



Pentalateral Energy Forum
Chairpersons Support Group 1
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Your reference
Our reference MPP-2015-00248
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Subject Request for clarity on measures to improve the intra-day market on
the Belgian and Dutch borders before the winter period

Dear Chairpersons of SG1,

Earlier this year (at the AESAG held in June), TSOs and PXs made a statement announcing that they will work on quick wins and an intermediate solution to improve the situation on intra-day markets. These measures include the implementation of 24 gate closures and one hour lead time on both NL-BE and BE-FR borders and the improvement of the allocation methodology on the FR-BE border (currently pro-rata). The latter improvement is the implementation of a temporary explicit first-come-first-serve allocation, followed by the implementation of implicit allocation. Furthermore, TSO's has proposed to improve the intra-day allocation especially on the NL-DE, NL-BE and BE-FR borders as after the introduction of Flow Based day-ahead these have frequently decreased considerably. The MPP welcomed these next steps of TSO's and PX's to move forward.

However, so far we have not seen any significant results, neither a concrete planning. This has led to concerns among market parties as they do not feel comfortable ahead of the coming winter, especially on the Belgian and Dutch borders.

On the BE-NL border, the release of the Eurolight platform (replacing Elbas) as a temporary solution until the roll out of M7, has been announced. However, this measure will not come with an increase in the number of gates. Added to which this means that the intra-day market will be 'stuck' to 12 gates and current lead times. On the BE-FR border the situation unfortunately does not seem to improve either. The allocation mechanism on this border is still the inefficient pro-rata allocation with only 12 gates.



The MPP would like to stress the fact that the pending winter will be the first one with the flow-based allocation in place for the day-ahead market coupling and with, as a result, decreased and less stable cross border capacities in intra-day. The combination of these two elements (Flow Based and 12 gates) puts market parties at risk in the winter period. As stated before in the PLEF meetings we believe that a move to 24 gates on both borders and recalculation of the Flow Based domain after the day-ahead results would reduce this risk. For these reasons, and taking into account the Belgian adequacy situation, it is very important that PX's and TSO's come with a clear statement on why this is or, is not possible. If it is not possible there should be a clear explanation of the measures foreseen as well as clear planning on the measures that will be put in place. Transparency (on solutions and planning) and involvement of market parties are essential to have a smooth implementation and effective use of measures.

Please don't hesitate to contact us for further information.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Ruud Otter'.

Ruud Otter

Chairman Market Parties Platform

A copy of this letter is sent to:

- ACER
- ENTSO-E
- EU Commission, DG Energy