

## Minutes Market Coupling Steering Committee Meeting

15. June 2023, Physical Meeting

### Present SDAC and/or SIDC parties

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

### 3<sup>rd</sup> parties

Satocom	BEA	E-Bridge	JAO	Magnus Energy	NEMO Committee
ARIGA					

### Observers

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

Present	By phone	Not attending
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### Meeting agenda

1#	Topic	For	Presenter	File*
<b>1</b>	<b>Welcome, practicalities</b>		<b>09:00-09:10 EET</b>	
1.1	Confirm quorum	Inf	Secretary	<input type="checkbox"/>
1.2	Adoption of the agenda	Dec	Co-chairs	<input type="checkbox"/>
1.3	Matching of pre-aligned NEMO Vote and TSO Vote	Inf	Secretary	<input type="checkbox"/>
<b>2</b>	<b>JOINT – General points</b>		<b>09:10-09:15 EET</b>	
2.1	Approval of minutes (internal and external)	Dec	Co-chairs	<input type="checkbox"/>
2.2	Review of action points	Inf	Secretary	<input type="checkbox"/>
2.3	MCSC Market Coupling Workshop 14 <sup>th</sup> June – wrap-up	Inf	Co-chairs/ Secretary	<input type="checkbox"/>
<b>3</b>	<b>JOINT – Decisions requested &amp; information</b>		<b>09:15-10:30 EET</b>	
3.1	Legal TF (10 min) <ul style="list-style-type: none"> <li>Status update on SIDC CSE SLA</li> <li>IDOA 4th Amendment for IDA</li> </ul>	Inf Dec	LTF Co-Convenors	<input type="checkbox"/>
3.2	BMTF (10 min) <ul style="list-style-type: none"> <li>2022 CACM cost report</li> </ul>	Inf	BMTF Convenors	<input type="checkbox"/>
3.3	Gov TF (10 min) <ul style="list-style-type: none"> <li>Updated ToR</li> <li>Update on implementation of Multilayer Governance TF improvements</li> </ul>	Dec Inf	Gov TF Co-Convenors	<input type="checkbox"/>
3.4	Com TF (10 min) <ul style="list-style-type: none"> <li>Joint celebratory event – quote</li> <li>PCG 20/06 material</li> </ul>	Dec	Com TF Convenor	<input type="checkbox"/>
3.5	MCCG (10 min) <ul style="list-style-type: none"> <li>Validation of the Material for MCCG #3 of 19<sup>th</sup> June</li> <li>Improvement of the timeline for preparation</li> </ul>	Dec	MCCG Co-Convenors	<input type="checkbox"/>
3.6	Co-optimisation (10 min)	Inf	SDAC Co-chair	
3.7	MCSC Logo (10 min) <ul style="list-style-type: none"> <li>Decision on the use of the MCSC logo by TSOs/NEMOs</li> </ul>	Dec	TSO Chair	<input type="checkbox"/>
<b>COFFEE BREAK 10:30-10:45</b>				
<b>4</b>	<b>SDAC – Decisions requested</b>		<b>10:45-11:30 EET</b>	
4.1	SDAC MSD (15 min) <ul style="list-style-type: none"> <li>15min Status update</li> </ul>	Dec	SDAC MSD Co-Convenors	<input type="checkbox"/>

