanges with NRAs through **Expert meetings** (24 June, 24 August and 8th September) to inform and discuss with regulators latest Flow-Based market results and further improvements in the CWE region.
- The FBUG has been succeeded by the **CWE Consultative Group**, which first met 30 June in Brussels. The aim of this Forum is to provide information to stakeholders and gather their feedback about Flow-Based performance and market outcomes as well as on upcoming changes and future evolutions.
 - CWE partners and Market Parties agreed to have two chairmen for the CWE Consultative Group, one from CWE partners and one from the stakeholders.
 - CWE project partners committed to progressively improve transparency towards market parties and therefore strengthen market confidence.

Flow-Based market results

Overview

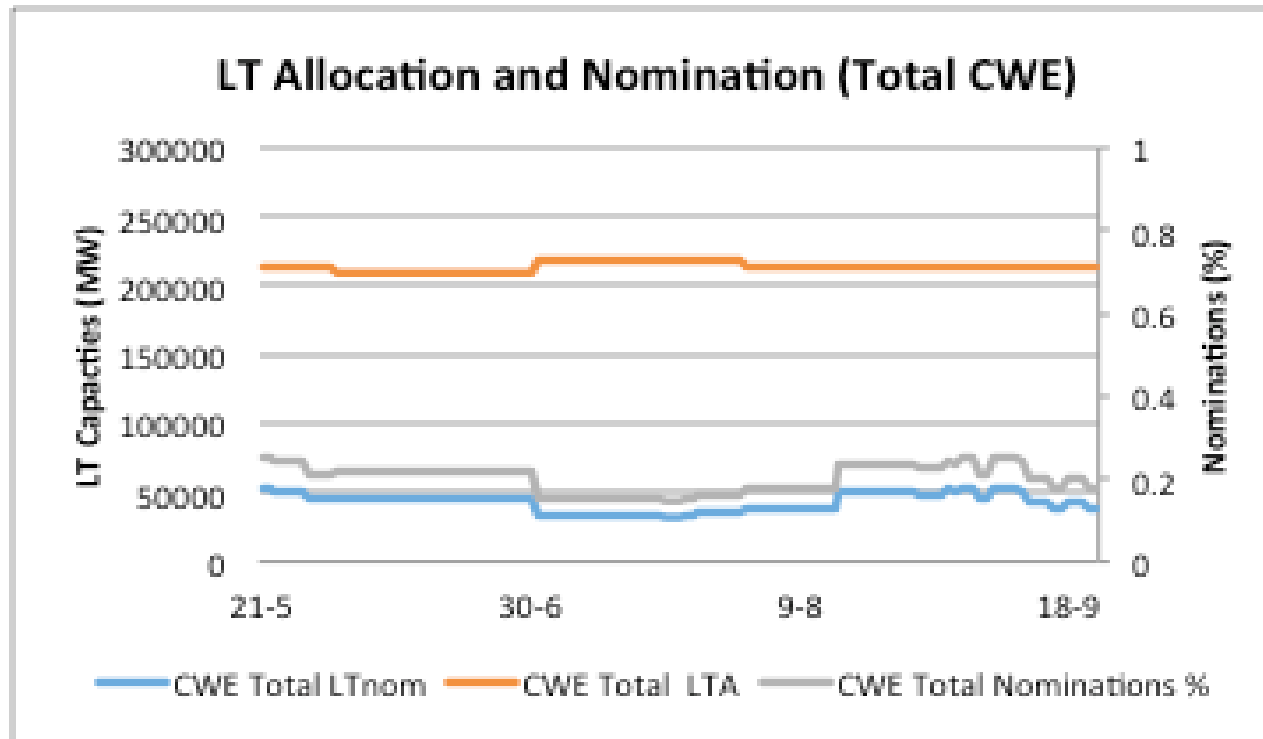


Compared to previous FB MC months, and FB parallel run period, the following results have been observed **in August:**

- ▶ Decrease of price convergence
- ▶ Increase of the price spreads
- ▶ Increase of price volatility for all markets, significant for BE
- ▶ Trades in valuable directions remain
FR => BE+DE/AT and DE/AT => NL

