CACM Network Code

An update on progress & process

Stakeholder Workshop

7 May 2012

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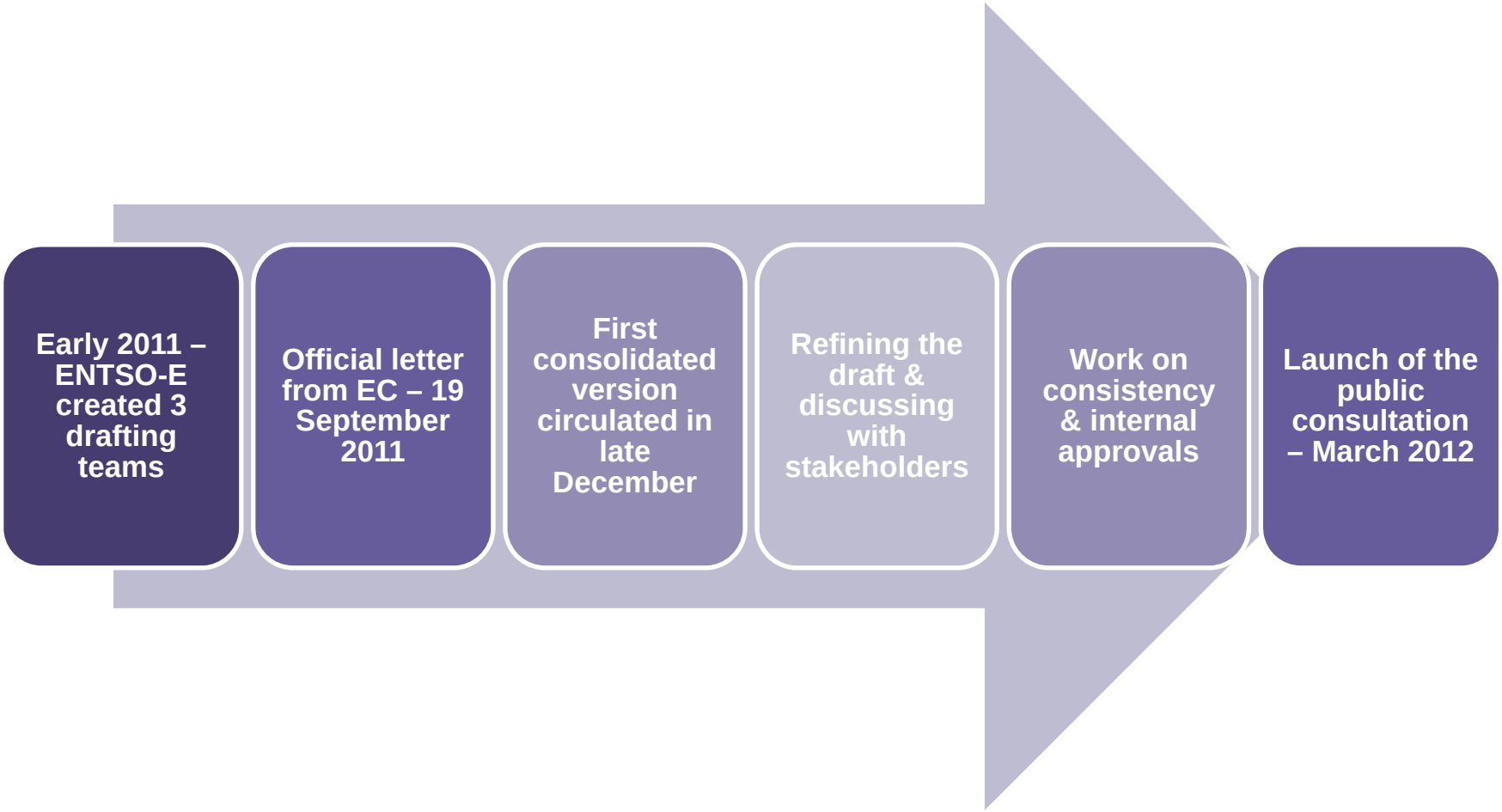
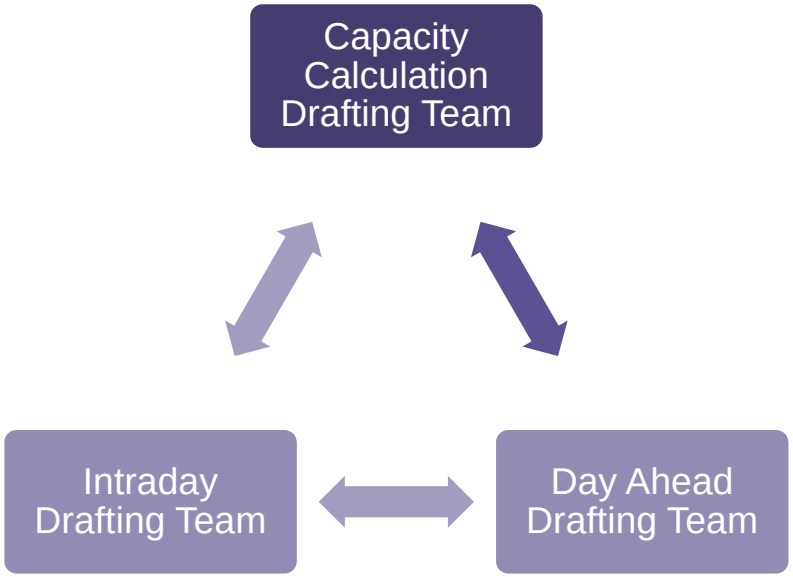
Contents

- The process of developing the CACM code to date.
- An overview of code contents.
- The role of stakeholders.
- Important interactions & ongoing issues.
- Next steps on CACM.

Developing the CACM network code to date



Working structures & challenges



CACM was originally 3 network codes and our working structure reflected this.