	<ul style="list-style-type: none"> <li>Xpress solver decision</li> </ul>			
4.2	SDAC SF TF (15 min) <ul style="list-style-type: none"> <li>SIM TF updated ToRs</li> <li>Joint tender proposal</li> </ul>	Dec	SDAC SF TF Co-Convenors	<input type="checkbox"/>
4.3	MRLVC Topic (10 min) <ul style="list-style-type: none"> <li>MRLVC Position Paper</li> </ul>	Dec	ELIA, EPEX, NORDPOOL, RTE	<input type="checkbox"/>
4.4	SDAC QARM (10 min) <ul style="list-style-type: none"> <li>MRLVC report (decision blocker)</li> </ul>	Dec	SDAC QARM	
<b>5</b>	<b>SIDC – Decisions requested</b>		<b>11:30-12.00 EET</b>	
5.1	SIDC MSD (15 min) <p>IDA:</p> <ul style="list-style-type: none"> <li>Euphemia performance test – Phase 3</li> <li>IDA partial decoupling and potential impact on Algorithm Methodology (including outcome from the WS)</li> <li>IDA1 interaction with DA (including outcome from WS)</li> <li>IDA suspension – process presentation</li> </ul>	Dec Dec  Dec Dec	SIDC MSD Co-Convenors	<input type="checkbox"/>
5.2	SIDC QARM (15 min) <ul style="list-style-type: none"> <li>XBID R4.2 – scoping, implementation cost, changes in maintenance cost</li> <li>Risk of PMB version 12.2 not being ready for IDA FIT Phase 2</li> <li>Polish Balancing Market Report – impact on IDAs</li> </ul>	Dec.	SIDC QARM Co-Convenors	<input type="checkbox"/>
<b>END OF DECISION PART &amp; LUNCH 12:00-13:00</b>				
<b>6</b>	<b>Project diagnosis: Observations &amp; recommendation (Magnus Energy)</b>		<b>13:00-13:45 EET</b>	
<b>7</b>	<b>SDAC – Topics for information &amp; AOBs</b>		<b>13:45-14:30 EET</b>	
7.1	SDAC QARM (10 min) <ul style="list-style-type: none"> <li>Status update</li> <li>Terms of References</li> <li>Roadmap</li> </ul>	Inf	SDAC QARM Co-Convenors	<input type="checkbox"/>
7.2	SDAC MSD (15 min) <ul style="list-style-type: none"> <li>Product simulations for 15min MTU Go-LIVE</li> <li>Update on Future 2030: OBZ, NUP and Storage Order</li> <li>Roadmap update for MSD planning</li> <li>Scope of E11.4</li> </ul>	Inf Inf Inf Inf	SDAC MSD Co-Convenors	<input type="checkbox"/>
7.3	SDAC OPSOM (10 min) <ul style="list-style-type: none"> <li>Status update</li> </ul>	Inf	SDAC OPSOM Co-chairs	<input type="checkbox"/>
	MCSC members questions to reports (5 min)			
<b>COFFEE BREAK 14:30-14:45</b>				
<b>8</b>	<b>SIDC – Topics for information &amp; AOBs</b>		<b>14:45-15:30 EET</b>	
8.1	SIDC QARM (15 min) <ul style="list-style-type: none"> <li>Status update (IDAs, RIPs, Polish Balancing Market Reform, 5<sup>th</sup> Go</li> <li>XBID System boundaries</li> </ul>	Inf	SIDC QARM Co-Convenors	<input type="checkbox"/>
8.2	SIDC MSD (15 min) <ul style="list-style-type: none"> <li>Status update</li> <li>Flow-Based design – ongoing clarification with DBAG</li> <li>Round of review for specifications for XBID</li> <li>IDA:               <ul style="list-style-type: none"> <li>Unicorn SLA for PMB (update)</li> <li>IDA CIP: some adjustments to the design to make it more efficient/user friendly</li> </ul> </li> <li>PMB for IDA: proposal for design of partial decoupling</li> </ul>	Inf	SIDC MSD Co-Convenors	<input type="checkbox"/>
8.3	SIDC OPSOM (10 min) <ul style="list-style-type: none"> <li>Status update</li> </ul>	Inf	SIDC OPSOM Co-chairs	<input type="checkbox"/>
	MCSC members questions to reports (5 min)			
<b>9</b>	<b>Market coupling WS – open points discussion</b>		<b>15:30-15:55 EET</b>	
<b>10</b>	<b>Meeting closure</b>		<b>15:55-16:00 EET</b>	

	a) Past meeting minutes 24/05/2023	□
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**List of approved decisions**