Flow-Based market results

LT Allocation & Nomination Total CWE Region: 21 May – 21 September

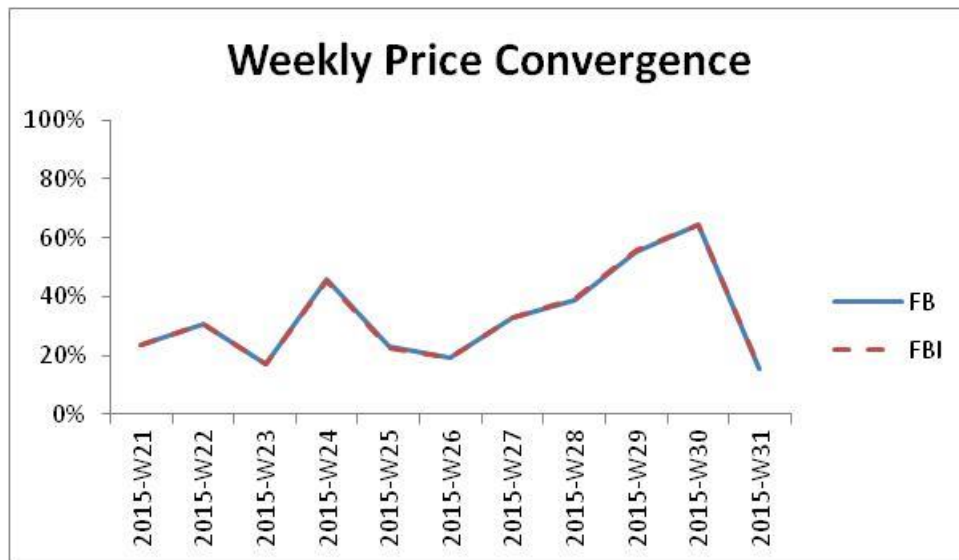
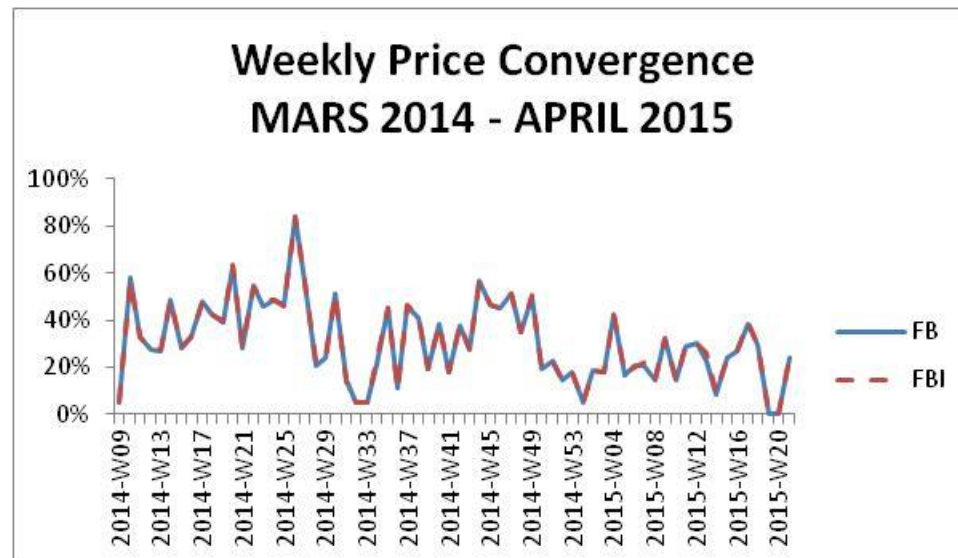


Conclusions

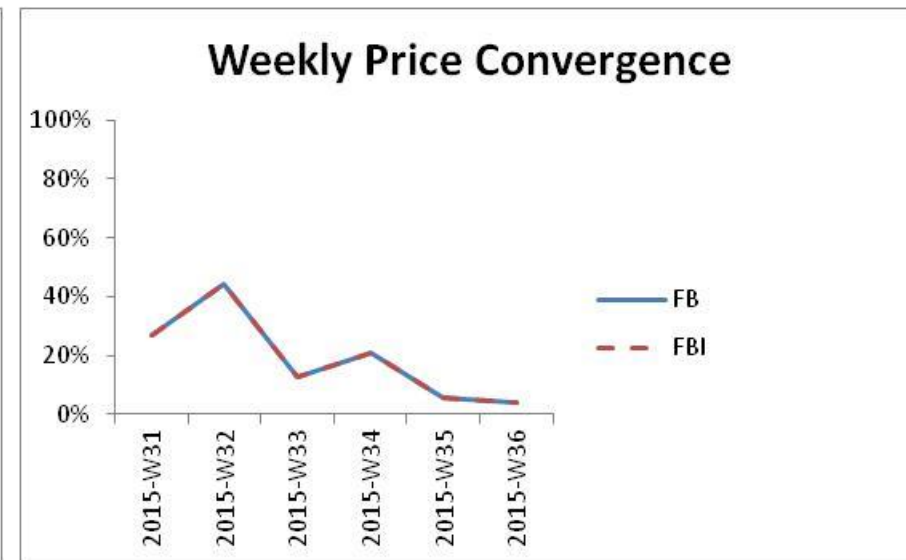
- ▶ Apart from minor (from one Market party) fluctuations during the first days after Go-Live, the LTnom remained stable and no changes have been observed in market behavior in the first two months