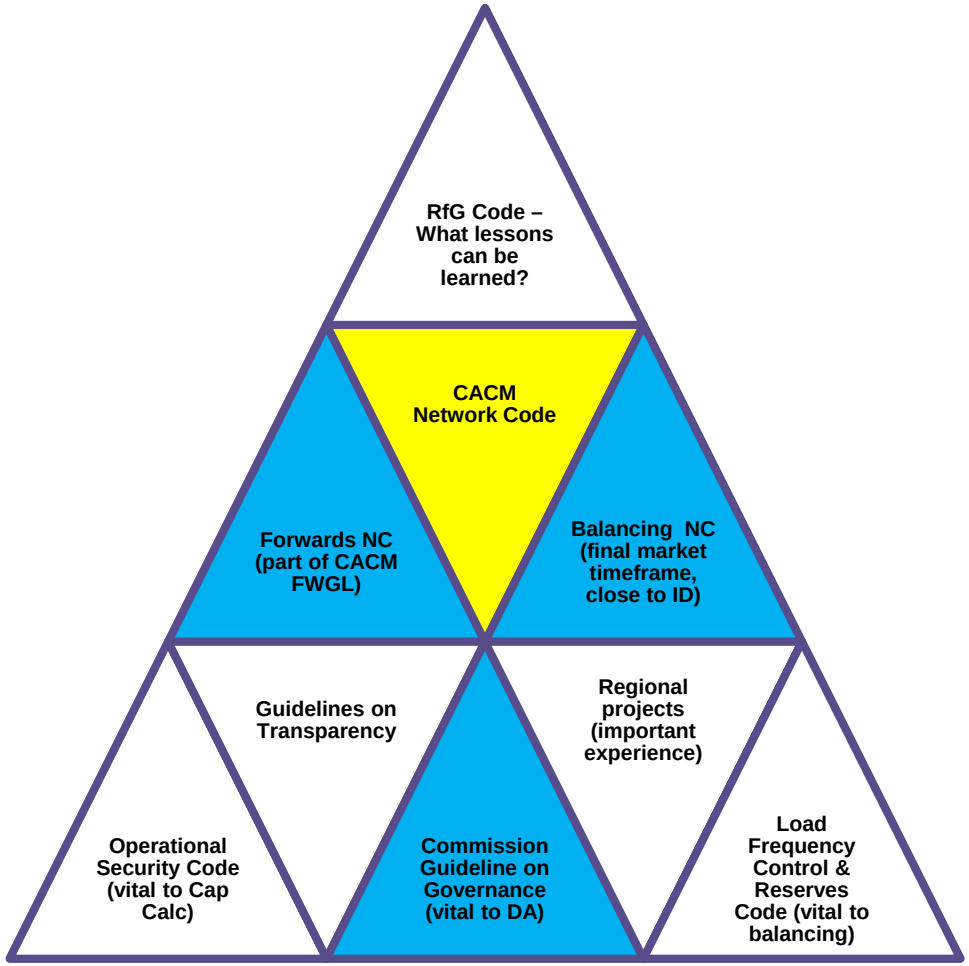
Each team developed part of the code, which wasn't easy.

The need for consistency between parts quickly became clear.

And some issues cut across all sections.

Hence important roles for a coordinating team and working groups.

