

Minutes Market Coupling Steering Committee Meeting

30. November 2022, Brussels airport

Present SDAC and/or SIDC parties

50Hertz	Creos	EPEX Spot	IBEX	OPCOM	Statnett
Admie	CROPEX	ESO	Kraftnät Åland	OTE	Svk
Amprion	EirGrid (TSO)	EXAA	Litgrid	PSE	Terna
APG	EirGrid / SONI (SEMO PX)	Fingrid	MAVIR	REE	TGE
AST	Elering	GME	Nasdaq	REN	Transelectrica
Baltic Cable	ELES	HEnEx	Nord Pool EMCO	RTE	Transnet BW
BSP	Elia	HOPS	OKTE	SEPS	TTG
ČEPS	Energinet	HUPX	OMIE	SONI (TSO)	TTN

3rd parties

ARIGA	Artelys	BEA	E-Bridge	Ernst & Young	Indra
JAO					

Observers

ACER	EC	EMS	Entso-E	MEMO	MEPSO
OST	SEEPEX	Swissgrid	EPTA		

Present	By phone	Not attending
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Meeting agenda

#	Topic	For	Presenter	File*
1	Welcome, practicalities		9:00-9:10	
1.1	Confirm quorum	Inf	Secretary	■
1.2	Introductory statement by co-chairs	Inf	Co-chairs	X
1.3	Adoption of the agenda	Dec	Co-chairs	■
1.4	Matching of pre-aligned NEMO Vote and TSO Vote	Inf	Secretary	PP link
2	JOINT – General points		9:10-9:15	
2.1	Approval of minutes (internal & external)	Dec	Secretaries	■
2.2	Review of action points	Inf	Secretaries	■
3	JOINT – Important points to highlight & decisions requested		9:15-10:00	
3.1	COM TF <i>MCCG ToR, MESC slides, PRs on 4th wave go-live & “successful” MCCG meeting</i>	Dec	Com TF leader	■
3.2.	Further improvements to joint governance <i>Multi-layering status report</i>	Dec	WG governance	■
3.3.	Harmonisation of MCSC session file input material	Dec	Co-chairs	■
3.4	Legal TF <i>Approval EPTA adherence form to IDOA</i>	Dec	LTF leaders	■
3.5	GOV TF <i>Kick-off</i>	Inf	NEMO representative	X
4	JOINT – Any other business		10:00-10:20	
4.1	Key take-aways 29/11 strategy meeting	Inf	Co-chairs	X
5	SIDC – Important points to highlight & decisions requested		10:20-12:00	
5.1	Integrated Plan (5 min)	Inf	QARM convener	■
5.2	SIDC OPSCOM Status Report (10 min)	Dec	OPSCOM conveners	■
5.3	SIDC QARM Status Report including IDA Topics (20 min) <i>Completion of the 4th wave, XBID – Status of R3.3 and R4.0, XBID - Release 4.1,</i>	Dec	QARM conveners	■

	<i>IDA Testing progress – Issues and Risks, CIP Contract with Unicorn</i>				
5.4	SIDC MSD Status Report including IDA Topics (45 min) <i>IDA partial decoupling alternatives, IDA offered capacities publication/calculation</i>	Dec	MSD convener	■	
5.5	SIDC BMSG Status Report (15 min) <i>IDA operational cost; 4th wave, development budget 2022</i>	Dec	BMSG convener	■	
5.6	MCSC members questions to reports (5 min) <i>NEMOs and TSOs Report, OTF Report</i>	Inf	Co-chairs		See back-up
6	SIDC – Any other business			No time reserved	
COFFEE BREAK			12:00-12:10		
7	PMO procurement, handover & SIDC resettlement transition <i>Without 3rd parties – NEMOs and TSOs only. MCSC chairs will provide material separately.</i>			12:10-13:00	
LUNCH BREAK			13:00-14:00		
8	SDAC – Important points to highlight & decisions requested			14:00-15:45	
8.1	SDAC OPSCOM (20 min) <i>Notable changes & events, testing & training, 2nd auction status update</i>	Dec	SDAC OPCOM leaders	■	
8.2	SDAC MSD (60 min) <i>EL R&D pipeline, 15 min MTU update, XPRESS, NUP 4th study outcomes & way forward, 2030 future of the algorithm offshore wind study status, BZR study data request status, curtailment, way forward co-optimisation</i>	Dec	SDAC MSD leaders	■	
8.3	SDAC QARM (5 min) <i>Kick-off, missing TF members nominations</i>	Inf	SDAC QARM leaders	■	
8.4	SDAC SF TF (15 min) <i>Status report on SF, assessment of future options for SF</i>	Dec	SDAC SF TF leaders	■	
8.5	MCSC members questions to TF/project reports (5 min) <i>SDAC reports in back-up (NEMO progress report, regional projects, TF reports)</i>	Inf	Co-chairs		See back-up
9	SDAC – Any other business			15:45-15:55	
9.1	Letter from AST & Litgrid re. non-intuitive flows on LitPol Link	Inf	AST & Litgrid	■	
10	Closure meeting			15:55-16:00	
10.1	Next meetings	Inf	Secretary	■	

