



RTE

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Your reference  
Our reference           MPP-2015-00490  
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Date                      6 November 2015

Subject                    Response to RTE consultation on the adaptation of the intraday  
                                  capacity calculation methodology

Dear Madam, Sir,

The MPP welcomes RTE's initiative to call for comments on the proposed improvements on the intraday capacity calculation at the Belgian-French border.

We have already stated concerns about the impact of Flow Based Market Coupling on the available capacity available for the Intraday market and the necessity to proceed to a re-calculation of the Flow Based Domain post day-ahead clearing. We have always supported the implementation of Flow Based. However, having healthy integrated intraday markets is also crucial. The post-go live experiences shows that "corner solutions" are selected by the algorithm more than 20% of the time, leading to reduced or even no possibility to have cross-border transactions in intraday. Therefore, the MPP welcomes any measure aiming at improving the integration of the CWE intraday markets. In this respect, the proposal is a first step in the right direction.

However, the MPP considers that the proposed measure is only partially meeting CWE NRA's request<sup>1</sup>. Indeed, the proposal is based on bilateral basis and on partial information released by the other TSO's. Hence, some potential updated information in a zone A might not be taken into account

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<sup>1</sup> Confer March 2015 position paper on Flow Based Market Coupling: "*intraday capacity recalculation to be properly implemented in ATC by the beginning of November 2015. This interim solution is intended to allow for more capacity at this timeframe, taking stock of more accurate information on grid, consumption and generation parameters*".



when updating the capacity between zone B and C, although a fully updated information on “grid, consumption and generation parameters” in zone A might help to release capacity between B and C.

In our view the most promising solution would be to do a recalculation of the flow based domain with the far more reliable information after the day-ahead coupling<sup>2</sup>. The MPP fails to see why this recalculation is not possible in the timeframe of the results of the day-ahead coupling and the beginning of the intra-day market.

While noting that the proposal is a first step towards the target model for intraday, we still urge TSOs to:

- 1 clarify the exact scope of “Flow Based for Intraday” project (does it include the re-assessment of the Flow Based Domain, does it also include a Flow Based allocation or is it something else?)
- 2 clarify the planning of this project
- 3 clarify if/why the recalculation of the flow based domain after the day ahead results isn’t possible.

In addition, MPP would like to request the implementation of no regret quick wins to be studied. For instance, a review of the FRM margins while coming closer to delivery could be put in place: while getting closer to delivery, the necessary magnitude of these margins might be reduced and hence, more capacity could be offered to the market.

Please don’t hesitate to contact us for clarification of our points.

Yours Sincerely,

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

Ruud Otter

Chairman Market Parties Platform

A copy of this letter is sent to:

- Pentilateral Energy Forum, SG1
- Market Electricity Stakeholder Committee
- Flow Based Consultative Group

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<sup>2</sup> Without affecting the day-ahead market coupling results.