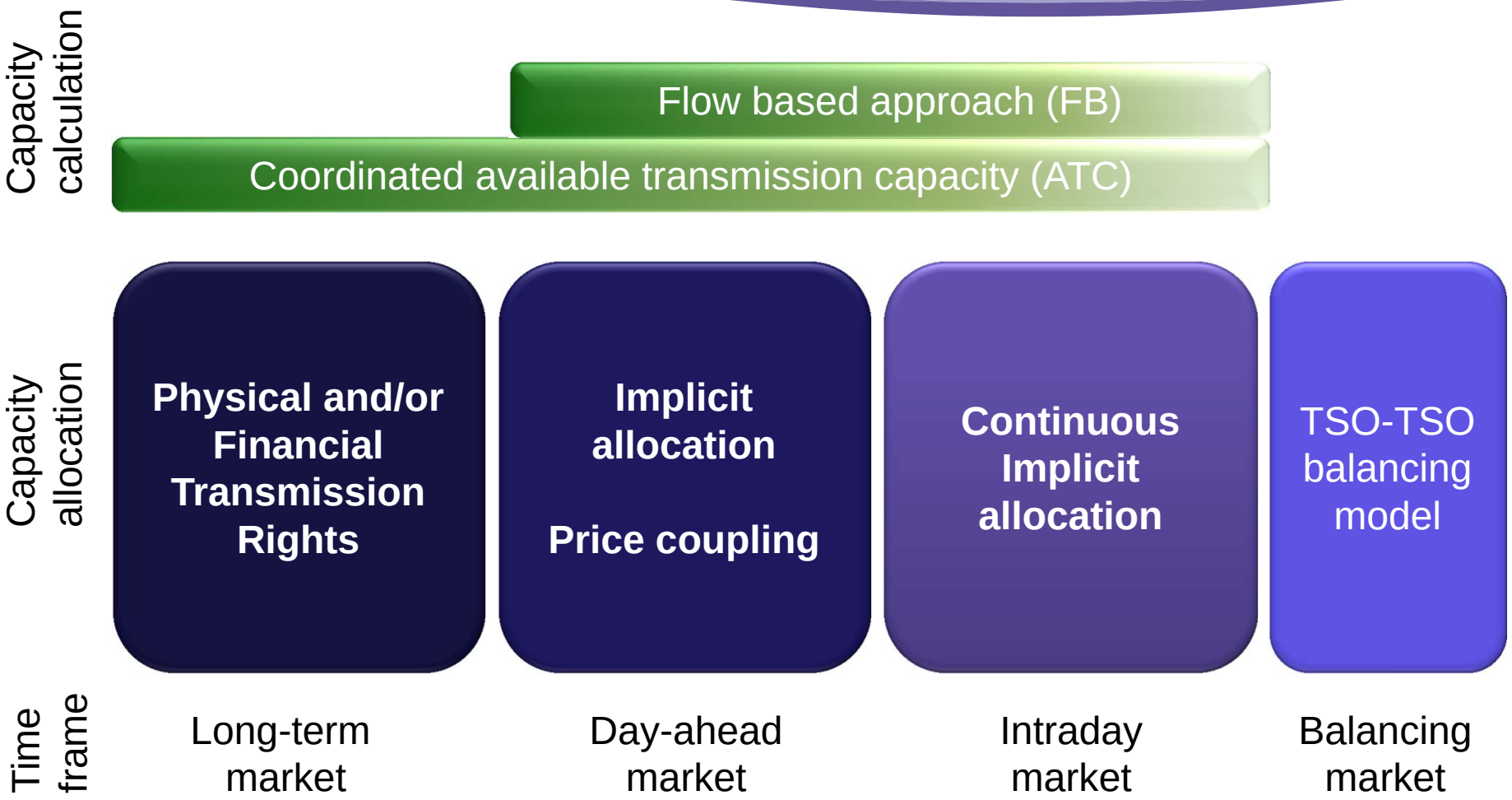
The need for coordination



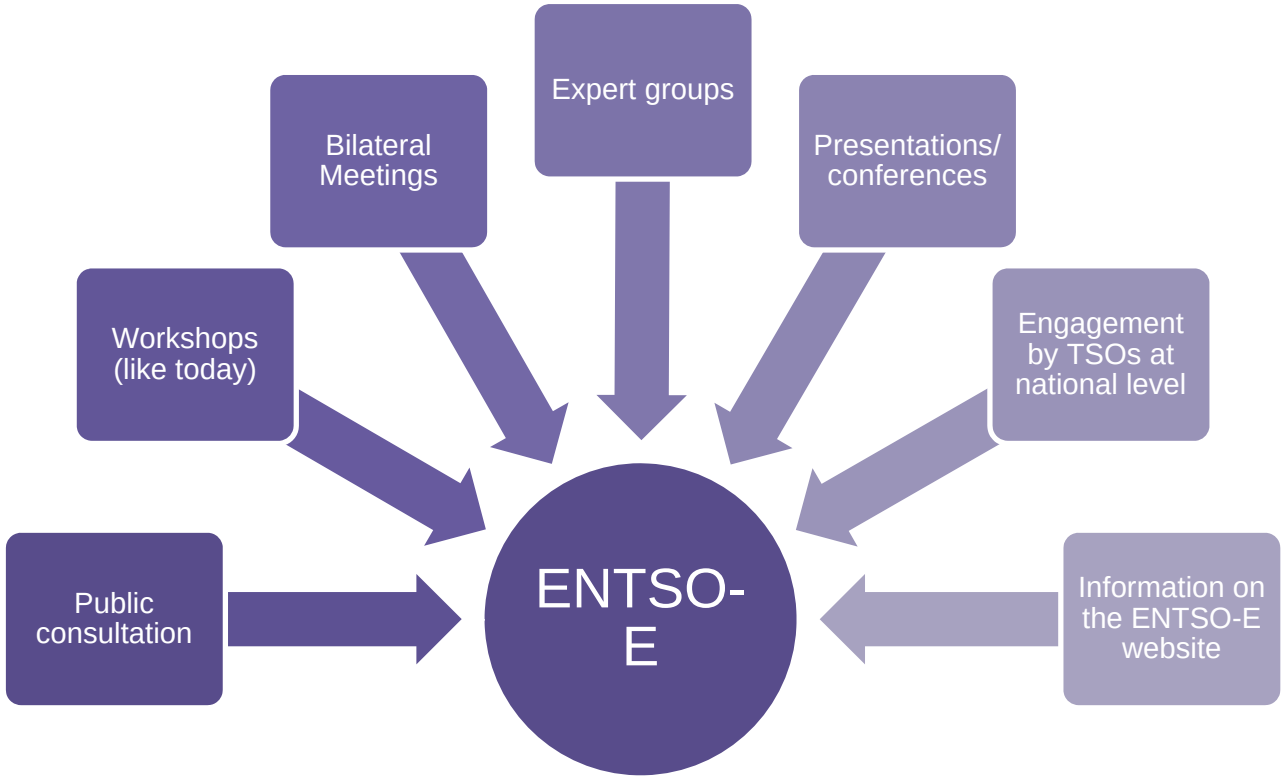
The CACM code needs to be coordinated with other codes & areas of work.

This isn't a simple task and needs careful drafting.

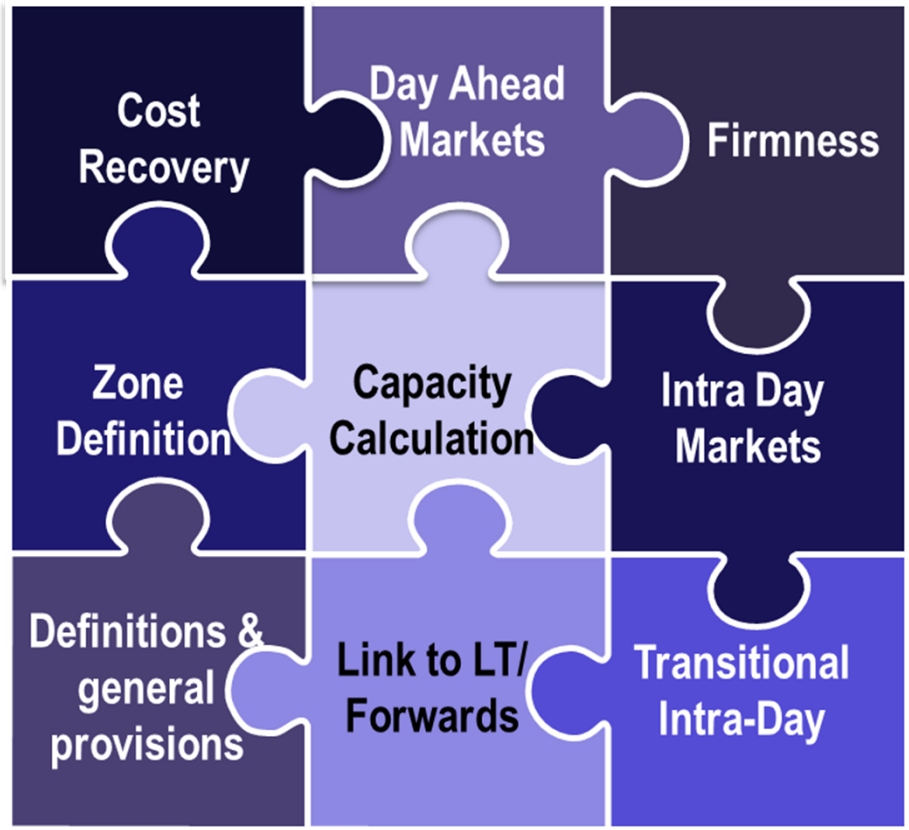
The CACM code aims to facilitate delivery of the EU Target Model



How have stakeholders been involved in developing the CACM nework code?