Flow-Based market results

Price convergence



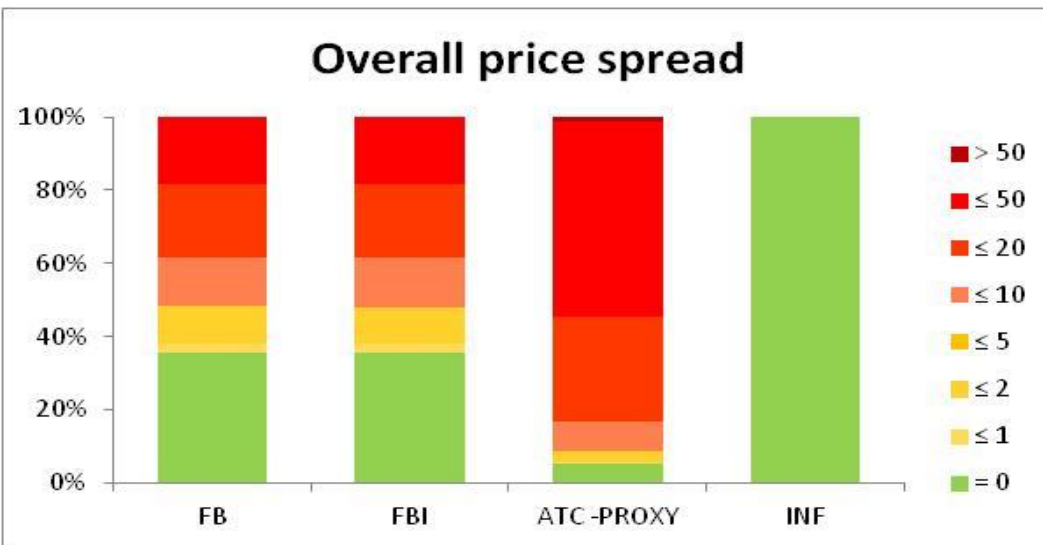
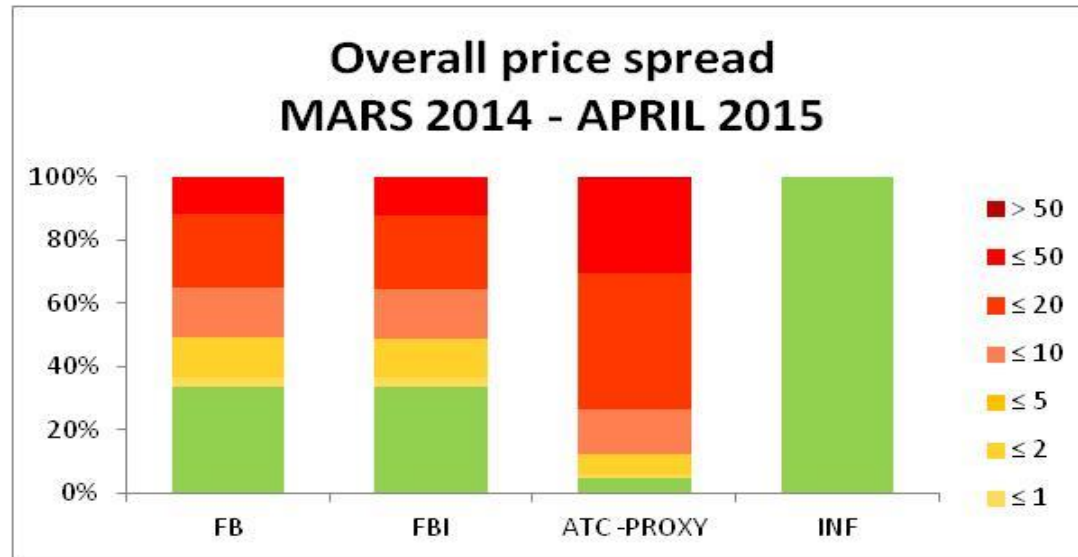
21st May 2015 - July 2015



