

Core Consultative Group meeting

Minutes of meeting – Final

7 October 2020

Conference call

List of participants

	PARTICIPANTS	REPRESENTING	COUNTRY
Market Parties	H. ROBAYE	Co-chair CCG Core MPs (Eurelectric)	Belgium
	F. JUDEK	Energieallianz	Austria
	N. HAHN	ENERGIEAG	EU
	P. GROSS	Verbund	Austria
	O. VU DAC	Citadel	Belgium
	G. MAES	Engie	Belgium
	M. VAN BOSSUYT	Febeltec	Belgium
	Y. LANGER	Smart Vision	Belgium
	D. MARCIC	HEP	Croatia
	D. BOSNJAK		
	M. HOREJSOVA		
	T. KANOVSKY	CEZ	Czech Republic
	R. ZDENEK		
	N. ZADAK	Amper Market	Czech Republic
	J. STENPORT NØRGAARD	Energinat	Denmark
	S. ROESGAARD NIELSEN	Danske Commodities	Denmark
	J. Le PAGE	EFET	EU
	H. MARCIOT	MPP	EU
	M. BONDE	Uniper Energy	EU
	J. MICHEL	EDF Trading	France
Y. PHULPIN			
P. HILLE	Next-Kraftwerke	Germany	
A. MARTON			
L. BALAZS	MVM	Hungary	
P. MOLNAR			
A. HALSEMA	PZEM	Netherlands	
P. GIESBERTZ	STATKRAFT	Netherlands	
R. OTTER	Energie Nederland	Netherlands	
H. PREINMOESTUE	Montel	Norway	
S. NESSA	Wattsight	Norway	
K. RZENCA			
K. MAZIARZ	AXPO POLSKA	Poland	
P. RESZEL			
B. OPALINSKA			
K. RYNIKIEWICZ	Forum	Poland	
M. BIESZKA			
J. GUZKOWSKI	GKPGE	Poland	
M. SKRDEBOT			
R. MASIN	Info Engine	Poland	
S. PRZYBYLAK			
M. ZEUK-MAJEWSKA	PONIC	Poland	
D. ROJEK			

	PARTICIPANTS	REPRESENTING	COUNTRY
Market Parties	A. WESOLOWSKI		
	L. TRABINSKI		
	P. ROZENBAJGIER	POL ENERGIA	Poland
	R. BARCZANOWSKI		
	A. KOSTON	Tauron	Poland
	A. KOT		
	M. KAVRECIĆ	HSE	Slovenia
	M. KOTNIK		
	G. OSOLIN	Interenergo	Slovenia
	G. BICZEL	SEAS	Slovakia
M. OTRUBA			
M. KOPCA	ZSE-Energia	Slovakia	
P. MALECEK	Alpiq	Switzerland	
A. TUPAK	BKW	Switzerland	
J. SOLIBSI	RTE (TSO)	France	
B. BOJA			
O. PRIFTI	Ayen	Turkey	
S. FARZAMBEHBOUDI			
Core TSOs	B. GENET	Co-chair CCG Core TSOs (Elia)	Belgium
	G. MEUTGEERT	Convener FBDA CC	Netherlands
	J. FERNANDEZ	Convener LTCC	Belgium
	S. VAN CAMPENHOUT	Core TSO expert	Belgium
	J. GREUNSVEN	Core TSO expert	Netherlands
	M. SCHRÄDE	Core TSO expert	Germany
	K. REMIGIUSZ	Core TSO expert	Poland
	P. SIDOR		
	M. PILS	Core JSC chairman	Austria
	M. PREGL	Core JSC WG convener	Slovenia
Core Joint Project	R. SCHNEIDER	EXAA	Austria
	J. SRAM	OTE CR	Czech Republic
	C. SETRAN	OPCOM	Romania
	Z. KOESSLORFER	E-Control (Lead Core NRA)	Austria
	N. SCHOUTTEET	CREG (Lead Core NRA)	Belgium
	A. GERARD	CRE	France
	M. DUTOIU		Romania
	A. POANTA	ANRE	
	Z. GVULAY	ENTSO-E	EU
	S. RAHMAN	JAQ	Luxembourg
PMO	A. VAN DER MARK	Magnus RED	Netherlands

1. Welcome and introduction

Co-chairs B.GENET (Core TSOs, Elia) and H.ROBAYE (Market Parties) open the meeting and welcome all participants from Market participants, associations, NEMOs and NRAs to the Core Consultative meeting.

