

Core Consultative Group meeting

Minutes of meeting

24 June 2020
Conference call

| | PARTICIPANTS | REPRESENTING | COUNTRY | | PARTICIPANTS | REPRESENTING | COUNTRY | |
|----------------|----------------------|---------------------------------|----------------|----------------|------------------|---------------------------|-------------|-------------|
| Market Parties | H. ROBAYE | Co-chair Core MPs (Eurelectric) | Belgium | Market parties | H.MARCIOT | Salzburg- AG | Austria | |
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| | S. VLASCEANU | ACUE | Romania | | C. MUENSTER | OPCOM | Romania | |
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| | M. HOREJSOVA | CEZ | Czech Republic | | M. MOLLER | Mercuria | Switzerland | |
| | O.VU DAC | Citadel | Belgium | | THOMSON | | | |
| | S. ROESGAARD NIELSEN | Danske Commodities | Denmark | | P. SALLEE | Wattsight | Norway | |
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| | M. HAHN | ENERGIE AG | Austria | | G.MEUTGEERT | Convener FBDA CC | Netherlands | |
| | R. OTTER | Energie Nederland | Netherlands | | S.VAN CAMPENHOUT | Core TSO expert | Belgium | |
| | W.BERNHARD | ENBW | Germany | | L. WITT | Core TSO expert | Germany | |
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| | P. GORDON HELLER | GEN-I | Slovenia | | ACER | T. QUERRIOUX | EU | |
| | T. BORBATH | KU Leuven | Belgium | | Z. KOESSLDORFER | E-Control (Lead Core NRA) | Austria | |
| | A. GUILLOU | MPP | EU | | N.SCHOUTTEET | CREG (Lead Core NRA) | Belgium | |
| | H. PREIN MOESTUE | Montelnews | Norway | | PMO | A.VAN DER MARK | Magnus RED | Netherlands |
| | R. NILSSON | Nordpool | Norway | | | | | |
| M. BELTRACCHI | | | | | | | | |
| M. BRUNNER | Salzburg – AG | Austria | | | | | | |

1. Welcome and introduction

Co-chairs B.GENET and H.ROBAYE open the meeting and welcome all participants from Market Participants, Associations, NEMOs and NRAs to the Core Consultative meeting.

This call is organized in order to discuss the intermediate follow up on some open action points to make sure we have progress.

2. Core FB Day Ahead - Transparency

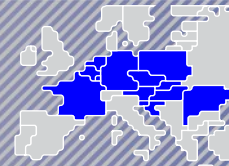
Core TSOs remind the questions raised in the previous Core CG 04/07/2020, which are foreseen to be answered in this session.

Comparison Core and CWE transparency requirements

Core TSOs confirm that in CWE information is published which goes beyond Core CCM publication requirements. Core TSOs acknowledge this information – although not legally required – can be of added value for stakeholders and developed below proposal to maximally ensure there is no regression when switching to Core.

A table is presented how Core TSOs will make available in Core the similar information as in CWE. Double publications of information will be avoided.

The foreseen CNEC data structure is presented.



- The element name is an optional attribute in the grid model. It is not intended to act as 'identifier' of a CNE or contingency, which is the role of the EIC code. In the best interest of ensuring a timely delivery of must-have requirements, Core TSOs do not see it reasonable to commit resources to this request
- With regards to the publication of information in case of a contingency concerns multiple 'outages' at once (tripod), Core TSOs propose to multiply the data structure of the contingency such that each branch has its own columns in the publication. An example is provided in the presented slides.

Q&A

Q: In case the EIC code is not there, how to identify the branches? In CWE sometimes there is a mismatch with the database on ENTSO-E or the EIC code is blank. Mostly these elements are the virtual branches created by the LTA inclusion process. Will this be avoided in Core?

A: In Core there is an EIC database embedded in the tooling hence EIC code will not be blank. Additionally, it should be noted that in Core the concept of virtual branches does not exist, so the particular behaviour related to virtual branches cannot occur as in CWE.

Co-chairs conclude that the solution on CNEC data structure proposed by TSOs as well as the publications compared to CWE is fine and answering the request from MPs. In addition, all MPs are invited (also in the CWE context) to notify the TSOs in order to get a potential missing EIC corrected or any other data quality issue. TSOs strive for good quality, but the users of the data remain the best placed to identify specific issues. The most effective approach is to use the Q&A forum on the JAO website.