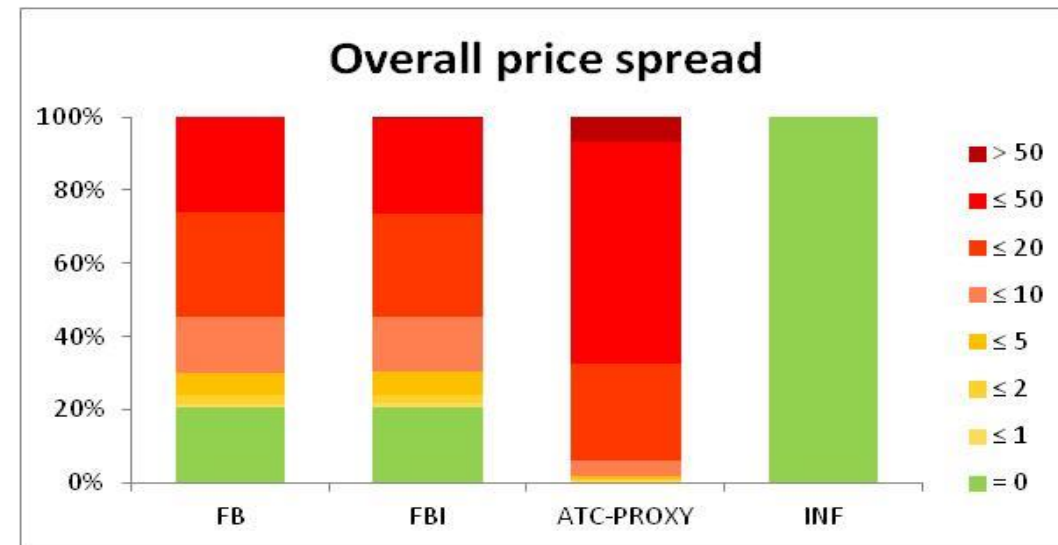
August 2015

Flow-Based market results

Price spreads comparison (PROXY ATC)