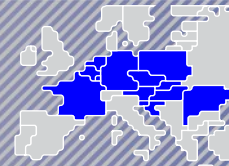
The session file can be found at ENTSO-E website, Core section: https://eepublicdownloads.entsoe.eu/clean-documents/Network%20codes%20documents/Implementation/ccr/20201007_Core_CG_meeting_MS_teams_websession_.pdf

2. Core FB Day Ahead Capacity Calculation and Market Coupling

Note: This session has been recorded and can be found at ENTSO-E website, Core section: <https://www.youtube.com/watch?v=e7PvtdTs6HY&feature=youtu.be>

Core FB DA MC and External parallel run (EXT//run)

M.PREGL, leading the Core TSOs and NEMOs joint working group, introduces the implementation of the Day Ahead Market Coupling projects in the Core region. DG ENER, and subsequently Core NRAs, provided guidance on the dependencies between the Interim Coupling Project (ICP) and Core Flow Based Day Ahead Market Coupling (Core FB DA MC). ICP should continue as



an interim and sequential step to the Core FB MC go live in February 2022. Core FB DA MC project announces to start progressively the EXT//run in November 2020.

Core MPs remind that they would prefer to have the EXT//run covering all seasons, with a minimum of 6 months after ICP go live and prolonged until the FB MC go live. This in order to have the relevant comparison and preparations.

M.PREGL indicates that the decision on the prolongation of the EXT//run is still pending. Market Participants will be notified once it is taken.

Q&A session

Q (Core MPs): Why is the HU_HR border remaining explicit after ICP go live?

A (Core FB DA MC project): The ICP project was launched by the 4M MC countries. Later on, Bulgaria and Croatia expressed their willingness to join the project, but the project parties decided against it, as the goal was to move forward without delays.

Q (Core MPs): Last week there was a decoupling test at JAO that proved to be unsuccessful. Can you explain what went wrong?

A (Core DA FB MC project): Indeed, the test was not successful as the shadow auctions were not finalized in the time foreseen. The project will soon issue the report of the incident and ask all MPs present to the test for further feedback.

Q (Core MPs): Croatian MPs are afraid that keeping the HU_HR border in explicit allocation will avoid some external liquidity between HUPLEX, CROPEX and SouthPool if there is no real coupling between HU and HR.

A (Core DA FB MC project): On the HU_HR border there is a period during which you still need to bid in explicit between go-live of IPC project and go-live of the Core FB DA MC project (about 10 months between May 2021 and Feb 2022).

Core FB DA CC methodology

S.VANCAMPENHOUT (Core TSOs, FB expert) presents the Core FB DA CC process and explains the technical concepts behind it, as well as its timings and responsible parties. Further formulas, details, etc can be found in the respective methodology.

Q&A session

Q (Core MPs): Is the Fmax depicted with a red line on slide 11, the operational secure capacity (N-1 secure) or the thermal capacity of the line? Is the contingency aspect reflected in this red line?

A (Core TSOs): The contingency is not directly reflected in the red line. The Fmax is the thermal capacity of the line, independently whether the situation is with full grid or under contingency. However, the contingency situation is reflected in the computation of the different flows on the line during the flow-based calculation.

Q (Core MPs): The RAM set at 20% or 70% in the future gives the impression that 70% of the thermal capacity should be available, but in my understanding, this is not correct because of this contingency analysis.

A (Core TSOs): This methodology defines RAM at 20% for market exchanges. In CEP all exchanges sum up to 70% RAM (within Core and external). As explained in the previous answer, the contingency situation is factored in the computation of the flows, hence also the market flows accounting towards the 20% or the 70%.