Feedback on questions / requests raised during CG Apr 7th – CNEC data structure

Core TSOs present how they will fill in the DA CCM publication obligations related to the remedial actions. The received request of MPs is categorized on two levels:

- Level 1: Pragmatic implementation of daily publication requirements
- Level 2: Holistic view on RAs usage throughout the CC process linking them to the grid model

Further Core TSOs stress that they will further work out the details of these static grid models, likely to be inspired on the approach from CWE.

Q&A

Q: In summary: Level 1= daily implemented RA by the NRAO; Level 2: list of all RA made available by TSOs over the last 6months + CGM to link the RA to the grid?

A: The daily RAs implemented by the NRAO will indeed be published through the publication tool. In addition, the list of RAs which have been made available by the TSOs will be published by the RSCs on **annual** basis. Regarding static grid models, these are not part of the annual report but published bi-annually.

Q: On the static grid model, do TSOs consider the possibility to publish the regional perspective of the European Common Grid Models mandated by SOGL? Or which kind of situation would the static grid model consider?

A: A static grid model will be published every 6 months. The publication of a static grid model will be done by each TSO individually where TSOs strive to harmonize the type of attributes and type of details. As indicated the details will still have to be worked out and will be inspired on CWE practice.

Q: Wouldn't it make more sense to publish the CGM instead of individual static grid models?

A: The request goes beyond the scope of the DA CC and the need seems to refer to the FCA LTCC methodology. This methodology is still under discussion and currently it is foreseen for Public Consultation in October/ November 2020. TSOs suggest MPs to clarify related issue in the LTCCM Public Consultation.

Q: In CWE the static grid model is useful since it provides structural data. But latest update in CWE are from 2018 and the format has never been updated. This gives some doubts for the future Core process related to the static grid model, especially when not just 7, but 16 TSOs individually need to publish and update these in Core. MPs would welcome a more harmonized process with more commitment in the deadlines would be. To what extend is that foreseen?

A: TSOs confirm that a bi-annual requirement for publication of the grid models is an obligation from Core DA CCM and this should be lived up to. The lessons learned from CWE will be considered when working out the details for the Core solution on the static grid model. TSOs will provide an update on the details of the solution for Core in the next CCG meeting.

Harmonization of publication names

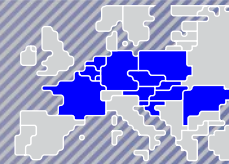
Core TSOs highlight that in order to maximize consistency and transparency, Core TSO have defined Naming conventions for CNECs and Remedial Actions. These names are also used in the static grid models, allowing stakeholders to make the link between these static grid models and the daily publication of CNEC & RA data. Core TSOs foresee to have implemented these naming conventions at the latest at the start of the External // run.

Q&A

Q: Is this naming linked with the annual report?

A: Yes

Q: Where do we see the tap positions of PSTs in these examples?



A: Tap positions are not part of the name of the RA (name should be static). The information on the PST tap positions before and after NRAO will be part of the daily publication of RAs

Q: Can you clarify what the role is of having CRA / PRA in the name? Is this the identifier to know whether the RA was a CRA or a PRA?

A: This optional information in the name of the RA is complementary to the breakdown of RAs into curative and preventive lists as structurally embedded in the daily publication of the RAs applied by the NRAO. The fact that it comes back here as suffix in the naming is solely to support operational practices used by some Core TSOs to recognize the RA as some RAs are only intended to be used as curative respective preventive RA

Q: It seems that with this convention on RA names a lot of information will end up in the RA name attribute. Will this name attribute be the only place where the string of information is available, or will it in addition be published in separate attributes? It looks a challenge for automated software to parse the string quid is it an option to apply a dictionary approach? Have Core TSOs thought about including EIC code into the name as well?

A: The RA name should be human readable as it is this name which will be visible to the operators therefore i) a dictionary approach (i.e. including the syntax within the name) is not welcomed by TSOs ii) the EIC code (being non-human readable) will not be part of the RA name. There will be no separate attribute on top of the name as the IT tooling has been designed in line with Core CCM which does not stipulate such requirements. However, the naming convention is set up in such a way that "the underscore" character will make it possible to automate the parsing of the different pieces of information in the string. To enable this, TSOs will only use the underscore as parsing character and not content-wise. In this way both objectives of being human readable as well as machine readable should be able to be met.

Co-chairs conclude that using the underscore as parsing character and avoiding it being part of the content itself is a good trade-off. Together with an explanatory note on the syntax of the naming conventions, and the technical description of complex RAs within the annual report, this should sufficiently cover the needs of Market Participants.