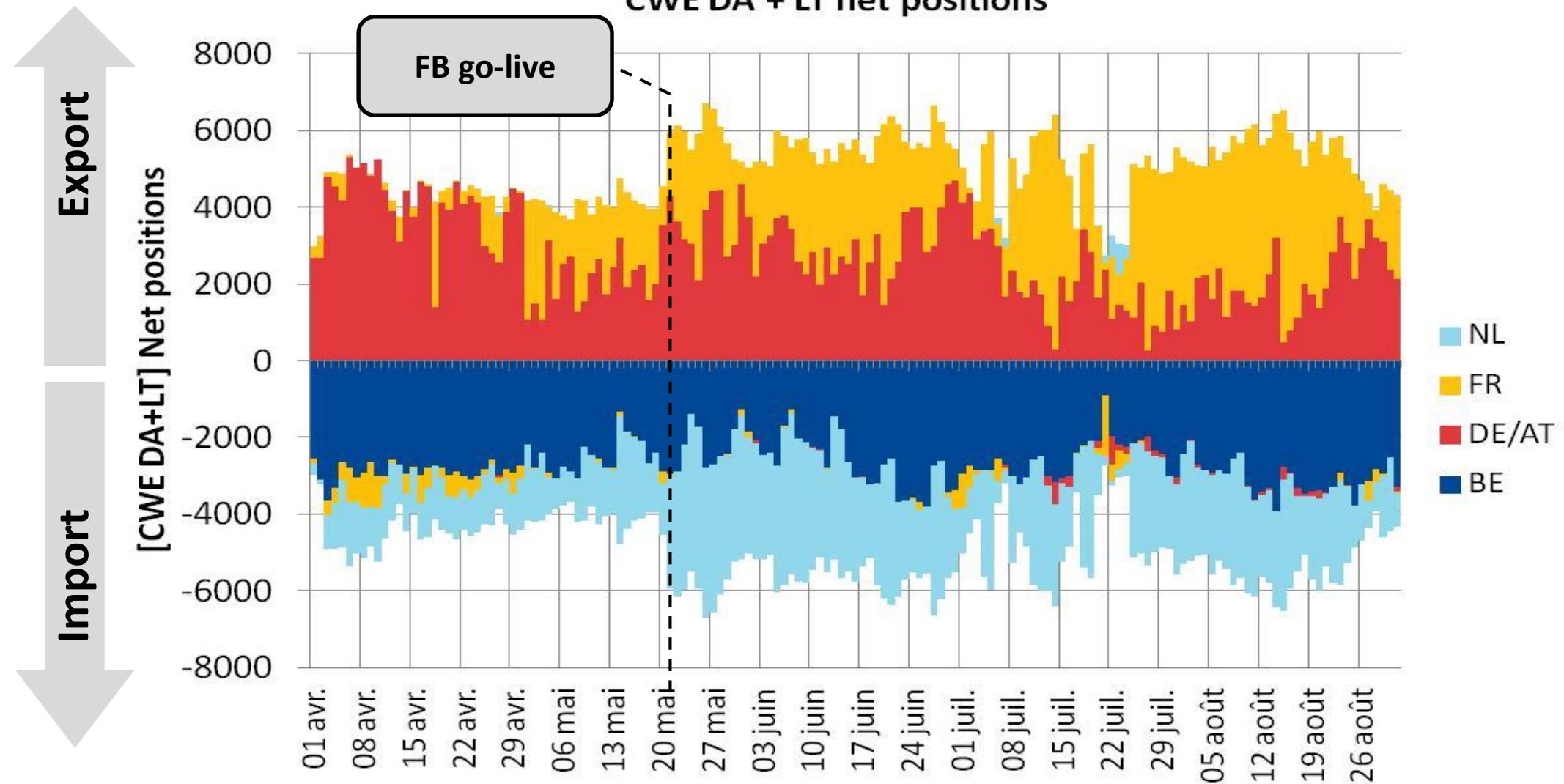
21st May 2015 - July 2015



August 2015

Flow-Based market results

Net positions (DA + LT)



CWE FB MC Project Status

Post Go-Live activities



CWE Project partners is now focus on the following activities, in line with NRAs post Go-Live requirements and CACM obligations:

- An **adequacy mitigation / improved curtailment sharing** should be implemented in the Euphemia Market Coupling coupling algorithm. The implementation is foreseen in November 2015
- The CWE FB project has presented a stepwise approach to develop a **capacity calculation at intraday timeframe**. The main target for CWE FB for Intraday is to start with a first version of Flow based Intraday within a two year period
- **FTRs on the BE borders** will be implemented by January 2016
- The **new BeDeLux interconnector** will be launched in the CWE region in 2016
- **Flow-Based methodology** will be continuously improved, notably through the following changes:
 - D2CF Base-case, FRM, CBCO selection, GSK evolution
 - Validation of the external constraints
 - Possible evolution towards advanced hybrid coupling for closer cooperation with other regions

New interconnector between Belgium and Luxembourg



General information about the IC BeDeLux project:

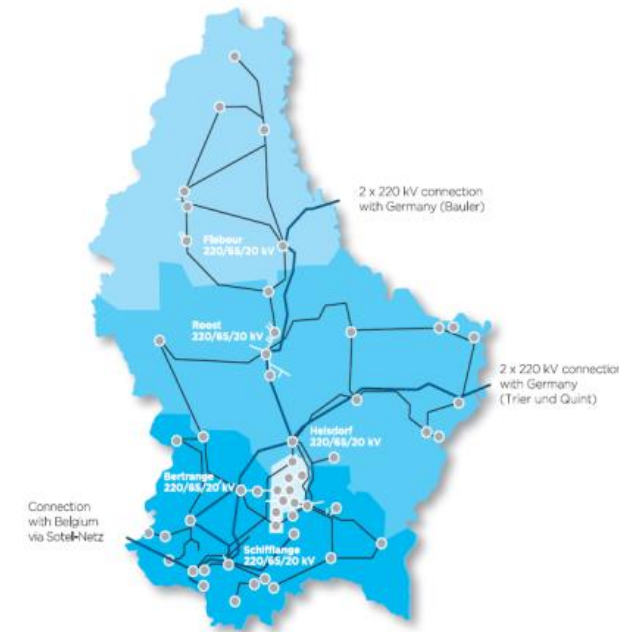
- Common Project Elia – Creos: MoU signed between Elia and Creos to develop an interconnector
- Project of common interest granted October 2013 (n°2.3.1)
- Phase shifter transformer ordered July 2014
- First direct interconnector between bidding zones BE-DE
- The 1st interconnector set up in CWE after FBMC Go Live
- Market impact assessment will be submitted to regulators four months before coming into operation of the interconnector

Main objectives:

- Security of supply
- Improve market integration between BE and DE bidding zones

Current status & next implementation steps:

- The approval package used by Creos and Elia was finalized end of July and sent as part of their formal approval request towards ILR and CREG
- New Interconnector included in DA FB Capacity calculation (impact assessment/validation & implementation): foreseen Q1 2016
- Long term solution: After gaining experiences with the BE-LU interconnection, long term capacity products for this interconnection will be added in a later phase



Any questions?