1#	Topic	Decision
<b>1</b>	<b>Welcome, practicalities</b>	
1.2	Adoption of the agenda	The meeting agenda is approved
<b>2</b>	<b>JOINT – General points</b>	
2.1	Approval of the Minutes (internal & external)	The minutes of the MCSC meetings on 24/05/2023 are approved. The minutes extract of the 24/05/2023 meeting is approved for publication under the dedicated SDAC & SIDC section at the ENTSO-E and NC websites.
<b>3</b>	<b>JOINT – Decisions requested &amp; information</b>	
3.1	LTF	The MCSC mandates the IDA SG with the support of the LTF to identify potential proposals for decisions taken by the MCSC, with regards to the escalation points in respect of the IDOA amendment for IDA.
3.3	Gov TF	The MC SC approves the revised Governance TF TORs.
3.4	Com TF	The MCSC approves the submitted material for the June PCG meeting.
3.5	MCCG	The MCSC approves the submitted material for the June MCCG meeting.
3.7	MCSC Logo	MCSC approves that the joint MCSC logo can be used for MCSC TSO-only materials for external communication on the condition that a clear governance reference is put on the materials, subject of the joint MCSC approval.
<b>4</b>	<b>SDAC – Decisions requested</b>	
4.1	SDAC MSD	<p>MCSC approves the removal of the PUN from the R&amp;D and future simulations starting from 01.06.2023 and from the Algorithm via application of a corrective measure in case PUN is still a requested product starting from January 2025.</p> <p>MCSC acknowledges the preliminary outcome of the discussion within the Market Coupling workshop regarding the computation time and product mix, including the action points taken on Second auctions, Partial and Full Decoupling, assessment of timings of confirmation and the operation between 14:20-15:30, etc.</p> <p>MCSC approves to take the decision on the Xpress SW by September, after collecting all the details from the SW Provider.</p>
4.2	SDAC SF TF	<p>MCSC approves the recommendation from SDAC SF TF to organize a tender in order to find an IT provider for a new Simulation Facility.</p> <p>The merger of SDAC SF TF and PCR SF TF shall be finalized before the tender is launched so that all legal context is clarified prior to the tender.</p> <p>The merger and the preparation of the tender can be done in parallel.</p> <p>The existing SF shall be kept in operation until the new Simulation Facility will be available.</p>
4.3	MRLVC Position Paper	MCSC approves to review of the MRLVC Position Paper. MCSC furthermore approves that the principles of the position paper are reused in the official EU&UK answer, or if this is not possible that they are published by MCSC simultaneously to when the official answers are communicated (on 10th July 2023).
4.4	SDAC QARM	(no decision)
<b>5</b>	<b>SIDC – Decisions requested</b>	
5.1	SIDC MSD	<p>MCSC approves the conclusions of IDA SG regarding EUPHEMIA performance tests, in particular MCSC approves simple block order, Merit Order (excluded PUN), linked block order, exclusive group block order and scalable complex orders will be supported in IDAs for Go-Live upon NEMO individual readiness.</p> <p>MCSC approves option 2 with regard to Algorithm Methodology and IDA partial decoupling (option to be added after the WS).</p>

5.2	SIDC QARM	MCSC acknowledges the costs provided for implementation items of R4.2 and mandates SIDC QARM with finalization of commercial negotiation including finalization of R4.2 scope.
		MCSC acknowledged DBAG's proposal for a new approach on the calculation of the maintenance cost, including recommendations provided by MCSC minutes. The proposal is to have a commitment on the level of 1,7 mil. Per year with an expectation that during the negotiation it may increase.
		MCSC approves, in case of PMB 12.2 is not ready for FIT Phase 2, apply option 2 (Shortening SIT Phase 1) as mitigation measures. If this is not feasible, MCSC acknowledges the Option 3 (Delay of FIT 2 (and later steps including Go Live).
		MSCS agrees with the recommendation from QARM related to the impact of Polish Balancing Market Reform including that Poland is part of the topology to be testing in FIT and SIT
		MCSC acknowledges RIP Readiness Monitoring Report.

## 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.

### 1.1) Adoption of the agenda

The meeting agenda is approved.

## 2. JOINT – General topics

### 2.1) Approval of minutes (internal and external)

The minutes of the MCSC meetings on 24/05/2023 are approved.

The minutes extract of the 24/05/2023 meeting is approved for publication under the dedicated SDAC & SIDC section at the ENTSO-E and NC websites.

## 3. JOINT – Decisions requested & information

### 3.1) Legal TF

LTF is finalising the draft main body of the IDOA amendment for IDA. Work is mainly going forward as expected. F or potential escalation points mainly related to liability, LTF seeks MCSC guidance on the process and MCSC is empowered to solve the escalation points.

For the SIDC CSE SLA LTF was informed that NEMO SIDC SC will further look into this topic (including the questions on the contract structure) on 9/6/23. The activities of LTF in this respect are put on hold until then.

### 3.2) BMTF

The MCSC mandated the BMTF to prepare the yearly CACM cost report for the 2022. The initial expectation was to provide the report to the MCSC for approval by the 15th of June, which was not achieved due to input for the regional projects yet to be received. The new deadline to provide the CACM cost report for approval is 30.06.2023.