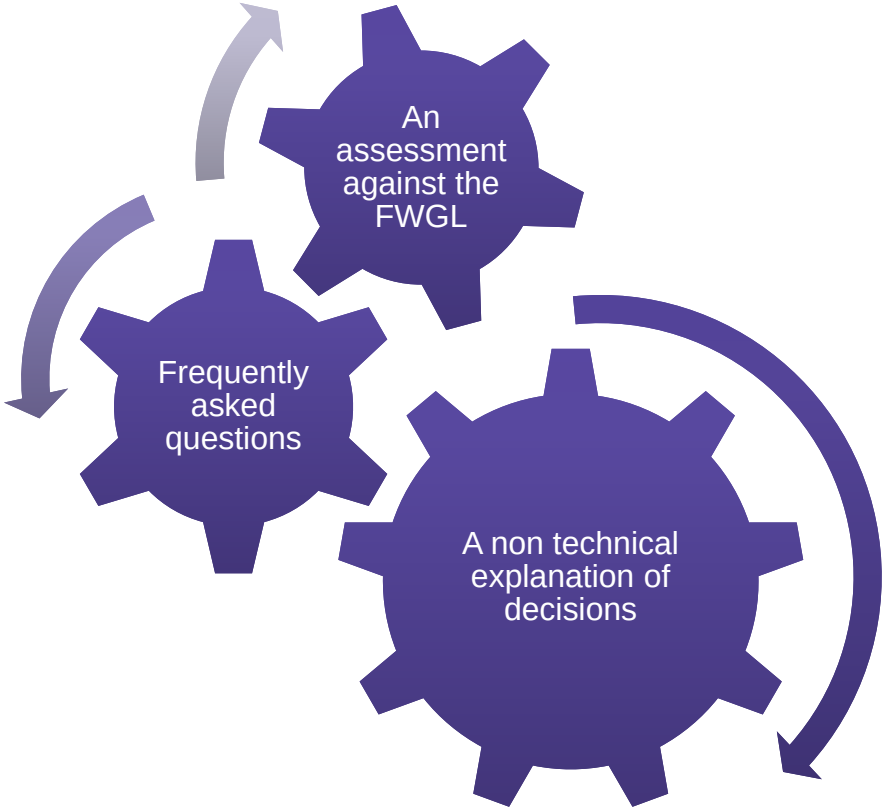
What's covered in the CACM code?



The CACM network code :

- **Day ahead target model for market coupling.**
- **Intra-day target model of implicit continuous trading.**
- **Rules for calculating capacity and defining bidding zones.**
- **General sections on definitions, firmness, cost recovery & congestion income distribution.**

The document supporting the CACM code



The supporting document:

- **Attempts to explain the code (and reduce comments) in a clear way and to aid transparency.**
- **Tries to meet the obligations placed on ENTSO-E by the EC.**
- **And demonstrate the FWGL is met.**
- **We'd welcome views on whether it was helpful.**

The process going forward

Stakeholder workshop – 7 May 2012

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Analysis of responses begins – late May 2012.

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Stakeholder workshop on next steps – July 2012

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Updating of the draft and internal approvals – Summer 2012

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Ongoing discussions with stakeholders and stakeholder group.

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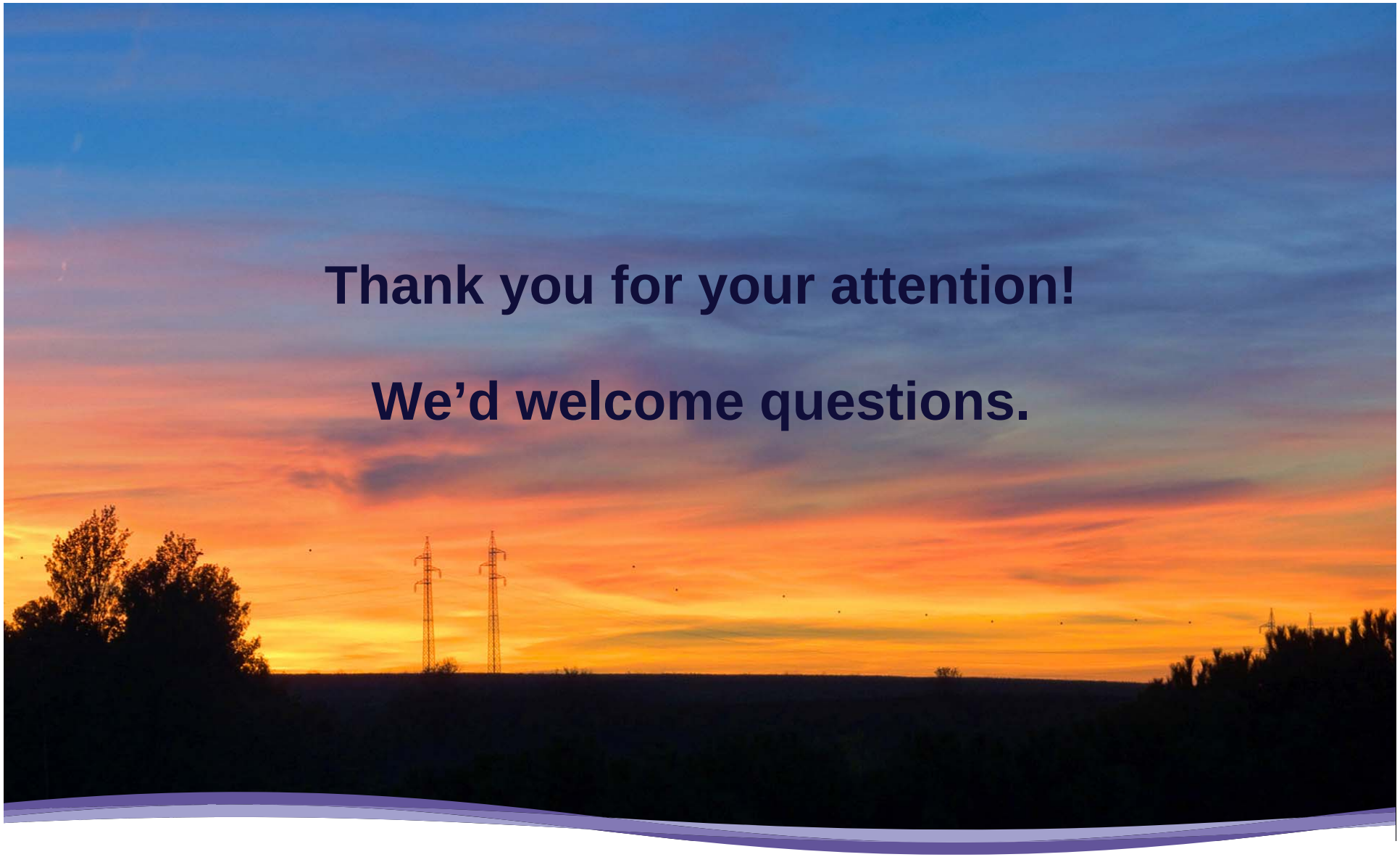
Internal Approval of the network code

