

## Minutes Market Coupling Steering Committee Meeting

12. July 2023, Conference call

### 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
ČEPS	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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### 0. Meeting agenda

#	Topic	For	Presenter	File*
<b>1</b>	<b>Welcome, practicalities</b>		<b>10:00-10:05</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	
1.4	Approval of the Minutes (internal & external)	Dec	Secretary	<input type="checkbox"/>
<b>2</b>	<b>JOINT – Decisions requested &amp; information</b>		<b>10:05-10:35</b>	
2.1	Improvements proposal <i>Proposed improvements, next steps and timeline</i> <i>Clarification on mandating WGs and TFs and action requests</i>	Dec	Co-chairs and Secretary	<input type="checkbox"/>
2.2	LTF (no discussion) <i>IDOA amendment for IDA</i> <i>Planview contract question</i>	Inf	LTF Co-Conveners	<input type="checkbox"/>
2.3	Com TF <i>Joint celebration – November 2023</i>	Inf	Com TF Convener	<input type="checkbox"/>
2.4	MCCG <i>Feedback MCCG 19/06</i> <i>Preparation of MCCG workshop in October</i>	Dec	MCCG Leads	<input type="checkbox"/>
2.5	Gov TF <i>Algorithm methodology amendment</i>	Inf	NEMO Tech TF Co-conveners	<input type="checkbox"/>
2.6	BMTF <i>Appointment of JAO as single point of contact for Magnus PMO invoicing</i>	Dec	BMTF Co-conveners	<input type="checkbox"/>
2.7	Signature of PMO contract	Dec	Co-chairs	<input type="checkbox"/>
<b>3</b>	<b>SIDC – Decisions requested &amp; information</b>		<b>10:35-11:10</b>	
3.1	SIDC MSD <i>Additional clarification on SIDC choice regarding offering in IDA products of single resolution per Bidding zone</i> <i>Products selection for IDAs – regulatory framework impact</i> <i>IDA partial decoupling in Flow Based – assessment prepared by IDA SG in line with an AP from the last MCSC</i>	Dec	SIDC MSD Co-Conveners	<input type="checkbox"/>
3.2	SIDC QARM <i>Information on final scope of R4.2</i> <i>Approval of updated timeline for 5th Go Live</i> <i>Status of IDA FITs (summary on connectivity tests, challenges &amp; escalations)</i>	Dec	SIDC QARM Co-Conveners	<input type="checkbox"/>

		<i>Approval of update of the system boundaries</i>			
<b>4</b>		<b>SDAC – Decisions requested &amp; information</b>		<b>11:10-11:45</b>	
	4.1	SDAC MSD <i>Xpress</i>	Dec	SDAC MSD Co- Conveners	<input type="checkbox"/>
	4.2	SDAC QARM <i>Organisation of testing in SDAC</i>	Dec	SDAC QARM Co- Conveners	<input type="checkbox"/>
	4.3	SDAC OPSCOM <i>Overview of 2nd auction cases and price effects also in case of maximum prices</i>	Inf	SDAC OPSCOM Co-Conveners	<input type="checkbox"/>
	4.4	SDAC SF TF <i>HL tender description</i>	Dec	SDAC SF TF Co- Conveners	<input type="checkbox"/>
<b>5</b>		<b>Meeting closure</b>		<b>11:45-12:00</b>	
	5.1	AOB <i>MCSC overview of IDA capacities proposal Information on 2nd auction, curtailment sharing and negative prices (weekend 1-2 July) Algorithm public description harmonisation/update Slight price increase of the offer for the November Budapest meeting costs</i>	Inf	TSO Co-chair	
	5.2	Next meetings	Inf	Secretary	

Back-up – for information only – not foreseen to be presented during MCSC				
	a)	Past meeting minutes 15/06/2023		<input type="checkbox"/>