### 3.3) Gov TF

The Governance TF provided the update on the implementation of the multilayer governance improvements. The GOV TF updated its TORs and asked the MCSC to approve the revised ToR.

### 3.4) Com TF

Com TF initiated the organization of the joint celebratory event, incl the venue selection. Further information is expected in June.

For the MCSC logo usage topic Com TF discussed that as a principle NEMOs and TSOs understand the using of MCSC logo, to use it only for joint NEMO and TSO content, which was approved by MCSC.

### 3.5) MCCG

The third MCCG on 19/06 agenda and organisation details were shared with the market participants and the the agenda points include the following topics: MCSC prioritization exercise, SDAC/SIDC operational process review, SDAC NUP, SDAC 15min MTU, the last 2nd auction event, SIDC 15min MTU, SIDC IDA. Also, update on MRLVC; the Impact of the introduction of FB CC in ID; and the planned update of the Euphemia document following the 15min MTU and corresponding document for IDAs.

### 3.6) Co-optimisation



Activities on the amendment methodology to include the Co-optimization requirements – available information is to be included while more precise information on the co-optimisation before the R&D is triggered in later stage. In the first submission the timeline for Co-optimisation is included in the main body of the amended methodology.

### **3.7) MCSC Logo**

In the context of the logo discussion in the Com TF meeting it was agreed TSOs will further discuss the way forward regarding the solution to the logo discussion. The proposed way forward is that MCSC that the joint MCSC logo can be used for MCSC TSO-only materials on the condition that a clear governance reference is put on the materials.

## **4. SDAC – Decisions requested**

### **4.1) SDAC MSD**

In the context of the 15 MTU implementation was concluded that PUN cannot be included in the market coupling calculation. The letter of notice has been shared with Italian NRA, ARERA, that PUN will be removed from the market coupling systems as of 01.01.2025.

Despite the improved performance improvements of Euphemia, multiple market time resolutions between the bidding zones and within a bidding zone should be restricted, incl. extensive use of block orders. The parties agreed to further discuss and analyse the mixture of products, its impact on the computation time, robustness of the solution, and operational processes (Partial, Full decoupling and second auction)

Xpress license will enable SDAC MSD to continue the evaluation of the new solver – the current license will expire by end of the September. MCSC decision about the license purchase and use of the solver is needed based on further clarifications.

### **4.2) SDAC SF TF**

Simulation Facility had been out of operation between June 2022 and February 2023, following a foreseen upgrade, still with not all required functionalities fully available up to this day. The SDAC SF TF explored possibilities to run the potential tender for the Simulation facility.

Based on the increase in complexity and requirements of the application (confirmed by the user survey conducted) it is of the utmost importance to develop and operate a satisfactory and reliable tool. It is recommended from SDAC SF TF to organize a tender to find an IT provider for a new Simulation Facility while the merger of SDAC SF TF and PCR SF TF shall be finalized before the tender is launched so that all legal context is clarified prior to the tender (the preparations of the tended shall run in parallel).

As requested, the organigram of the new SIM TF ToRs has been updated. In line with preliminary investigations done as part of the exercise to look at the future of SF, it was understood from IDA SG that “similarly, to DA, TSOs (or NEMOs) should be able to rerun IDAs with alternative scenarios. The inclusion of IDA functionalities will be investigated as part of the tender.

### **4.3) MRLVC Position Paper**

Work on MRLVC is ending, and although tremendous work was achieved jointly by TSOs and NEMOs, some involved parties think it is relevant to take all opportunities to spread the right message and good level of information to decision makers (e.g. European Commission) about MRLVC consequences if implemented.

Questions received and for which answers are under review are focusing on the MRLVC impact on today’s SDAC process, but not on the mid-term possible impacts with rising of Off-Shore Bidding Zones and hybrid connections in Nord Sea. Hence a Position paper was drafted on the matter.

Depending on the inclusion of principles within this Position Paper into the EU&UK TSO answer on MRLVC questions, publication of this Position Paper shall be considered.

## **5. SIDC – Decisions requested**

### **5.1) SIDC MSD**

IDA SG analysed the results the vendor provided for the third phase of the performance test. The results show that in all the scenarios the algorithm was able to find at least one valid solution and that in approximately the 5% of the sessions, the calculation lasted more than 7 minutes. Considering that the exceeding of the defined time for calculation seems to be related more to the configuration (15 MTU topology) and to the high load (125% of Go Live expectations), than to the mix of order types. IDA SG does not see the need to suggest the exclusion of any of the order types selected as input for this test phase. After Go Live, the performance will be further monitored in operations.