↓

Submission to ACER by 30 September 2012



Thank you for your attention!

We'd welcome questions.

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Capacity Calculation

Ritva Hirvonen

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7 May 2012

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What does Capacity Calculation Cover?

Capacity Calculation General

- Roles & responsibilities
- Input methodologies
- Data
- Remedial Actions
- Capacity calculation methods

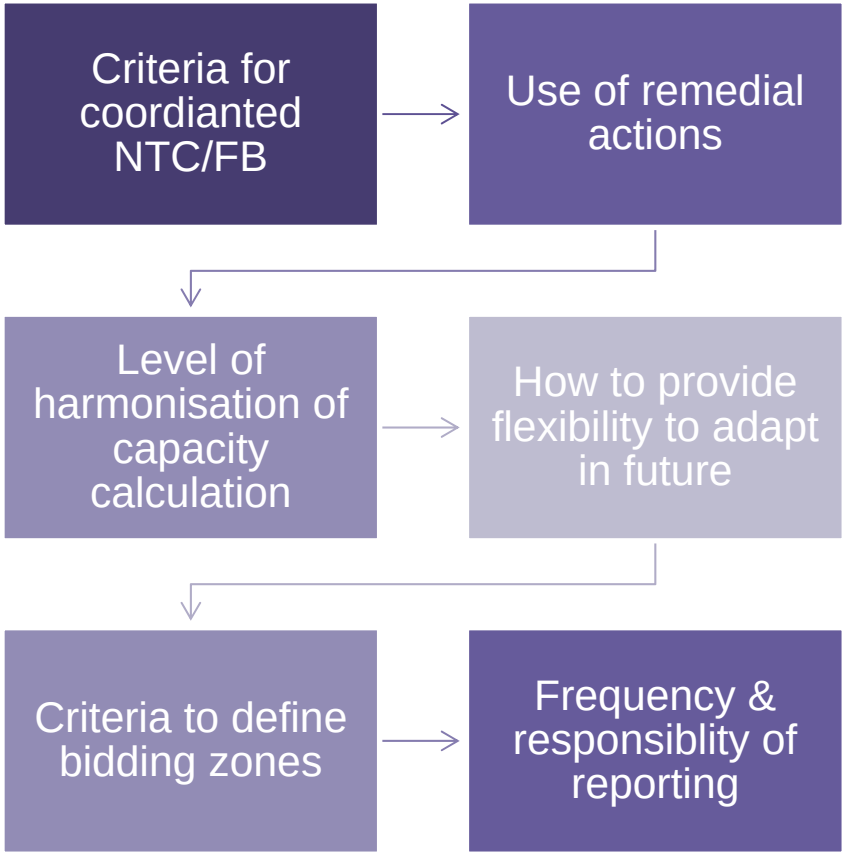
Capacity Calculation Process

- Creating the CGM
- Regional Capacity Calculation
- Validating results

Bidding Zones

- Process & criteria for defining zones
- Biennial reports

The hardest issues in developing the draft code



Where do we think we need to focus?

Finalising input methodologies & coordination

Consistency across all timeframes

- DA and ID
- (LT and Balancing)

Working with Eurelectric on economic data provision

Ensuring that timings set in NC for functions are feasible

Day Ahead Markets

Oliver John

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7 May 2012

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What does Day Ahead cover?

Roles within Day Ahead	The Price Coupling Algorithm	The Day Ahead Market Coupling Process
• Functions • Allocation of functions	• Objectives • Development & amendment. • Inputs & outputs. • Products. • Format of orders. • Schedules. • Fallback.	• Input data. • Delivery of results. • Use of fallback. • Publication of information.

Supported by a common section with Intraday on post coupling arrangements.

Challenging issues in developing the draft code

The interaction with the governance guideline

- Which party should do what?
- How could the code deal with different outcomes?

The level of detail of processes

- How prescriptive should the code be on timings etc?
- Should it be a gate closure time or a business process for coupling?

Algorithm development

- How should it take place?
- Who should be involved?
- What information should we specify?

Where we think we need to focus.

