CWE Flow-Based Market Coupling Project

Current status
(September 2015)
Latest achievements of the CWE project:

• The last European Electricity Regulatory Forum in Florence (4-5 June 2015) congratulated CWE parties for the successful launch of Flow-Based market coupling. The forum also encouraged CWE project for continued efforts regarding implementation of CACM guideline and coordination with other regions.

• Since Flow-Based market coupling go-live, CWE parties have maintained regularly exchanges with NRAs through Expert meetings (24 June, 24 August and 8th September) to inform and discuss with regulators latest Flow-Based market results and further improvements in the CWE region.

• The FBUG has been succeeded by the CWE Consultative Group, which first met 30 June in Brussels. The aim of this Forum is to provide information to stakeholders and gather their feedback about Flow-Based performance and market outcomes as well as on upcoming changes and future evolutions.
  • CWE partners and Market Parties agreed to have two chairmen for the CWE Consultative Group, one from CWE partners and one from the stakeholders.
  • CWE project partners committed to progressively improve transparency towards market parties and therefore strengthen market confidence.
Flow-Based market results

Overview

Compared to previous FB MC months, and FB parallel run period, the following results have been observed in August:

- Decrease of price convergence
- Increase of the price spreads
- Increase of price volatility for all markets, significant for BE
- Trades in valuable directions remain
  - FR => BE+DE/AT and DE/AT => NL
Flow-Based market results
LT Allocation & Nomination Total CWE Region: 21 May – 21 September

Conclusions
- Apart from minor (from one Market party) fluctuations during the first days after Go-Live, the LTnom remained stable and no changes have been observed in market behavior in the first two months
Flow-Based market results
Price convergence

Weekly Price Convergence
MARS 2014 - APRIL 2015

Weekly Price Convergence

Weekly Price Convergence
August 2015
Flow-Based market results
Price spreads comparison (PROXY ATC)

Overall price spread
MARS 2014 - APRIL 2015

Overall price spread

Overall price spread
August 2015
Flow-Based market results
Net positions (DA + LT)
CWE Project partners is now focus on the following activities, in line with NRAs post Go-Live requirements and CACM obligations:

• An **adequacy mitigation / improved curtailment sharing** should be implemented in the Euphemia Market Coupling coupling algorithm. The implementation is foreseen in November 2015

• The CWE FB project has presented a stepwise approach to develop a **capacity calculation at intraday timeframe**. The main target for CWE FB for Intraday is to start with a first version of Flow based Intraday within a two year period

• **FTRs on the BE borders** will be implemented by January 2016

• The **new BeDeLux interconnector** will be launched in the CWE region in 2016

• **Flow-Based methodology** will be continuously improved, notably through the following changes:
  • D2CF Base-case, FRM, CBCO selection, GSK evolution
  • Validation of the external constraints
  • Possible evolution towards advanced hybrid coupling for closer cooperation with other regions
New interconnector between Belgium and Luxembourg

General information about the IC BeDeLux project:
• Common Project Elia – Creos: MoU signed between Elia and Creos to develop an interconnector
• Project of common interest granted October 2013 (n°2.3.1)
• Phase shifter transformer ordered July 2014
• First direct interconnector between bidding zones BE-DE
• The 1st interconnector set up in CWE after FBMC Go Live
• Market impact assessment will be submitted to regulators four months before coming into operation of the interconnector

Main objectives:
• Security of supply
• Improve market integration between BE and DE bidding zones

Current status & next implementation steps:
• The approval package used by Creos and Elia was finalized end of July and sent as part of their formal approval request towards ILR and CREG
• New Interconnector included in DA FB Capacity calculation (impact assessment/validation & implementation): foreseen Q1 2016
• Long term solution: After gaining experiences with the BE-LU interconnection, long term capacity products for this interconnection will be added in a later phase
Any questions?