

# MESC – Market European Stakeholder Committee

## Update on MCSC

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# Agenda

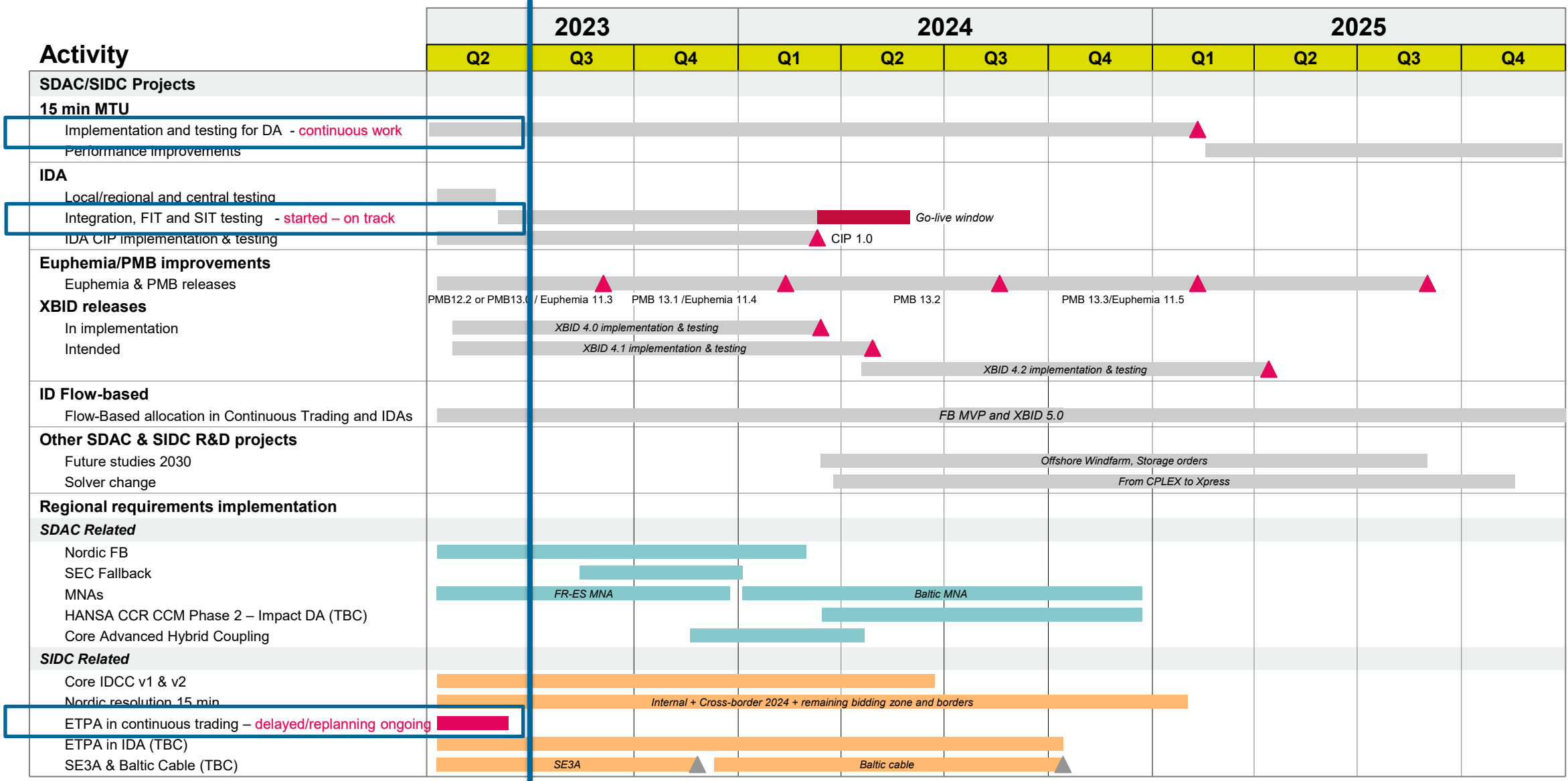
- 1** MCSC overall
  
- 2** SDAC 15min MTU updates
- 3** SDAC Second Auction threshold changes
  
- 4** SIDC Roadmap changes
- 5** SIDC IDA products and order types
- 5** SIDC operation

# 1. MCSC overall – Joint planning



Market Coupling Steering Committee

today



## 1. MCSC overall – Prioritisation process

### Background

- follow-up after several rounds of discussion of the prioritization topic with EC, ACER, NRAs, and market participants is ongoing.
- MCSC NEMOs and TSOs aim to establish a clear procedure and framework for the prioritization in cooperation with regulators and market participants as well as support the prioritization exercise in general .