#### List of approved decisions

1#	Topic	Proposed decision	For
<b>1</b>	<b>Welcome, practicalities</b>		
	1.2	Adoption of the agenda The meeting agenda is approved.	All voting members
	1.3	Approval of the Minutes (internal & external) The minutes of the MCSC meetings on 15/06/2023 are approved. The minutes extract of the 15/06/2023 meeting is approved for publication under the dedicated SDAC & SIDC section at the ENTSO-E and NC websites.	All voting members
<b>2</b>	<b>JOINT – Decisions requested &amp; information</b>		
	2.1	Improvements proposal MCSC accepts that coordination, consultation and actions requests as part of relevant WG tasks foreseen in the respective ToRs (e.g. consultation of LTF related to legal open points) can be raised directly between Conveners, coordinated in the ICT, and do not require specific ex-ante approval/mandate by the MCSC, in order to secure timely progress of tasks if such request/mandate is not disputed by any of WGs/TFs members.	All voting members
	2.4	MCCG MCSC agrees that the session file of MCCG shall be validated by MCSC 15 days before MCCG.	All voting members
		MCSC agrees to the Medium approach for alignment with MPs for the next MCCG in 2nd part of October 2023.	All voting members
	2.6	BMTF MCSC approves 50:50 split between DA and ID. Magnus Energy will invoice NEMOs directly, while TSOs approve to use JAO as the the single point of contact for settlement and invoicing purposes for all MCSC Magnus Energy PMO costs related to TSOs (only as well as joint costs, ie MAGNUS send 1 “TSO” invoice to JAO). Such costs will be included in regular quarterly resettlement process.	All voting members
	2.7	Signature of PMO contract MCSC approves that:	All voting members

			<ol style="list-style-type: none"> <li>1. Magnus' legal representative shall confirm the "authentic interpretation" of the description of the services without TSOs only references;</li> <li>2. A new folder on PP should be created for storing the documentation of the PMO selection process in order to have easy access to the approved offer by the selected PMO.</li> </ol>	
<b>3</b>	<b>SIDC – Decisions requested</b>			
	3.1	SIDC MSD	MCSC acknowledge the IDA SG explanation regarding possible impact of products selection for IDAs to regulatory framework, no changes to Algorithm methodology or CACM required.	All voting members
			MCSC acknowledge the additional IDA SG explanation regarding products selection for IDAs and comparing the argumentation to SDAC arguments for introduction of 15min MTU.	All voting members
			MCSC acknowledge the IDA SG impact assessment for IDA partial decoupling in Flow Based.	All voting members
	3.2	SIDC QARM	MCSC acknowledges status of the (non)readiness for the start of IDA FIT Tests and agree on the application of following mitigation measures (to be discussed agreed in MCSC CC). Status will be updated shortly prior CC by IDATG.	All voting members
			MCSC approves a new timeline for 5 <sup>th</sup> wave Go Live.	All voting members
			MCSC approves result of JSC negotiation on maintenance fee, system boundaries (including approval of commercial aspects of ASR030) and JSC decision on R4.2.	All voting members
<b>4</b>	<b>SDAC – Decisions requested</b>			
	4.1	SDAC MSD	MCSC approves that N-side can start negotiation to get the Xpress license to continue R&D.	All voting members
			MCSC approves that N-side shall negotiate for extension of Cplex license for one year starting from October 2024.	All voting members
			MCSC acknowledges that if the Xpress licensing cost does not exceed 145.000€ for the first year, then MSD is entitled to validate the quote and trigger the MSSA amendment process for NEMO DA SC.	All voting members
	4.2	SDAC QARM	MC SC approves the creation of a testing group in line with option 1 until 1.1.2025. The group will be under the SDAC QARM and shall be transformed in line with option 2 thereafter based on the already agreed multi-layer improvements without any further MCSC decision.	All voting members
	4.4	SDAC SF TF	MCSC acknowledge the selection of 50Hz for the tendering entity role with the condition to clarify, supported by the LTF, the legal aspects of the formal appointment.	All voting members

## 1. Welcome, practicalities

The chairs open the meeting by welcoming TSOs and NEMOs.

### 1.1) Confirm quorum

- The MCSC attendance is meeting the quorum requirements.

### 1.2) Adoption of the agenda

The meeting agenda is approved.

### 1.3) Matching of pre-aligned NEMO Vote and TSO Vote

- The list of pre-aligned NEMO and TSO votes is established.

### 1.4) Approval of the Minutes (internal & external)

The minutes of the MCSC meetings on 15/06 are approved.

