

Pentalateral Energy Forum
Attn. Frederik Deloof

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Your reference
Our reference MPP-2016-00437
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Subject Ideas on improving capacity calculation and congestion
 management in the Pentalateral region

Dear government coordinators of the Pentalateral Energy Forum,

Since the implementation decision for flow based day ahead market coupling a coordinated intra-day recalculation, a precondition for NRA approval, is being discussed. As you know intra-day trade is essential for the market to provide the necessary flexibility. Although some progress has been made in bilateral assessment of intra-day capacity a real coordinated approach is still missing and the planning of implementation is unclear. Market parties have failed to understand the problem of TSOs with implementing a methodology. On 8 September Market Parties and TSOs met to discuss this again but the point on the real complexity of making a full ID recalculation of the FB domain is still unclear.

In the current situation inputs already exist and are handled by Coreso and TSCnet as part of other operational process. With this letter we would like to give our view on the situation based on:

- A summary of the current process leading to intraday cross-border capacity calculation, as understood by market parties;
- The details on how this process interacts with security analysis (i.e. remedial action activation) performed by TSOs (and emphasize remaining unclear points for the market parties).

This description is given in the attached note MPP-2016-00339.

The process description shows that it would be possible today to have a real coordinated capacity



recalculation today for the ID time frame¹. With our comments and questions in the note we highlight the issues that are relevant to improve from that.

We are looking forward to discuss this proposal in the Pentalaral context of SG1 and SG3 as we see this as a crucial issue to let the market deliver the required flexibility in a more efficient way. Please don't hesitate to contact us for any further information.

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Ruud Otter', written over a horizontal line.

Ruud Otter

Chairman Market Parties Platform

A copy of this letter has been sent to:

- ACER
- ENTSO-E
- EU Commission, DG Energy
- CWE Consultative Group

Attachment:

- Description of the intra-day capacity calculation process, MPP note MPP-2016-00339

¹ Note that the current process for ID capacity recalculation is described in “Methodology for capacity calculation for ID timeframe – NRA approval package”