Publication tool - generalities

On behalf of Core TSOs, JAO presents its publication tool that will be developed to support Core publications. The tool will be available from the start of the External//run.

Market Participants are invited to provide their feedback re the publication of RAs and the proposed structure how to present the relationship between the CNECs and both the preventive and curative RAs. Market Participants indicate that

- The proposed way to publish in the user interface the many-to-many link between CNECs and curative RAs is ok
- It is however not necessary in the user interface to repeat the list of preventive RAs per timestamp for each CNEC. Publishing the unique list of preventive RAs per timestamp separately is sufficient. Yet if for IT design reasons it turns out to be better to keep it all in one overview for the user interface, then it is not a blocking point neither. Market Participants just ask to be mindful about repeating data to avoid exploding the size of files, especially for automated processing of datasets aside from accessing the user interface

Core TSOs will further develop the solution taking into account the feedback provided and will provide an update in the next CCG meeting in October 2020.

More general, NRAs, indicate that Art 25 of Acer decision allows TSOs to withheld information which is sensitive or operational security. Somehow also RA data could be influenced by that. It would be helpful if Core TSOs could indicate which TSOs are not going to publish which data. Also, NRAs do not have this information at this stage. MPs support this initiative and would welcome detailed transparency on potential use of art 25.

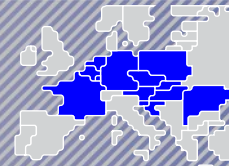
Market Participants remind that during previous CCG they asked TSOs for the possibility to receive a realistic sample of a FB domains file. For two reasons this would be very beneficial:

- Understanding the format of the outputs and what kind of information is included
- To better design the MPs tooling based on a representative sample with FB domain to understand the number of branches, etc

B.GENET highlights the request is understood, but providing 'a' sample prior the External parallel run, might be a controversial topic as it will be assumed that the actual content will also be scrutinised. On the format itself, G. MEUTGEERT explains that it is intended by JAO to provide more information in relation to the publication tool and mock-ups of screens, so the information that will be available and its format would become clearer. Also some sizing information (e.g. number of CNECs) can be shared ahead of the external // run. In the course of July it should be feasible to share information about when this can be shared.

ACTIONS:

- TSOs to implement the proposed naming conventions at the latest at the start of the External // run.
- TSOs to provide an explanatory note on the naming conventions
- TSOs to further develop to provide an update on the publication tool solution in the next CCG meeting October 2020
- TSOs to provide information about the publication tool, mock-ups of screens and formats, etc in July 2020
- TSOs to provide an overview per TSO whether they intend to withhold data because of their sensitivity for operational security (according to Core DA CCM Art. 25)



3. Core FB Day Ahead - Extended LTA inclusion

Core TSOs introduce to the Core Market Participants the Extended LTA inclusion solution.

Following the DE-AT BZB split and the introduction of the ALEGrO interconnector, the lack of scalability of the CWE system and the performance challenge for Euphemia became apparent.

Driven by the need to find a solution for CWE, an R&D track with provider N-SIDE under SDAC governance successfully elaborated a more performant way by doing the LTA inclusion directly in Euphemia, called extended LTA inclusion.

Extended LA inclusion will be used in CWE from the introduction of Euphemia 10.5 onwards. The development of extended LTA inclusion is considered very promising by the Core TSOs as it implies less virtual enlargement compared to the LTA margin approach (hence leading to a more secure domain) while still allowing market trades within the LTA Domain.

In the extended LTA inclusion approach, the market coupling algorithm Euphemia receives two domains as input from the capacity calculation process:

1. A “virgin” flow-based domain, with min-RAM inclusion yet without LTA inclusion
2. The LTA domain as a set of bilateral exchange restrictions covering the previously allocated cross-zonal capacities

It should be noted that Euphemia does not create an LTA included domain. Instead of performing the complex mathematical action of creating the union of the virgin FB domain and the LTA domain, Euphemia “chooses” which combination of both domains creates most social welfare. An optimization variable alpha defines the optimal share of the LTA domain (alpha) versus the optimal share of virgin FB domain (1 – alpha). This optimization is called the “Balas formulation”

Mathematical formulation can be found in the enclosed document LTA_inclusion_description_202004.pdf

And a video exemplifying the extended LTA inclusion method: <https://fileservr.logarithmo.de/s/dJNRbzsDQjckLi6>

To prepare decision-making on the implementation (if and when) of the extended LTA inclusion approach for Core, Core TSOs are developing the necessary technical and regulatory dimensions.