## 2. JOINT – Decisions requested & information

### 2.1) Improvements proposal



Based on the conducted project diagnosis and the identified improvements ICT was tasked to discuss the proposed improvements, timeline for implementation and next steps.

Improvements proposal which will require elaboration and first implementation by the PMO and Conveners before the September meeting are:

- Harmonised PMO approach (templates, preparatory timeline, position matrix, information structuring, reporting, information flows, PP structure, progress/action tracking)
- ICT role - Coordination & Centralised quality check
- Meetings - Meeting frequency/sequence (where possible) & MCSC meeting structure

For more streamlined organization it is proposed that Coordination, consultation and actions requests as part of relevant WG tasks foreseen in the respective ToRs (e.g. consultation of LTF related to legal open points) can be raised directly between Conveners, coordinated in the ICT, and do not require specific ex ante approval/mandate by the MCSC, In case the action outcome would require a decision, such a decision shall always be taken by the MCSC (which shall therefore remain the decision-making body, this is just about how to organize the steps prior to a decision, etc).

## 2.2) LTF (no discussion)

LTF is finalising the draft main text of the IDOA amendment for IDA. The remaining open points relate to the exhibits that are still to be delivered by OTF and pending LTF review.

LTF is preparing a note on the Planview contract in which the following 2 points are verified: i) the possibility of having (ai) observers who do not have a contract access Projectplace and (bii) dedicated section(s) for them" and ii) the appropriateness of the current Planview contract (non negotiated Terms & Conditions signed by JAO) taking into account the current use of Projectplace Planview by the parties.

## 2.3) Com TF

The venue of the SDAC/SIDC celebration (28 November (the first day of the MCSC meeting) in Budapest) is under the selection process and shall be confirmed in the next weeks. The number of participants is around 200 as a first estimation, based on the survey and bilateral information. Approval of the quote for the joint celebration venue will be done via email in the upcoming period.

## 2.4) MCCG

The MCCG was organised on 19 June and the session was perceived again as interactive and answers were brought to some key points.

However, for the preparation of the next MCCG it is key that the session file is validated at least 15 days before the MCCG so that the Market participants convenors can interact with NEMOs/TSOs convenors upfront to the MCCG.

NEMOS and TSOs identified several topics for the MCSC proposals that are still pending which are of high interest of market participants. NEMOs and TSOs are assessing the possibility of having an efficient exchange on the design and implementation with Market Participants before the formal public discussions. Proposal of MCSC is to not initiate a public consultation prior to the next MCCG in October as this is not considered as feasible within the given timeline. The proposal is to go for the medium approach with an informal public consultation – however, still improving the current process

## 2.5) Gov TF

Draft of amendments related to the Co-optimisation of the Algorithm Methodology is prepared in cooperation with TSOs. This includes also an Explanatory document. The formal decision of the proposal shall be done in NEMO Committee which is scheduled for 20 July after which the public consultation with a duration up to 8 weeks (longer due to the holiday period) will be organized. Further timeline information will be provided via the consultation phase.

As a general principle, the drafts are based on the available documents. However, the set of co-optimisation requirements is very high level and can be interpreted widely which does not allow for proper specification of the methodology at this stage. Several requirements, e.g. Co-optimisation balancing products has to be defined together with Market Participants.

## 2.6) BMTF

Invoicing procedure for PMO costs shall follow the originally agreed set-up and 50:50 split between DA and ID costs shall apply.

## 2.7) Signature of PMO contract

After the contract signature has been triggered, NEMOs have identified several issues with the contract and requested it to be updated. TSOs have rejected the proposal for an update and it is proposed to:

1. Magnus' legal representative shall confirm the "authentic interpretation" of the description of the services without TSOs only references;
2. A new folder on PP should be created for storing the documentation of the PMO selection process in order to have easy access to the approved offer by the selected PMO.

## 3. SIDC – Decisions requested & information

### 3.1) SIDC MSD

**Products selection for IDAs – regulatory framework impact:** SIDC IDA SG discussed again based on notes from PCG what the exact difference between SDAC and SIDC requirements to products. In SIDC 60/30/15min MTU is supported for go-live just not all within single Bidding Zone. This is foreseen to change in 2025 where also in IDA all Bidding zones may support 15min MTU.

