To	CWE Consultative Group
From	Market Parties Platform
Date	18 August 2017
Subject	Comments on the CWE TSO proposal for the Methodolgy for capacity calculation for ID timeframe

General

The MPP welcomes the CWE TSOs' intention to proceed with a new capacity calculation in the intraday timeframe, based on updated inputs and considering reduced reliability margins compared to DA capacity calculation.

However, the proposal of the TSOs is insufficient. The documentation disclosed by TenneT still lacks the necessary details of the computations. Deeper comments on the level of detail that should apply to any proposal of a capacity calculation methodology can be found in the Eurelectric, EFET, Nordenergi, MPP response to the CCR proposals for the Capacity Calculation Methodologies in Nordic, Channel, Hansa, Core and SWE CCRs.

Overall, the MPP regrets the lack of transparency on the main methodological choices and the lack of ambition of the current proposal. Nevertheless, we consider this approach is acceptable as an interim solution, as it will improve the actual situation. Consistency with the day-ahead methodology is important in that respect.

The main omissions in this proposal are:
- There is no timeline for implementation, despite the related decisions by CWE NRAs.
- There is no clarity on what will be implemented as much is to the discretion of an individual TSO.

More details can be found below.

Detailed comments per section

3.1   Inputs

As a general rule, if there is an agreement between NRAs and TSOs to update the method for the input generation for the D-2 CWE FB process, the consequences of the implementation of these changes for the ID timeframe will be analyzed and, if possible, the FB IDCC method will be adapted in order to align it with the updated D-2 method.

The use of the method is conditional. What is the purpose of this proposal if TSOs are not bound to use it?

3.1.1.3 CNEC list for the FB computation

If there is an agreement between NRAs and TSOs to update the method for the CNEC selection for the D-2 CWE FB process, the consequences of the implementation of these changes for the ID timeframe will be analyzed and, if possible, the FB IDCC method will be adapted in order to align it with the updated D-2 method.

The CNEC list for the FB computation is also conditional. What can we expect? What are the issues? In this regards, the MPP would like to stress that the FB package approval by CWE NRAs included the following statement:

> The project has proposed the rule of 5% to identify a critical branch (the 5% criterion means that a CBCO, to be selected, has to have at least one zone-to-zone PTDF which exceeds 5%). It is stated in the Approval Package that this rule was assessed inside the project to be efficient. This has nevertheless not been demonstrated to CWE NRAs. If there is room for improving this CB selection rule, this could lead to a higher global welfare. As a matter of fact, a network element not considered as a CB in the Flow-Based methodology cannot limit cross-border exchanges. If an overload is expected on this line, the relevant TSO(s) may have to activate potentially costly remedial actions such as re-dispatching. Moreover, the current rule does not prevent the fact that constraints with very low PTDF are active and may have huge impact on prices.

> Therefore, CWE NRAs consider that the project has to demonstrate, at the latest when applying for a capacity calculation methodology in the frame of the CACM Regulation, whether the 5% rule is optimal, or what other rule could lead to such optimality. The Flow-Based methodology would have to be adapted consequently.

As market participants, we would welcome such a demonstration and regret that not impact assessment of the CNEC selection process has been communicated so far for the DA and ID timeframes. We also note that such a demonstration should also be made with regard to external constraint selection.

Finally, the CNEC selection process should apply to each market time unit. Unlike what we experience as of today, this would lead to a situation where CNECs with all BZ-to-BZ PTDFs below 5% are never included in the capacity calculation. -

3.1.2 Maximum current on a Critical Network Element (Imax) and Maximum allowable power flow (Fmax)

When the Imax value depends on the outside temperature or wind conditions, its value can be reviewed by the concerned TSO if outside temperature or wind forecast is announced to be much higher or lower compared to the seasonal values.

Including weather conditions should be standard to maximise grid capacity. Especially in the intra-day timeframe, when more accurate forecasts are available. What are the reasons for not including them as a general conduct?

3.1.3 Day ahead Common Grid Model
For intraday capacity calculation the latest available version of the day ahead Congestion Forecast process (DACF) will be used at the moment the capacity calculation process is initiated.

What exactly is the latest version that is meant here? In our view TSOs should make an update after the day-ahead market results for the intra-day calculation.

Furthermore, in the case of capacity calculations after the intraday cross-border gate opening time, should not the IDCF file be used? How would then the (moving) market clearing point be accounted in the common grid model used and FRMs considered in later capacity calculations?

3.1.6 Generation Shift Key
In general, the GSK includes power plants that are market driven and that are flexible in changing the electrical power output. This includes the following types of power plants: gas/oil, hydro, pumped-storage and hardcoal. TSOs will additionally use less flexible units, e.g. nuclear units, if they do not have sufficient flexible generation for matching maximum import or export program or if they want to moderate impact of flexible units.

What are the reasons of excluding by fuel type in the standard calculation and only in cases where additional flexible generation is needed? What are the conditions for such cases?

Why are there so many unexplainable differences in the different GSK methodologies? The Dutch, Belgian and French bidding zones use a pro rata approach, which is not market reflective. Other TSOs use a more sophisticated approach. Interesting in this respect is the difference of TenneT NL and TenneT DE.

The assessment of approaches should be transparent with respect to their impact on the level of FRMs for the most critical network elements. This would help determining the most relevant approach for each TSO.

3.1.7. FRMs
In our view, deviations related to remedial actions triggered by TSOs (such as voluntary topology changes, HVDC or PST settings, or redispatching) should not be accounted within the FRM setting. Indeed, those result from decisions by TSOs whose impact can be anticipated, unlike the other dimensions mentioned in page 12 of the proposal.

TSOs should clarify how they intend to modify the scheduled flows to account for those voluntary updates between the capacity calculation and real time.

3.2.6   Validation of capacity

Ideally multiple FB calculations in intraday should be performed. However, currently there is only one FB calculation possible without the possibility to reassess extracted ID ATC during the day.

As an interim step the single calculation is acceptable, but it does not appear as a matter of technical feasibility but more certainly as a matter of resource dedicated by CWE TSOs to perform this task. In our view NRA monitoring should ensure that TSOs act efficiently in this international context.

To this extent, the MPP would welcome a schedule commitment for additional ID capacity calculations.

The use of any of the above mentioned instruments has to be monitored, and is not dedicated to enlarge the flow-based or ATC domain, as it would become too large, thus unsecure. The output of this process is the amended flow-based and/or ATC domain.

We certainly acknowledge that the inclusion by individual TSOs of additional constraints in the capacity calculation or allocation because of internal constraints should be thoroughly monitored and justified. But we disagree with the statement that enlarging the FB or ATC domain systematically makes operation less secure. Indeed, TSOs may use alternative remedial actions, such as countertrading or redispatch to restore secure system operation. In this regard, the MPP calls for a capacity calculation and allocation that leads to the most efficient trade-off between the various means TSOs can rely on to secure system operation.

4   Back-up procedures

The back-up process has to be reliable in order to ensure that capacity will always be delivered to the market players. In case the process fails, the last computed capacity will be provided to the allocation platform. For example, in case the intraday capacity calculation fails, the TSOs will provide to the allocation platforms the leftover of the day ahead capacity.

It is not clear what this really means. The fall back is the current procedure?