Q (Core MPs): Once the European CGM will be there, what will remain at Core level after European CGM?

A (Core TSOs): Core CCR will remain the relevant level for capacity calculation. CGM integrates the Core IGMs for 24h, and will be used within the Core CCR after implementation.

Q (Core MPs): Can a TSO that is in more than one CCRs have different IGMs per CCR?

A (Core TSOs): Yes, as each CCR allows for some particularities. There is no hard requirement for a TSO to have the same IGM across CCRs. TSOs however aim at being consistent in their approach in the given framework per CCR.

Q (Core MPs): Who is deciding on the validation?

A (Core TSOs): The Core RSCs are in charge of running the process (with the respective tools for CC, merging, RAO). TSOs will be in charge of the individual validation. In a second stage, the validation will be covered at regional level, in line with the Core CCM.

Q (Core MPs): In which cases, from a TSO perspective, does the RAM needs to be capped during validation?

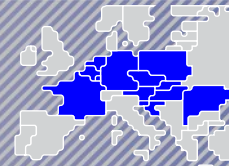
A (Core TSOs): To assess the feasibility of the capacities, the TSOs run locally a detailed loadflow simulation in order to detect overloads. In case overloads cannot be alleviated with the RAs at hand, then the RAM needs to be reduced up to the point that capacities provided become operationally secure again.

Q (Core MPs): What kind of transparency do MPs have over the RAM validation process? What is foreseen in the validation process in terms of transparency, to support MPs to interpret it in their own market processes?

A (Core TSOs): The methodology foresees that if a TSOs applies a reduction, it will be published in the Utility Tool. Apart of this, the RSCs have the responsibility to assess in an annual report how the methodology, including these validation steps for each individual TSOs, is being applied.

Q (Core MPs): Shouldn't TSOs curtail some LTA rights if the RAM proves to be too high?

A (Core TSOs): If the LTA really endangers the Security of Supply, indeed, TSOs will trigger the curtailment of LTA rights.



Q (Core MPs): How is the Fuaf computed?

A (Core TSOs): The UAF is the Unscheduled Allocated Flow and is computed by comparing two grid situations, one where you take the CGM and you put all Core exchanges at zero balance and one where you take a CGM and you put all the exchanges to zero. And the difference between both will give you the impact of the non-Core exchanges on your grid.

Q (Core MPs): Will there be a publication on the accuracy of the forecast?

A (Core TSOs): Yes, one of the KPIs to be published will cover this.

Core CC systems in INT- and EXT//run

G.MEUTGEERT (Core FB DA CC project) presents the capacity calculation systems used by the TSO operators in the INT and EXT//run. There are four main IT modules:

1. Core Capacity Calculation Tool (CCCT) – managing the processes and Flow based computations
2. Common Grid Merging – Merging of Individual Grid Models into a Core CGM
3. Net Position Forecasting - creating forecasted Net Positions of Core used in e.g. CGM & Base Case Improvement
4. Non-Costly Remedial Action Optimizer (NRAO) – optimizer for available non-costly remedial actions

Core TSOs aim to have the NRAO tool available at the start of the EXT//run. The experience at this stage are however limited, so chances are that it cannot be integrated in time. In any case Core TSOs will be transparent on the limitations and underlining assumptions of the results.

Jomaa SOUISSI (RTE) highlights that the NRAO is very important to the Core TSOs that use a lot of non-costly topological RAs. Not having the NRAO available will have a significant impact for example on the French CNECs. Indeed, RTE optimizes the RAM of its CNECs with mainly preventive and curative topological remedial actions (for all the Capacity Calculation Regions). This is currently done manually in CWE and this will be done automatically via the NRAO according to the Core Capacity Calculation Methodology. Therefore, the French CNECs will limit more frequently the Flow Based domain at the beginning of the EXT//run if the NRAO is not available yet, while waiting to have the NRAO deployed in the operational process, compared with the situation in CWE.