- Technical:
 - Core TSOs are performing a feasibility analysis
 - Core TSOs have performed an impact analysis on the capacity calculation and post-coupling processes and are evaluating solutions to enable a design with extended LTA inclusion.
- Regulatory: Core TSOs include the extended LTA inclusion as **an option** in their proposal for amendment of the Core CCM

Q&A

Q: Has an impact assessment on prices been made; I have seen an impact assessment on Net Positions (NP) only? Mean deviations of Min/Max NPs are for all bidding zones below 0.02% (< 1 MW) on last CWE CG meeting. Min/Max NP are almost identical for Extended LTA and VB approach, proving the general applicability of the extended LTA approach from a CC perspective

A: You are referring to the information which has been shared recently in CWE context. This comparison was made between extended LTA inclusion and virtual branch approach and leads indeed to negligible differences. In Core extended LTA would replace the LTA margin approach, leading to different domains.

Q: It seems that the Balas formulation can ‘cut’ the FB domain?

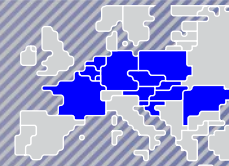
A: The Balas formulation will not ‘cut’ the FB domain. The Balas formulation takes both the FB domain as well as the LTA domain as input and allows the market coupling to use the full capacity of these domains. The clue lays in the fact that Euphemia will optimize how both domains are used with as optimization function a maximization of the welfare;

Q: Is this approach leading to better results compared to a situation without LTA inclusion and with countertrade? Is the LTA inclusion as a concept the most appropriate one, there might be better ways to cope with inclusion of LT rights?

A: Core TSOs expectation is that indeed there will be less risk of violating operational security limits as extended LTA inclusion will lead to the smallest solution space possible to secure the LTA inclusion. The extent of this effect will be assessed as part of the feasibility analysis. Furthermore, Core TSOs remind that LTA inclusion is an obligation in the Core DA CCM. Core TSOs highlight that the fundamental design choices (such as LTA inclusion) are defined in the Core DA CCM and will not be re-opened via the amendment process. Core TSOs objective in this respect is to focus on the way how to optimally facilitate the LTA inclusion.

As the rationale between LTTRs and LTA inclusion is touched upon in All TSOs “methodology for sharing costs ensuring firmness and remuneration of long-term transmission rights”, Core TSOs invite Market Participants to have a look into this methodology which is currently being consulted by ACER. In addition, Core TSOs will include their rationale on why LTA inclusion is needed into the Explanatory Document accompanying the final submission of the DA CCM amendment (thus after Public Consultation).

4. Core DA CCM amendment



Core TSOs inform that they will submit a proposal for amendment of the Core DA CCM. The main scope foreseen for this amendment

- Reporting requirements, post Go-live studies and some ad-hoc topics
- Extended LTA inclusion
 - The possibility to deliver the capacity calculation process according to the extended LTA inclusion approach (separating the LTA domain from the FB domain) is added
- Third country integration - describing the technical approach to include third countries.
 - The actual utilisation of the related provisions will be made conditional to a contractual agreement among all involved parties, setting the rights and obligations of the parties
 - In any case, actual implementation will be done after to Go-live of the Core DA CCM.
- Core CCM adjustment regarding the Go-live timing
 - In order to provide clarity to the market participants by reflecting correctly the already known and communicated Go-live window (May 2021-Sept 2021).

Core TSOs already distributed the documents within the Core Consultative Group. This week the Public Consultation will be launched. It will close by 31 July 2020.

Core NRAs and ACER stress that they have strong concerns with the DA CCM amendment proposal submission. Obviously, Core TSOs cannot be prevented to take their legal right to submit a proposal for amendment, but even though some aspects have a value and shall be amended at a certain moment, other topics are very controversial. The proposed way forward, including a public consultation and a Shadow Opinion during summer and an approval on such short notice is a challenging process. NRAs and ACER stress that they would expect Core TSOs to focus their efforts on the implementation of the DA CCM as close as the initial go live milestone.

Q&A

FB DA MC implementation timeline and ad-hoc topics

Q: Art. 28: Does the updated DA CCM implementation timeline also impact the intra-day recalculation process?

A: The ID CCM approved by Acer indicates that the IDCC implementation deadline is one year after DA CCM go live.