### MCSC NEMOs and TSOs point out several areas of the Prioritization process proposal that require further elaboration and alignment:

- *Informal nature of prioritization principles vs formalised process*
- *Dedicated TF on prioritization to streamline the timely implementation of the process*
- *Frequency of the prioritisation process (in connection to the pipeline capabilities assessment)*
- *Clarification and set-up project prioritization criteria and weights assigned to them*
- *Clarification regarding content of Project Planning and responsible entities to prepare different inputs for the exercise*
- *Principles for the assessment of pipeline capabilities to allow for realistic planning*
- *Impacts of parallelisation of several interdependent projects*
- *Consideration of sequence of projects rather than arbitrary timelines.*

## 2. SDAC 15' MTU products and timing status updates

- MSD has performed simulations with several different go live scenarios during the spring
  - **Product mix between 15 min/60 min MTU curve orders**
  - Increased number of block orders
  - Different BZ resolutions were used
- Detailed analysis of the results is still on-going and shall be completed during the summer, including additional KPIs than TTFS (Time to find first solution)

Market Parties request to keep 60 min MTU provided, therefore it is planned to preserve

→ **Technical readiness for the go live in January 2025 is on track**

### SDAC Operational timing - SDAC 15' MTU

- Extension of the algorithm calculation time. As a consequence, impact on the publication of market results
- Consideration of exceptional processes such as partial decoupling, second auction, full decoupling

### 3. Modifying the threshold that triggers second auction procedure in April and May 2023

- Due to the recent market circumstances specifically in The Netherlands, the Nominated Electricity Market Operators (NEMOs) operating the Single Day-Ahead Coupling have decided to modify the lower threshold that triggers the **2<sup>nd</sup> auction procedure** from EUR -150 to **EUR -500 per MWh**.
- The change was implemented on 15 June (in Czech Republic, on 22 June)

**The following countries are affected by the threshold switch to -500 EUR:**

- |                  |                                |
|------------------|--------------------------------|
| - Austria        | - Ireland and Northern Ireland |
| - Belgium        | - Latvia                       |
| - Croatia        | - Lithuania                    |
| - Czech Republic | - Portugal                     |
| - Estonia        | - Romania                      |
| - France         | - Slovenia                     |
| - Germany        | - Spain                        |
| - Hungary        | - The Netherlands              |

The countries not explicitly mentioned in this note, are not affected by this change.

## 4. SIDC Roadmap changes

For **IDAs** following progress was achieved since last MESC:

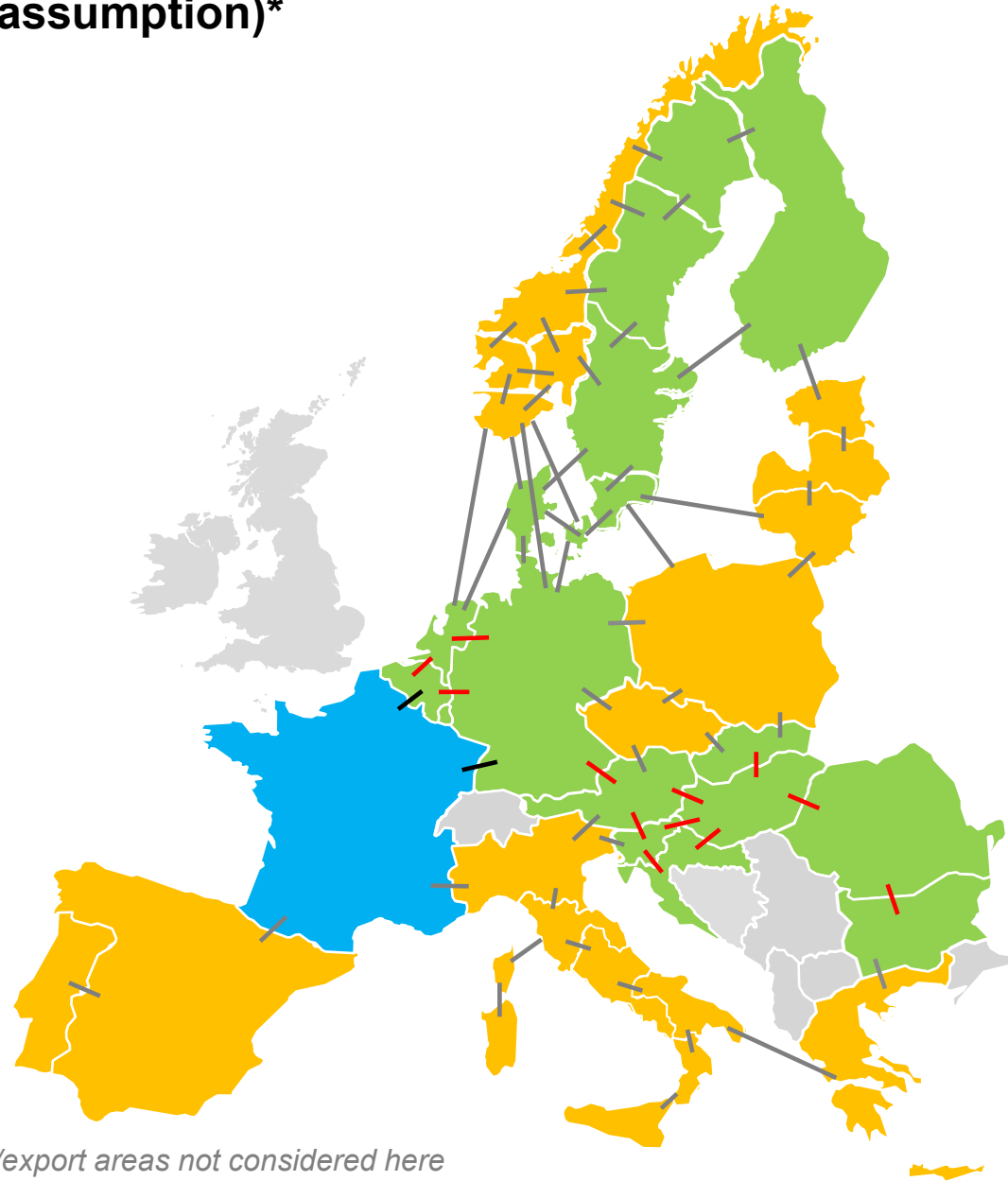
- **Functional testing of a system for continuous trading**, which prepares network data for IDAs, (XBID) is progressing with good results in line with the plan.
- **Functional testing of action-based systems** for exchange of the messages (CIP) is completed. Functional testing of other systems such as PMB/Euphemia poses limited risks (PMB) for which mitigation measures are under clarification.
- Preparation of the **scenarios for non-functional testing of the whole chain** –is almost completed.
- **Regional Integration Projects** (RIPs) are proceeding in line with the plan with limited issues one of them being **Polish Balancing Market Reform**, which, due to a local need of synchronization with IDAs, may lead to the delay of IDA Go Live.
- Detailed planning of so-called IDA Go Live window is established – **Member testing in March and April 2024**.
- **Critical success factor is a readiness of all involved systems on central and local/regional level. There are some critical milestones which, if not met, will have a direct impact on the timeline/roadmap.**
- **After an unsuccessful 5<sup>th</sup> wave go-live due to technical issues on ETPA side, the go-live process is being replanned (to be announced mid-July) as root-cause is identified and fixed by ETPA.**

## 5. SIDC IDA products and order types (1/3)

- Considering the performance tests following setup is agreed by SIDC parties for IDA go-live:
  - Simple orders of **only one time resolution will be allowed in each BZ** for IDAs Go-Live
    - This restriction is required to meet the Algorithm methodology requirements on IDA process timeline
    - Party willing to trade 60min product in BZ allowing only the 15min product shall use opportunity of block order
    - Cross-product matching is supported
    - Additional order types to be supported as of Go-Live by NEMOs are simple block order and Merit Order (PUN excluded)
  - Order types to be supported upon NEMO individual readiness are Linked block order, Exclusive group block order, Scalable complex orders.
  
- Monitoring and further performance improvements planned.



## 5. SIDC IDA products and order types (2/3) Q2 2024 go-live (working assumption)\*



- BZB on 15 min MTU
- BZB on 30 min MTU
- BZB on 60 min MTU
- BZ on 15 min MTU
- BZ on 30 min MTU
- BZ on 60 min MTU
- Not part of SIDC coupling

\*AT, BE, BG, FR, DE, NL, SI, SK areas will have to manage several BZB resolutions

*note: import/export areas not considered here*

## 5. SIDC IDA products and order types (3/3)

At the latest Q1 2025 (working assumption)\*

— BZB on 15 min MTU

■ BZ on 15 min MTU

■ Not part of SIDC coupling



\* Transfer to status presented in this figure may happen in several steps where individual BZs and BZBs will switch to 15 min MTU

## 6. SIDC operation

- The latest **operational data** covering April 2023 clearly confirm the trend of recent months/years of a constant growth.
- These April's data set new monthly records for order transactions and trades:
  - more than 12,3 million trades (previously reported peak: 9,78 million trades in December 2022)
  - 235 million order transactions (previously reported peak: 180 million order transactions in December 2022).
  - A new daily record of 9,16 million order transactions was achieved on 10 April.
- Note that there are new system boundaries in place as of 19 January 2023