* in these tables: ■ = material included in session file; ? = session file is expected to be delivered later; X = no corresponding session file

List of decisions

#	Topic	Decision
1.3	Adoption of the agenda	The meeting agenda is approved.
2.1	Approval of minutes (internal & external)	The minutes of the MCSC meetings on 01/09/2022, 22/09/2022 and 19/10/2022 are approved including the amendments made to the minutes of 22/09/2022. The minutes extract of the 22/09/2022 meeting is approved for publication under the dedicated SDAC & SIDC section at the ENTSO-E and NC websites.
3.1	COM TF	MCSC approves the press release on the successful SIDC 4th wave go live. MCSC approves the press release on the successful 2nd MCCG meeting MCSC approves the slides for the 7 December MESC meeting. MCSC approves the ToR of MCCG.
3.2	Further improvements to joint governance	MCSC acknowledges the progress made and agrees on the proposed way forward and asks the ad-hoc governance group to share the note by 16/12/2022 which will be subject for approval on the MCSC call on 25/01/2023.
3.3	Harmonisation of MCSC session file input material	MCSC approves to apply Option 1 as of the year 2023. For SIDC WG, the TSO co-conveners will take care of the drafting of the cover notes. For SIDC QARM, the TSO co-conveners will take care of drafting the cover note. SIDC OPSCOM co-conveners as well as SIDC MSD already confirmed that drafting a cover note can be accommodated.
3.4	Legal TF	The MCSC validates the adherence form of ETPA to IDOA with effective date December 1st, 2022.
5.3	SIDC QARM Status Report	MCSC acknowledges that the 4th wave is successfully completed and that the press release can be published (for details see Com TF) – decision to be confirmed on 30/11. – already approved during the COM SG session

	including IDA Topics	<p>MCSC approves the commercial information of the agreed changes of R4.1. For the items under clarification MCSC agrees that:</p> <ol style="list-style-type: none"> 1. Scoping shall be finalized by QARM by the end of 2022 2. The prices for IDCB auction and Automatic Halt prior IDAs are approved (in case they are scoped in) 3. It gives mandate to QARM to agree on the prices of "CMM Process Execution after System failure" and "Inbound files covering only part of the day" in case it is agreed to be scoped in. In case QARM does not agree on the price, it will be tabled in the next MCSC. This shall not block R4.1 from the start of development.
		MCSC agrees to approve the final version of the CIP Contract with Unicorn by deemed acceptance process one week after the final clean version is circulated to all Parties.
		MCSC approves that if the execution of CIP functional test in November/December 2022 shows that the risk (that the IDA TG conveners are not able to cover all necessary activities) is materializing MCSC provides as of January additional PMO support for planning of IDA Testing activities, which shall be separated from CIP Testing.
		MCSC acknowledges that as soon as ETPA will become a full member of SIDC cooperation the QARM can request DBAG to provided a new CuTe for ETPA in line with the conditions established in MSA, Exhibit 9 – Remuneration.
		MCSC acknowledges an increase of DBAG's hosting and maintenance cost provided this is confirmed by NEMO LTF. In case of confirmation BMSG is asked to update 2023 budget.
5.4	SIDC MSD Status Report including IDA Topics	<p>MC SC approves the partial (de)coupling alternatives assessment and decides to implement the Option 1 with the following conditions:</p> <p>Option 1 as a mid-term option (until flow-based is implemented), however it may not be ready for the IDAs Go-Live.</p> <p>In parallel, NEMOs commit to further assess if Option 2 can be implemented later in time (via raising the RfCs/CRs).</p> <p>If this is not possible, NEMOs propose to also explore with ACER/NRAs if Option 4 may be implemented, which would entail the change to the Algorithm Methodology.</p> <p>After flow-based is implemented, the partial decoupling will be re-discussed.</p>
5.5	BMSG Status Report	<p>The MCSC approves that the 4th wave parties shall share the operational cost from 01.01.2023</p> <p>The MCSC agrees to reallocate 100 000 EUR from the 2022 DBAG development budget to 2022 IDA development budget.</p> <p>The MCSC approves expectation concerning the IDA operational cost categories to be further elaborated in update of Exhibit 12 (that will be subject of MCSC approval).</p>
7.	SIDC resettlement transition	MCSC agrees that the SDAC BMTF and the SIDC BSMG shall be merged in Q2 2023.
8.1	SDAC OPSCOM	<p>The MCSC gives the SDAC OPSCOM the mandate to increase the threshold of the second auction in several countries to 2.400 €/MWh, implement the second auction feature in Baltics and Croatia and to approve the go-lives of PMB12.0 and Euphemia 11.1.</p> <p>The mandate is given for the situation that no special circumstances arise in the SDAC tests; in case of controversy, an ad-hoc MCSC call will be scheduled to approve the go-live.</p>
8.2	SDAC MSD	MCSC approves the proposal on co-optimization which will be shared with ACER for the next PCG meeting (13.12.2022).
8.3	SDAC QARM	The MCSC acknowledges the companies not yet represented in QARM. Concerned MCSC representatives shall align internally in order to provide contacts details here before 7 December 2022.
8.4	SDAC SF TF	MC SC approves the recommendations for the future of the Simulation Facility tool and tasks SDAC SF TF to prepare an overview of possible tendering options for the next MC SC call in January 2023, when also a discussion about the future governance of the tool should take place. A legal review of the Service Level Agreement with the current IT provider is also to be requested as input for the tendering options.