**Products selection for IDAs – Argumentation differences compared to SDAC:** In PCG some questions were raised regarding the argumentation which SIDC use to justify accepting only one product resolution (MTU) per bidding zone for IDA. For IDA the order volume is not known so simulations need to count with other scenarios where e.g. for low order volumes scenarios the maximum calculation times were very high in performance tests Phase 1 reaching the area 15-27 minutes when mixture of the products per Bidding Zone was used. Additional differences may be driven by FB in Core, different level of capacities, use of AAC in IDA vs use of LTA in DA, leading to different conclusions for DA and IDA.

**IDA partial decoupling in Flow Based:** In line with the MCSC request IDASG explored the possibility to introduce a partial de(coupling) process for IDAs after implementing the Flow-based in continuous allocation and IDAs. The basis of the assessment is that flow-based parameters themselves are not allowed to directly exclude specific borders and its transmission capability from the allocation. IDA SG prepared an assessment of two identified two options and argued the difficulty of the IDA partial decoupling in FB.

### 3.2) SIDC QARM

**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 from COLT).

**IDA Testing** - Connectivity tests – The connectivity test were not fully completed during agreed period – issue with the participation of some parties escalated to MCSC. It is expected to finalize the connectivity by 07/07.

**IDA Testing – FITs** – IDA TG is in discussion on the practicalities for IDA FIT Phase Run 1 – snapshot on the status of entry criteria is included in separate dedicated slides. Pending feedback from requested Parties raised to MCSC members related to the recourses for IDA FITs.

**XBID R4.0** – The UAT I/R has made substantial progress, however, exit criteria are not met and there is a risk that they will not be met in time. If the risk materializes, it will have a direct impact on the start of IDA FITs.

**RIPs** – As the next RIP reporting round is in August, there is an ongoing clarification on the readiness of RIPs for IDA FITs.

**FB – MVP** (Flow Based – Minimum Viable Product) – DBAG has started the development of FB-MVP in May.

**5th wave of Go Live** – The 5th GL failed due to a local technical issue. The GL was replanned on ETPA LIP level in coordination with LIP Testing group, OPSCOM and QARM. New GL timeline is available.

## 4. SDAC – Decisions requested & Information

### 4.1) SDAC MSD

In the last MCSC, MSD was requested to further assess the improvements from the Xpress solver and provide final decision request in September MCSC. From the latest results on Xpress provided by the vendor, SDAC MSD can already confirm that from a technical standpoint, Xpress solver has showed slightly better performance on the KPIs. MSD suggests negotiating an extension of the Cplex license from October 2024 as a fallback option for one year.

### 4.2) SDAC QARM

The big-bang go-live of 15 min MTU is scheduled in Q1 of 2025. According to the timeline, (SDAC) testing preparation should be started in Q3-Q4 of 2023, so that FIT testing can start in Q2 of 2024.

Currently, testing in SDAC is mostly organized through either regional organization or SDAC OPSCOM with limited involvement of TSOs. Therefore, SDAC QARM proposes that a dedicated group is launched.

#### **4.3) SDAC OPSCOM**

SDAC OPSCOM was tasked with preparing an overview of 2nd auction cases and price effects also in case of maximum prices.

The second auction events in 2022 were described incl. price overview. For the second auction events of 1<sup>st</sup> and 2<sup>nd</sup> July first investigation is ongoing.

#### **4.4) SDAC SF TF**

SDAC SF TF prepared the draft HL tender description covering aspects such as responsible bodies and entities, Timeline, Overview of deliverables and responsible entities, Description of contracting and tendering entity, Overview of the tendering scope elaborating HL, Contractual framework, main parameters of the contract, as well as contract value/ initial estimate of a budget and cost- sharing for SF development and maintenance.

Certain legal aspects require further investigation and open points are being assessed by the LTF mainly with regard to contracts. SDAC SF TF will continue with the preparation of the tender within these defined principles and will clarify any necessary budgetary or legal open points identified during the tender description drafting. The initial timeline will be updated based on the progress and more precise planning of steps.

For the timely preparation of the tender, MCSC is requested to acknowledge that 50Hz has been identified by SDAC SF TF as the tendering entity.

#### **5. Closure meeting**

Parties thanked each other for cooperation and closed the meeting.