- Making sure timings are consistent.
- Finessing algorithm development & amendment processes.
- Working with Europex on the algorithm specification sections.
- Ensuring consistency with intraday.
- Ensuring consistency with the Governance Guideline

Intraday Markets

Frank Vandenberghe m2

Stakeholder Workshop

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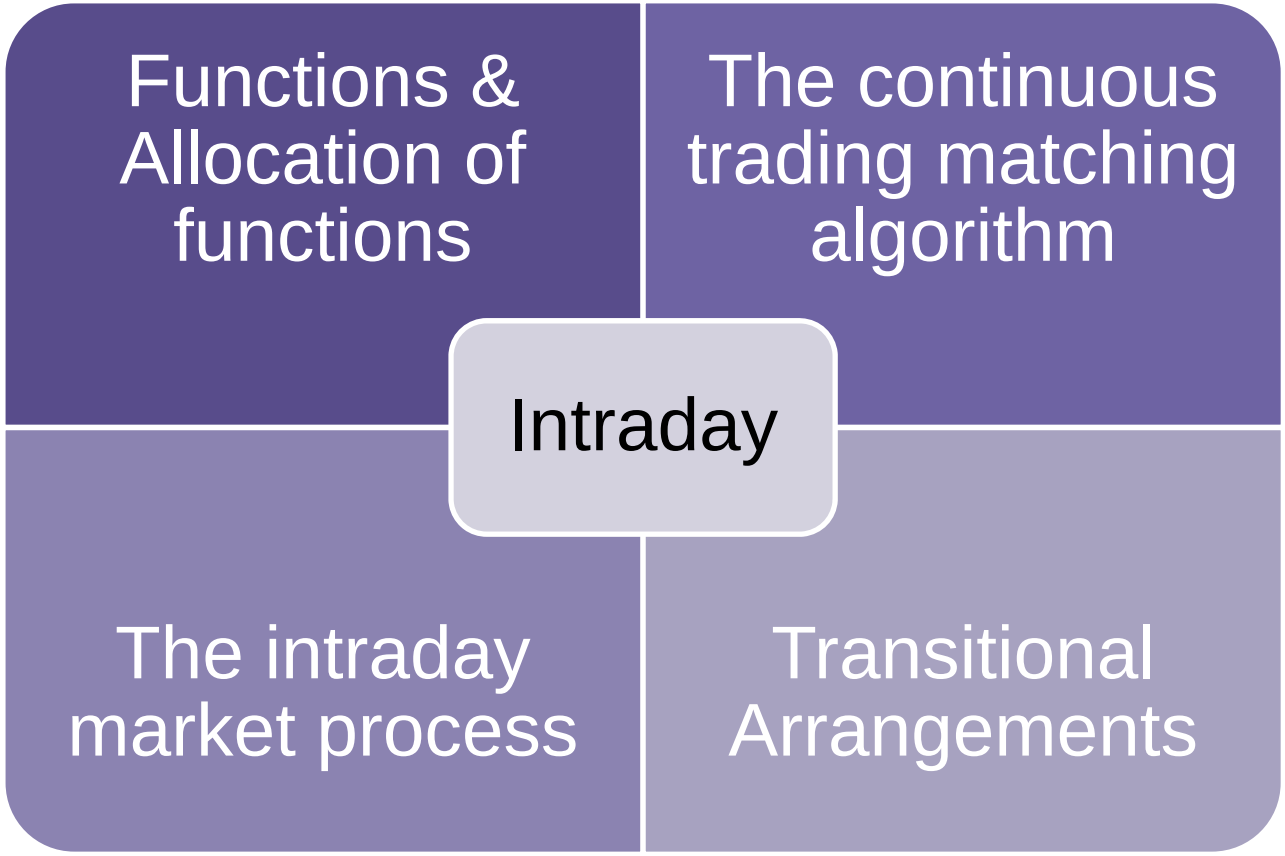
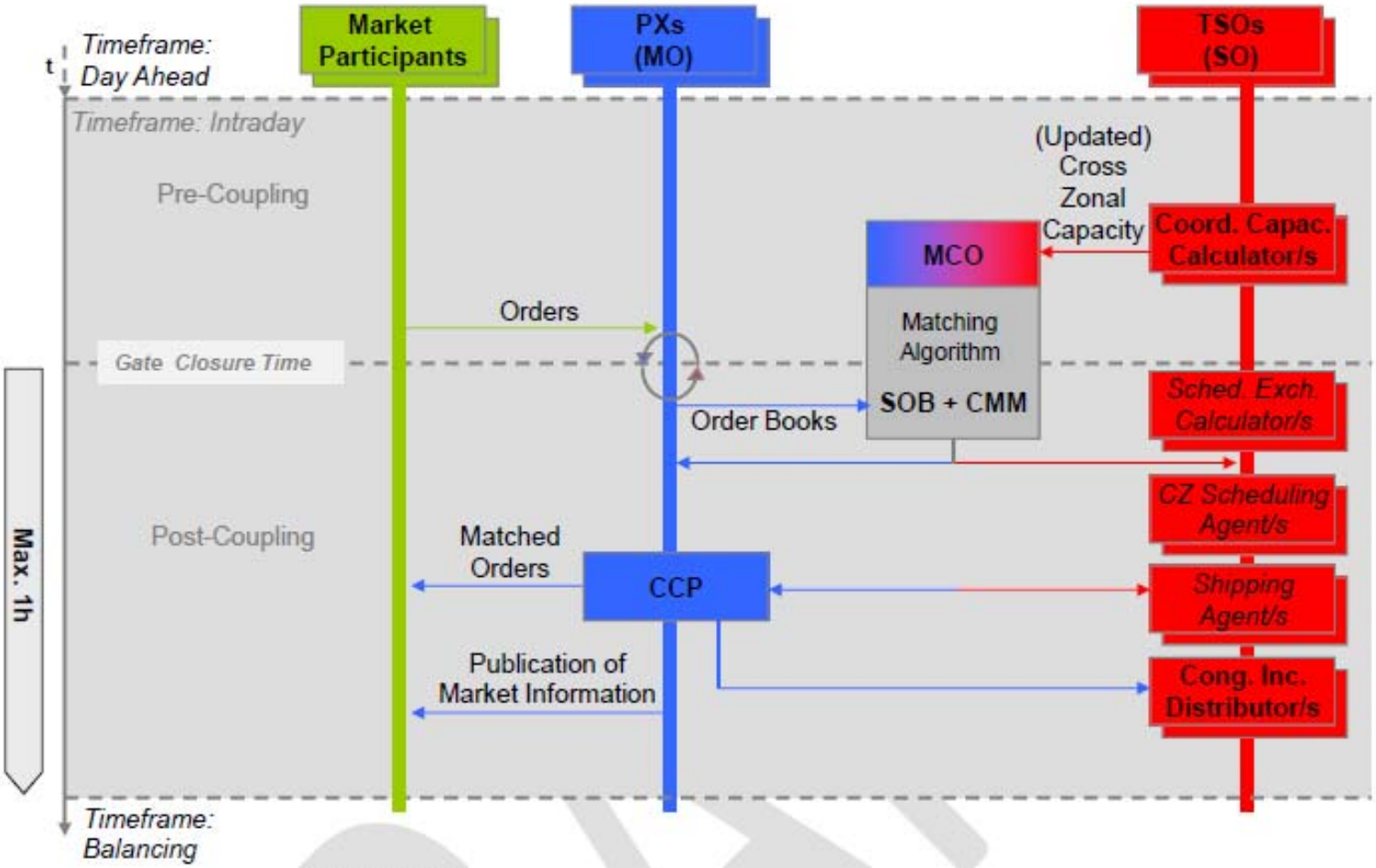
Slide 20