1. Welcome, practicalities

The chairs open the meeting by welcoming TSOs and NEMOs. The meeting agenda is approved, and the list of pre-aligned NEMO and TSO votes is established.

2. JOINT – General points

The minutes from the MCSC meetings on 01/09/2022, 22/09/2022 and 19/10/2022 were approved. The action point list was reviewed and the latest status shared with the MCSC.

3. JOINT – Important points to highlight & decisions requested

3.1) COM TF

Preparations for the 2nd MCCG meeting on 1 December have concluded. The meeting will be organized as virtual event using the GoToWebinar tool. The agenda was aligned with the market participants and published. The presentation was approved by MCSC. The MCCG ToR have been finalized by the MCCG co-conveners.

The COM TF prepared press releases on the successful SIDC 4th wave go-live and the successful conduct of the 2nd MCCG meeting. The slides for the MESC meeting on 7 December were drafted by the relevant WG/TFs.

3.2) Further improvements to joint governance

NEMOs and TSOs aim to remove unnecessary layers and/or smoothen their interactions to improve efficiency and effectiveness of work in the SDAC (and to some extent also in the SIDC) governance. A list of inefficiencies was compiled and a table of topics that define what will be in and out of scope for the MCSC organisation was prepared. The ad-hoc governance group now focusses on drafting a note to make the solution for the first set of improvements concrete and clear. Despite its complexity, good progress has been made in the description of the solution. Objective is to request at January's MCSC approval for the implementation of the first set of improvements.

3.3) Harmonisation of MCSC session file input material

Regarding how MCSC session file material is prepared and presented, there are historically different approaches for SDAC and SIDC in place. The Co-chairs have triggered a discussion in the joint ICT on how to harmonise the approach for the MCSC session file.

Based on the discussion in the joint ICT, 2 options have been identified. Option 1, in essence, extends the session file approach currently taken for MCSC as well as SDAC to SIDC. Option 2, in essence, ensures continuation of the current MCSC/SDAC as well as SIDC session file processes.

For both options, it is proposed to agree that draft session files are made available to MCSC members (in line with current SDAC timing) in order to get awareness of the topics for decision and prepare the relevant position.

3.4) Legal TF

The content of the draft CIP agreement with Unicorn is finalized at Legal TF level and subject to a final sanity check.

The Legal TF is working on the fourth IDOA amendment for IDA operations. A first draft was prepared based on the original guidance of the IDA SG and alignment between the Legal TF and the IDA SG are ongoing.

Answers to legal questions in connection with IDA go live (legal compatibility of several go-live options) are being prepared.