EXT//run approach

M.PREGL (Core FB DA MC project) presents the main principles and architecture of the EXT//run. Core TSOs decided to transition progressively to EXT//Run, meaning that from November, a selection of business days will be published that are deemed sufficiently representative and progressively increase this to 7 business days per week. This means that Core TSOs will perform daily computations of the transmission capacity resulting market outcomes will be computed weekly and will be made available in the new JAO Publication Tool on the JAO website (a few weeks after the actual BDs).

Furthermore, the Core TSOs have agreed with the NRAs on a set of KPIs to facilitate data analysis. These KPIs will also be shared with Core MPs during the EXT//run.

Publication tool

S.RAHMAN (JAO) introduces the JAO Publication Tool, upgraded from the CWE solution into a web based, robust solution. A short demo is provided showing the user interface and the array of information to be published during the Core FB DA MC EXT//run.

Core FB DA MC project parties commit to make transparent the underlying assumptions that have been used to obtain the published results (e.g. derogations, action plans, tools and production systems used by the NEMOs during simulation, etc.).

B.GENET and M.PREGL remind Core MPs that several communication channels are already in place and that for any further questions they can refer to the Core Q&A forum on the JAO website.

3. Core Long Term Capacity Calculation Methodology

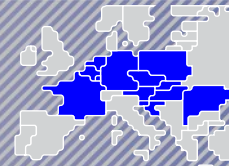
B.GENET (Core TSOs) presents the current status of the Long Term Capacity Calculation methodology (Core LTCCM). Core TSOs have prepared an updated Core LTCCM pursuant to FCA article 10(1) based on the guidance received from ACER, NRAs and EC. The target solution is to implement a capacity calculation methodology with a flow-based approach, enabling a flow-based allocation. The current methodology is under Public Consultation until October 16th 2020.

J.FERNANDEZ (Core TSOs, LTCC expert) presents the new Core LTCC High Level Business Process (FB LTCC) and key elements from the updated LTCCM.

Q&A session

Q (Core MPs): How is the NTC domain extracted from the FB domain?

A (Core TSOs): There is no NTC extraction under the foreseen methodology.



Q (Core MPs): When a particular CNEC is limiting the volume of rights that can be allocated on different borders, how do you decide on which border you will allocate the right?

A (Core TSOs): Core TSOs will compute the FB parameters and the results will be given to the Single Allocation Platform. We know the outcome will be in FB explicit allocation, but we do not yet have the detailed design of the allocation. This is to be further worked out at EU level with all TSOs and JAO.

Q (Core MPs): Is the understanding correct that in the first step you have a physical calculation based on flow simulation based on the LTR that will be allocated and that you suppose would be nominated in the direction that is least favorable for each CNEC? But still, for a particular CNEC, the flow depends on how much rights to allocate on different borders and you have a tradeoff to make between these borders when you are in NTC allocation.

A (Core TSOs): The methodology does not foresee an interim step with NTC allocation and focuses only on the target solution with FB calculation and allocation. During the implementation phase of the target solution, the current mechanisms will remain in place, and rely on bilateral computation of NTC capacities.

Q (Core MPs): Would this be applied based on FTR or PTR use it or sell it?

A (Core TSOs): Core TSOs have already proposed to move nearly all border to FTRs except for HR-SI border. This is part of the methodology pursuant to Art. 31 of FCA, which is approved already.

Q (Core MPs): Will the rights be sold on per CNEC basis, or on a per border basis?

A (Core TSOs): Capacity rights will remain on the borders, the allocation mechanism is transforming the RAM and the CNECs into the rights on the border.

Q (Core MPs): Can you confirm you will still be able to attain rights on a border you have a particular interest in, but you will be in competition in a sort of a coordinated manner? Is it correct that what will be allocated on that border depends on what is allocated on all those other borders in this FB setup.

A (Core TSOs): Exactly. Instead of the artificial splitting that is currently run by the TSOs in case of NTC extraction during the CC process, the splitting will be based on actual market values.

Q (Core MPs): Since TSOs focus only on the target solution, are there already views on how to reach this target, or has it not yet been discussed?