Q: Art. (20) 13 (i): With regards to this reporting requirement, Market Participants request a centralized reporting to avoid checking the individual actions plans and derogation one by one and to ensure that this information is available in English and not in many other languages Why is it proposed to remove joint coordinated reporting?

A: Reporting requirement of Art. 20(13) (i) on proposed measures to avoid similar reductions in the future (during validation process) shall be removed as they are part of an action plan or derogation submitted and published by the respective country.

Extended LTA inclusion

Q: Could you clarify how the final choice is made between the 2 LTA possibilities?

A: As indicated in the dedicated session today, the rationale of proposing the extended LTA inclusion approach as an option in the DA CCM is because we are still not sure about the feasibility within Core. So, in principle the 'normal' LTA inclusion approach will be proposed and as an option the extended LTA inclusion approach is introduced. The intended process is to make a publication in case Core TSOs would decide to go for extended LTA inclusion approach. The uncertainty is on the timing and not on the choice to do so.

Q: Is the proposed amendment in Art. 23 what is currently applied as default ATC value for fallback in CWE? What is proposed to be changed in Art 23? And what is the rationale behind?

A: Proposed amendment of Art. 23 includes the extended LTA inclusion approach as an option during the calculation of the ATC for the SDAC fallback procedures. In case extended LTA inclusion approach is applied the ATCs for SDAC fallback procedure are set equal to LTAs for each Core oriented bidding zone border

Third countries integration (=consideration)

Q: Is 'integration' the right terminology?

A: The term 'integration' might be misleading as it could seem to refer to market coupling. Actually, it may be called 'third country consideration'.

Q: For third countries CNECs, will there be min-RAMs?

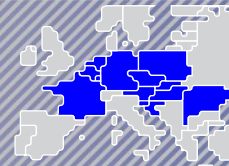
A: Yes, similarly to Core CNECs (20% for Core exchanges, 70% for all exchanges). The underlying assumption is that Switzerland will not go for a derogation / action plan at their side. The Core DA CCM foresees to have the two thresholds together.

Q: Is the selection of third country CNECs up to the third country TSO/NRA or do they have to be approved by Core TSO/NRAs?

A: EC gave TSOs a broad guidance on the third country consideration, the overall idea is to have a fair balance. Also it is the expectation that the inclusion of SNB CNEC in Core DD CC will not be frequently applied. TSOs and NRAs will agree on which SNB CNEC will be considered on a less frequent than day to day basis.

Q: Do I understand correctly, there will be a trade-off / fair balance between including Swiss CNECs and NTC allocated to the CH-border?

A: Correct, expectation is to have a fair balance.



Q: In practice, which third party country can we expect to be considered? Would that be applied already in the upcoming Core MC External // run?

A: For the moment Core TSOs are only discussing Switzerland as concrete third country. The amendment is designed to be robust for any other third country (for example Serbia). As presented, the Swiss consideration in Core will only be implemented after the currently foreseen Core FB MC go live.

Q: But if SNB or/and possibly Serbian CNECs would be included, then would that not also require orders and DA prices to be established in those countries? And how could that work given that they are not adhering to electricity regulation of CEP?

A: The third country consideration is related to the consideration of third country CNECs in the DA capacity calculation. There is no inclusion foreseen in the Single Day-Ahead Market Coupling (SDAC).

Q: Today in CWE branches between TNG and Swissgrid are monitored. What are the changes arising from third country integration?

A: The goal is to have Swiss internal branches, not only cross-border branches.

5. AOB & closure

Croatian publication

Market Participants remark that today the Croatian TSOs (HOPS) is not yet publishing data on the ENTSO-e transparency platform and it is asked when HOPS will start publishing their data.

B.GENET reminds that the best place to ask such questions is the Q&A platform on JAO website.

ACTION: Core TSOs to forward the question to HOPS

Communication

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/>

Next Core Consultative Group meeting

The next Core Consultative Group meeting is foreseen on 7 October 2020. Location Vienna or conference call will be concluded beginning of September.

Draft agenda:

- Overall Core CCR project status update
- FB DA
 - Transparency
 - LTA
 - DA CCM amendment
- FB Day Ahead Market Coupling
 - Status
 - Core MC Ext//run and member testing
- RD&CT methodologies (by ACER)

B.GENET and H.ROBAYE thank all participants. The minutes of meeting will be finalized with the co-chairs and published on the ENTSO-E website.