3.5) GOV TF

The co-conveners of this newly established TF briefly introduce themselves. The initial tasks of the GOV TF will be the amendment of the Algorithm Methodology to include co-optimisation and the continuation of the work on joint TSO and NEMO governance improvements. The ad-hoc working group on governance will be dissolved soon and open deliverables will be handed over to the GOV TF.

4. JOINT – Any other business

4.1) Key take-aways 29/11 strategy meeting

The key take aways from the strategy WS are presented.

5. SIDC – Important points to highlight & decisions requested

5.1) Integrated plan

The QARM convener presented the plan for next 3 month. He informed that the 4th wave go-live went very smoothly, and the launch was successful. The R4.0. launch is planned on 2nd December is expected to go according to the plan.

5.2) SIDC OPSCOM Status Report

The OPSCOM convener presented the recent development in the SIDC operations. The downtimes since the last MCSC were only planned downtimes and currently we expect that the SIDC operational downtimes in 2022 will be 20% lower than in 2021.

5.3) SIDC QARM Status Report including IDA Topics

Due to the time constraints the QARM convener concentrated in presented the suggested decisions. All of them were agreed by NEMOs as well as TSOs with the exception of the contract for CIP IDAs. The final version is to be approved by deemed acceptance 1 week after the provision to MCSC.

5.4) SIDC MSD Status Report including IDA Topics

The MSD Convener concentrated on presenting the options concerning the IDA partial decoupling. The MCSC parties agreed to start with configurable decoupling of virtual broker. Other options are to be further evaluated.

5.5) SIDC BMSG Status Report

The BMSG Convener presented the suggested decisions. All of them were agreed by the NEMOs as well as TSOs.

5.6) MCSC members questions to reports

No questions were raised to the reports.

6. SIDC – Any other business

The MCSC thanked the MCSC members, conveners and chairs for the work done for the project and wished success for the future endeavours.

7. PMO procurement, handover & SIDC resettlement transition

Due to the confidential nature of the topics discussed, no summary is published.

8. SDAC – Important points to highlight & decisions requested

8.1) SDAC OPSCOM

Since the last MCSC only a few operational incidents with lower severity occurred. Some RfCs went live like the increase in C01 blocks in EPEX trading hubs, the PMB11.3 technological updates, Euphemia 10.6_fix4 and the removal of peak loads reserve in Sweden and Finland. Upcoming go-lives are the introduction of 2nd auction in the Baltics and Croatia, and the release of new PMB and Euphemia versions.

The work on allocating more time to the algorithm calculation within the daily operational processes to facilitate the 15 min MTU implementation started.

A decoupling training involving market participants was held in October.

8.2) SDAC MSD

Although Euphemia is functionally ready for the 15 min MTU, the performance gap is still not closed for a successful go-live. It is to be seen if the current simulations running until the end of 2022 will bring better results. In parallel the extension of the operational timings is being investigated.

Non-uniform pricing (NUP): Side payments financing options and NUP prototype update were done in the first part of the 4th study which was completed end of September. The second part of the study will focus on gaming strategies and simulations through Phyton framework and will be completed end 2022.

2030 future of the algorithm exercise – offshore wind study: Objective is to perform a mini market assessment combined with algorithm impact. Alignments with NRAs/ACER after the Future of the algorithm workshop in June continued and it was agreed to use the NTC approach as starting point for capacity calculation. SDAC MSD agreed on the topology of the study, scenarios, data preparation assumptions and initiated the study with N-Side. Results are expected by end 2022.

8.3) SDAC QARM

NEMOs and TSOs who have not yet provided a member for this newly established working group are reminded to do so by 7 December. The kick-off meeting will take place in January focusing on the TF scope and deliverables.

8.4) SDAC SF TF

Since June 2022 the Simulation Facility (SF) is out of operations, following a planned upgrade. Until today the IT provider was unable to restore the tool neither in the expected upgraded version nor by rolling back to the previous one. Latest information is that the SF will be operational mid-December again.

8.5) MCSC members questions to TF/project reports

No questions are raised.

9. SDAC – Any other business

9.1) Letter from AST & Litgrid re. non-intuitive flows on LitPol Link

The topic of non-intuitive flows from Lithuania to Poland is raised and the next steps to investigate these are agreed.

10. Closure meeting

10.1) Next meetings

The MCSC meeting schedule for 2023 is presented.