A (Core TSOs): The Core LTCCM is only describing the target solution. TSOs are in an open discussion whether and how to improve the NTC coordination during the implementation period. An Operational Committee is mentioned in the methodology which can have the purpose to improve the coordination during the implementation.

Q (Core MPs): Is this an all or nothing approach? Or do you see also a possibility that you agree on a methodology for LTCC but not for allocation?

A (Core TSOs): NTC-extraction is not anymore under consideration, hence both calculation and allocation must be implemented before moving from the current situation to the target solution.

Q (Core MPs): Have you assessed or modelled the impact this methodology will have on the DA domain?

A (Core TSOs): We did not analyse this yet. It is hard to analyse as it is all dependent on the MPs' bidding strategies. TSOs foresee an EXT/run (for which the details are still to be defined), during which the impact on the DA domain may also be looked at.

Q (Core MPs): If the value of different interconnections changes between LT and DA, will there be a kind of a Counter Trade scheme, where you may buy back rights on one border to allocate more rights to another border that has an increased value?

A (Core TSOs): Between Yearly and Monthly timeframe there might be resells, the details are still to be defined. Between the LT and DA we can only talk about rights that can or cannot materialize towards payments.

Q (Core MPs): The FB LTCC domain will be in FTR, hence without commitment to schedule something per border. This should be reflected on the DA/ID domain. Will it actually have a material impact on the DA FB domain?

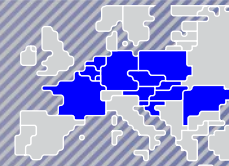
A (Core TSOs): We did not assess the impact on the DA domain yet. As a first thought, as long as there is an LTA inclusion regime, the LTCC values will influence the DA domain.

Q (Core MPs): Will the calculation proposed in the methodology be quite similar to the DACCM, without minRAM 70%? Will it have minRAM 20% or not? Will you assess how much capacity you can allocate in the worst direction for each CNEC?

A (Core TSOs): Yes, the computation for the FB LTCC is similar to the computation for FB DACC (based on CNECs, GSK, scenarios, with a CNEC-selection process still to be defined). The methodology will include minRAM and PTFD parameters. The values for minRAM are still to be decided.

Q (Core MPs): In the Yearly and Monthly auctions will the Core TSOs still run explicit auctions under the new methodology or will the explicit auctions be completely abandoned?

A (Core TSOs): The explicit auctions for Yearly and Monthly timeframes will remain, where MPs will be able to buy rights. The allocation mechanism in the LT timeframe is about selling rights to exchanges on the borders. Wherever



FTRs and PTRs that are not nominated remain, these will go into the DA domain. The only thing that is changing is the way the allocation will work. Instead of having independent auctions on each border you will have a coordinated mechanism.

Q (Core MPs): If the outcome of the FTRs will be placed in the DA domain, the domain in the DA will be based on an assumption that the financial rights bought by the Parties will actually be a reflection of an expected input/output in the grid in different locations that will trigger a certain flow. It seems it will be hard to follow this up if this is the case.

A (Core TSOs): There is no difference with current situation now in CWE. There is no need to map the rights with actual flows. All FTRs will be compensated. In Core DACCM, it is already defined that in case there is a nomination, the domain is shifted to include this nomination.

4. Core CCR recent developments

B.GENET presents the other developments that took place in Core CCR in the past months as well as other ongoing activities (summarized on slide 29).

Core MPs highlight the importance of an early collaboration with Core TSOs on the Core FB ID CCM implementation and welcome an open discussion on the topic during the next Core CG meeting. Two questions are raised:

- Will the same minRAM be applied in ID as in the DA?
- Should the ID domain be smaller than the DA one, how will TSOs proceed to get the MCP inside the ID domain?

5. ACERs consultation on methodologies operational security and RA in Core CCR

H.MARCIOT, Chair of the Market Parties Platform presents the MPP answer to ACER's consultation on two methodologies for coordination of operation security and remedial actions in Core CCR.