m2 Hans, Frank - please update as you see fit.
mcopley; 27/04/2012

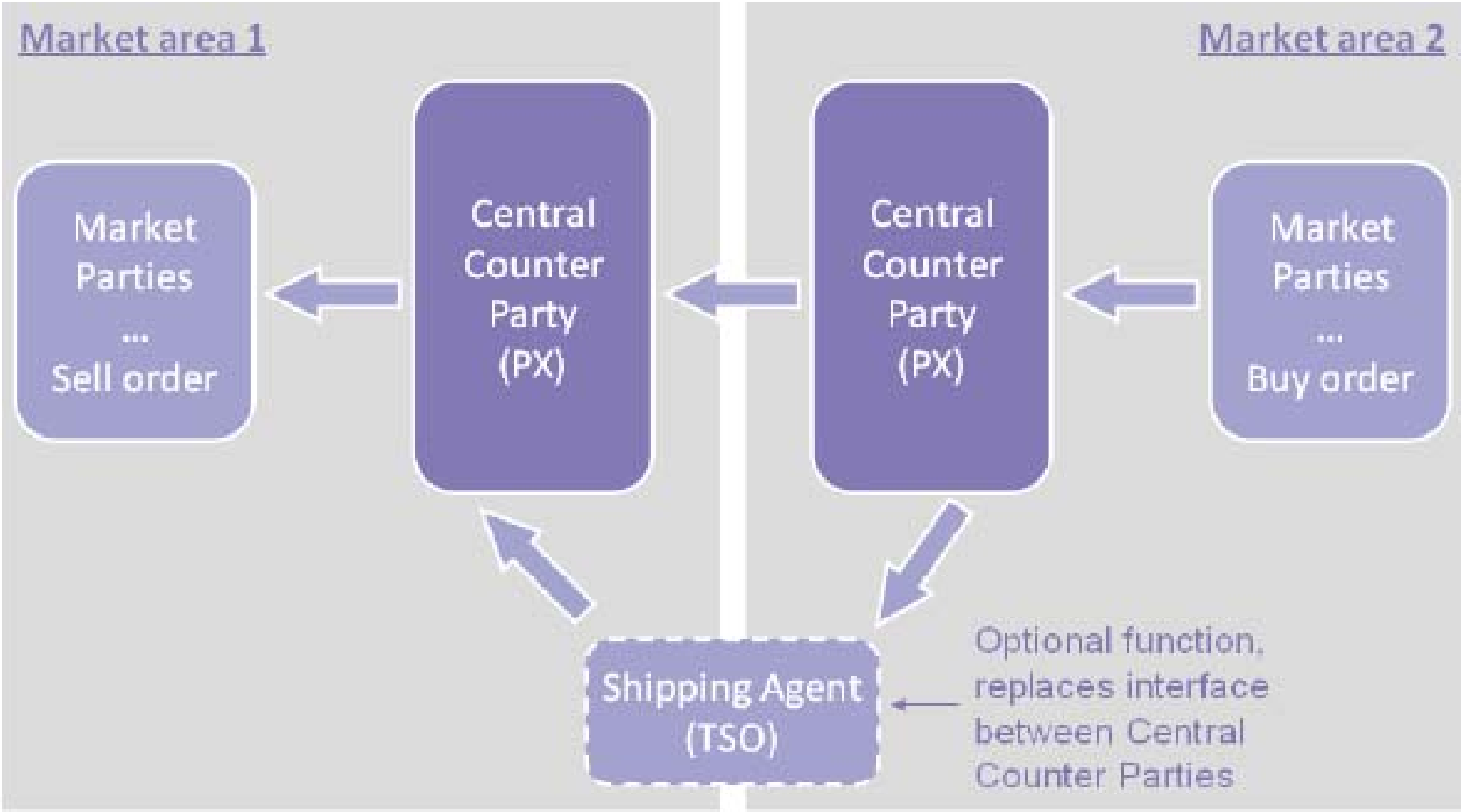
What does intraday cover?