A dedicated group of people, representing several SIDC/SDAC working groups, has been created to work on the update of the Algorithm Methodology. The foreseen changes coming from SIDC are, for now, those related to SEC for IDA and partial coupling in IDA.

Considering the GCT for IDA1 (15:00 CET), it was identified a possible dependency on Day Ahead processes, in case of delay or in case of deviation from the normal day procedures.

IDA suspension procedure will describe how to proceed in case, during an agreed, limited time window after Go-

Live, IDA operations will fail to deliver the expected results (systematically or frequently). The duration of the monitoring interval will be one to two weeks after Go-Live.

## 5.2) SIDC QARM

- Regarding the Secondary Data Center Migration, all environments are migrated in line with the migration. Clarification of the remaining MPLS routers and rack is ongoing (direct ordering).
- IDA TG has finalized the preparation of the applicable IDA connectivity per Party. Connectivity tests start on 06/06.
- IDA TG is addressing final inputs for scenarios of FIT Phase 1 and 2. IDATG is waiting for feedback on several potential scenarios. The clarification on DST and failover tests is progressing slowly.
- The UAT I/R testing for XBID R4.0 started on 20/03. The quality has improved, and testing is ongoing well. XTG is analysing testing needs for the execution of the XBID test with IDAs deactivated (this shall address the situation after deployment of R4.0).
- In RIPs monitoring the biggest issue is related to the Polish Balancing Market Report. Some parties are struggling with the readiness for FIT Phase 2.
- For ID Flow Based, minimum Viable Product development was started in May.

## Status reporting

## 6. SDAC

### 6.1) SDAC MSD

SDAC MSD status of the key ongoing activities was covered as part of the topic 4.1.

### 6.2) SDAC QARM

#### MRLVC report

The preliminary MRLVC report has been shared by the consultant on 06/6/2023. The review process will last until 13/6/2023. A final review of the report will be requested by end of June. The final report has to be sent by TSOs on 10/7/2023. In parallel, NEMOs (EPEX and EMCO) and TSOs (Elia and RTE) prepared a position paper (Agenda point 4.4) to be either included in CEPA's report or to be published by MCSC.

#### 15 min MTU project roadmap

SDAC QARM and SDAC MSD agreed that SDAC QARM will coordinate, monitor and update the 15min MTU project central planning. SDAC QARM monitoring includes SDAC MSD's main milestones regarding algorithm studies regarding performance, as well as 15min MTU RIPs updates regarding readiness and resolution for 15 min MTU go-live in Q1 2025. Testing activities need to restart in September 2023, according to central planning focused on: finalizing master test plan, and defining and planning test activities, including environment, test scenarios and practicalities for tests. While discussing 15min MTU test organization. Two options for the testing set-up were covered by SDAC QARM.

#### SDAC medium-term roadmap

SDAC QARM has created a centralized roadmap including detailed activities: design, development, testing and go-live preparation. The goal of this centralized roadmap is to monitor all RfCs and projects regional and central activities to have an overview of environment booking, resources activities as well as dependencies between central MCO assets upgrades (PMB, Euphemia and regional RCC systems) and ongoing projects.

#### Updated CCP

SDAC Terms of Reference have been modified with PCR inputs. SDAC MSD and SDAC OPSCOM have aligned their ToRs with latest SDAC QARM updates. SDAC QARM ToRs can be considered finalized.

### 6.3) SDAC OPSCOM

SDAC OPSCOM presented a status report related to notable changes.

- Only a small incident encountered, while 3 second auctions events in the Netherlands causes delays in the process and also reflections on the second auction process itself were triggered.
- In the near future no go-live is foreseen
- Test with MPs have been performed on May 11th and also a SDAC training test.
- As part of the operation timings discussion, further investigation of operation timings related to the confirmation process shall be conducted by SDAC OPSCOM.

## 7. SIDC

### 7.1) SIDC MSD

SIDC MSD status of the key ongoing activities was covered as part of the topic 5.1.

### 7.2) SIDC QARM

SIDC QARM status of the key ongoing activities was covered as part of the topic 5.2.

### 7.3) SIDC OPSCOM

Main status update was provided by SIDC OPSCOM related to incidents, notable changes, implementation and maintenance.

## 8. Closure meeting

Parties thanked each other for cooperation and closed the meeting.