Key messages:

- Bids are already firm. MPP has had a vision slightly different than the one expressed by ACER in its supporting document. The bids are firm and not indicative. The price put forward by MPs is the one that is valid for acceptance. To that extent, an operator of a flexible asset must have the possibility to upgrade its RD bids until they are effectively activated. We accept there are reasons to update a bid that is already firm during the coordination process on the TSO-side until the effective activation. This is our understanding for a market-based RD and the preferred approach.
- Cost based congestion management. The relevant TSO fully or partially forecasts the activation costs. The TSO makes the indication and should be bearing the associated risk. If there are indicative prices, they are the ones used by TSOs during coordination. There are only indicative until the actual activation. MPP fears that TSOs might be incentivized to manipulate these costs, as they can shift them to other TSOs. To minimize this risk, MPP proposes:
 - Reduce coordination time as much as possible
 - Follow a transparent methodology.
 - RSCs to issue direct instructions instead of advice.
- Difference between market-based approach and cost-based RD approach. In the market based approach, if a difference occurs between the moment the TSO notifies the price to the RSC and the moment the RSC issues its actual recommendation, the risk of the price change should be borne by the community of TSOs. If a price update occurs after the issuance of the recommendation by the RSCs, the relevant TSO should bear this risk stemming from this price difference. In cost-based RD approach, the TSO who makes the forecast should be fully responsible for the price difference and this should be financially neutral for the resource provider.
- Call for transitory measures until 2025, as RD&CT process will be built until 2025 (also the year of minRAM 70%).
- Call for coordination of the RD&CT with third countries, in particular, Switzerland (also to be included in the methodology).

B.GENET remarks that ACER is not in the call. Core TSO find it difficult to react, as TSOs are not in the lead on this topic. He also mentions that Core TSOs also are currently discussing with ACER the need of an interim step around 2022-2023.

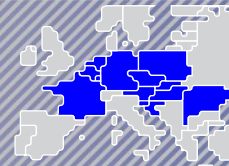
6. AOB & closure

Static Grid Model

Core MPs welcome the Core TSOs' update on transparency as provided in September 2020. Core MPs want to understand what is blocking CEPS for providing a Static Grid Model.

B.GENET (Core TSOs) confirms that all Core TSOs will provide the Static Grid Model, except for CEPS for which the discussion is still ongoing due to specific national legislation requirements. The outcome will be communicated to Core MPs (expected by the end of the year).

Core MPs ask to clarify what exactly will be published, a past grid model or a forward looking (e.g. considered for LTCC). To make the publication as meaningful as possible, Core MPs suggest that all Static Grid Models published by each TSO relate to the same market time unit or are at least consistent with each other.



Several additional requirements were mentioned by Core MPs with regards to the publication of Static Grid Model:

- Information about injections (load and generation), in order to be able to run a load flow.
- One-two Static Grid Models per year
 - Ideally 24TS,
 - Peak, off peak, per season and per day type.
- Load pattern and generation pattern, twice per year, as of 2022 (can be in the recent past).

Core TSOs answer that they will look into MPs requests but want to frame the discussion in a “static” context. Forecasting what will happen is typically a market parties’ responsibilities. The details of publications are still under discussion among Core TSOs.

Next Core Consultative Group meeting

Co-Chairs indicate that the next Core Consultative Group meeting is foreseen in February-March 2021. Exact date to be confirmed.

B.GENET reminds the communication channels for Core CCR and Market Coupling project.

- **Core section on ENTSO-E website** (e.g. upload of methodologies and reports on public consultations, current status of the Core CCR program, CG minutes, ...):
 - Link: https://www.entsoe.eu/network_codes/ccr-regions/#core
- **ENTSO-E newsletter** informs regularly about updates in the different CCRs (e.g. submitted methodologies, launch of public consultations, ...)
 - Subscription via <https://www.entsoe.eu/contact/>
- **Q&A forum newly launched on the JAO website** which gives space to Market Participants to ask questions about the External Parallel Run and other relevant topics:
 - Link: <http://coreforum.my-ems.net/>

B.GENET thanks all participants and informs MPs that the minutes of meeting as well as the recorded session on the DA topic today will be finalized with the co-Chairs and published on the ENTSO-E website.