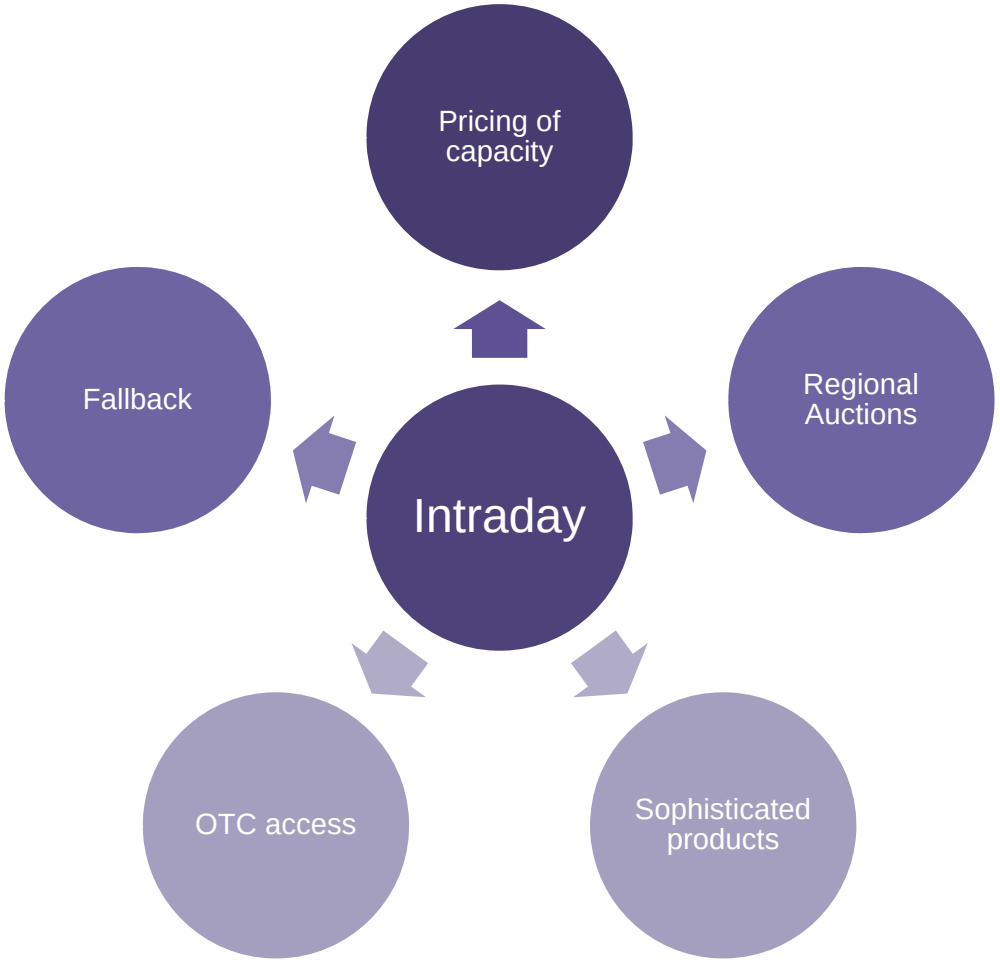
Intraday Market Process



Post coupling process – optional role of Shipping Agent



What were the hardest issues in developing the draft code?



Where we think we need to focus.

- Finessing specifications for continuous trading algorithm and pricing of capacity with Europex
- Ensuring consistency with Day Ahead part.
- Ensuring consistency with the Governance Guideline

Cross cutting & broader issues

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Which other issues need to be further addressed?

- Removing bespoke regulatory approvals and creating a single clause in the code.
- Ensuring consistent timings across the code.
- Working with regulators to agree the cost recovery sections.
- Working with the Commission and regulators to agree the approach to congestion income distribution.
- Reacting to stakeholder comments, updating the network code & providing justifications.

Next steps & conclusions

Juha Kekkonen

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Next steps

Analysis of responses begins – late May 2012.

Stakeholder workshop on next steps – July 2012

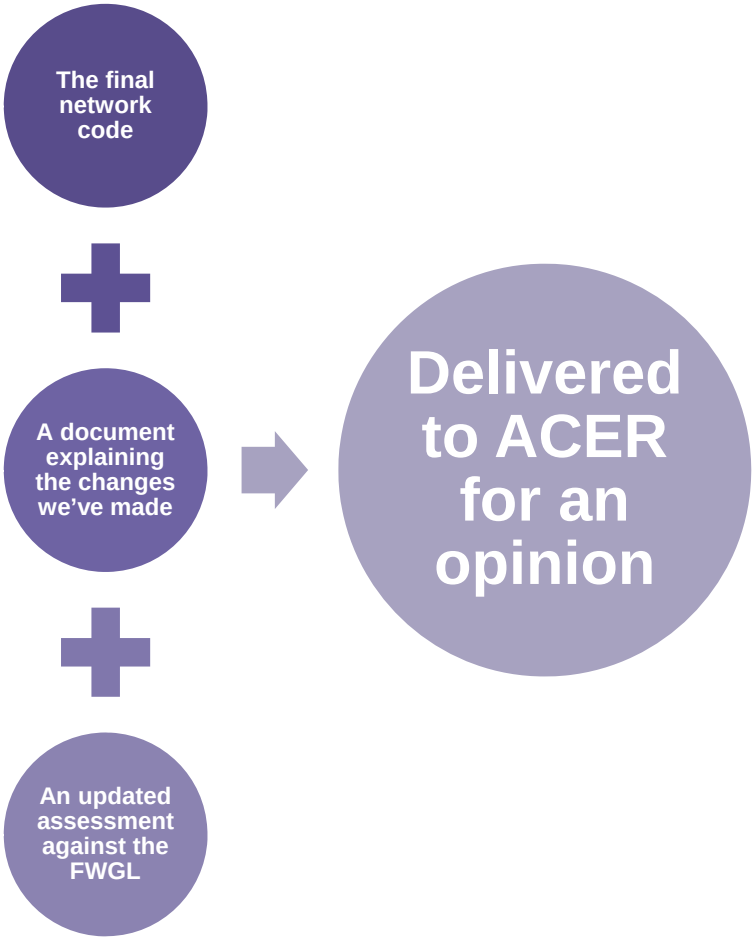
Updating of the draft and internal approvals – Summer 2012

Ongoing discussions with stakeholders, regulators and stakeholder group.

Internal Approval of the network code – late Summer

Submission to ACER by 30 September 2012

What we'll deliver to ACER in September



ACER will then have 3 months to provide an opinion on the network code to the Commission.

And the Commission will consider that opinion and, if they're happy, start Comitology.

You are invited to a workshop on July 3rd

- **Where we'll provide a summary of responses.**
- **Aim to provide an opinion on key issues raised.**
- **Seek to set out how we'll update the network code.**
- **Try and answer additional questions.**
- **Please also be aware that ENTSO-E work on forwards and balancing network codes is gaining momentum.**
- **We will issue a letter on creating stakeholder advisory groups shortly and welcome views on the topic.**

Thank you very much for your valuable contributions

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