

Fifth Market Coupling Consultative Group Workshop

Date / Place 26/02/2024, 9:00 – 16:00 CET, MS Teams webinar

Author MCSC PMO & MCCG Convenors

PARTICIPANTS

Presenters:

- Adèle Roy (SDAC QARM Convenor)
- André Estermann (MCSC Chair)
- Christoforos Zoumas (NEMO Tech TF Convenor)
- Cosimo Campidoglio (MCSC Chair)
- David Myška (SIDC MSD Convenor)
- François-Xavier Detraz (SDAC QARM Convenor)
- Hélène Robaye (MCCG MPs' Convenor)
- Kata Fehér (Com TF Convenor)
- Lara Visone (SIDC MSD Convenor)
- Marja Eronen (SDAC MSD Convenor)
- Mario Pession (SDAC OPSCOM Convenor)
- Martim Stilwell (SIDC OPSCOM Convenor)
- Ondřej Máca (MCSC Chair)
- Pierre Milon (MCCG Convenor)
- Vladimír Satek (SIDC QARM Convenor)
- Thomas Van Den Broucke (MCCG Convenor)
- Timo Suhonen (SDAC MSD Convenor)

Attended participants: 372

List of actions

No	Date	Responsible	Description	Deadline/Status
1	20/10/2023	NEMOs	Consultation on second auction in SDAC	Closed
2	20/10/2023	NEMOs	Map when market participants will be notified of IDA 1 cancellation	MCCG #5 / Closed
3	20/10/2023	NEMOs	Written clarification of block usage for both 15min MTU implementation and IDAs	Q1 2024 / Closed
4	20/10/2023	NEMOs	Written explanation about the new impact on the 60min curves, in case of multi-time resolution setup, increased likelihood of 60-minute curves being rejected due to the interaction between the averaging rule applied by the algorithm and the presence of price caps in SDAC	MCCG #5 / Closed
5	20/10/2023	TSOs	Updated nomination map and calls with market participants associations	Q1 2024 / Closed
6	20/10/2023	NEMOs	Enhanced webpage on aggregated curves, block execution status	Nov 2023 / Closed
7	26/02/2024	TSOs and NEMOs	Clarify by when will the proposed deadlines for DA results publication be confirmed	Q2 2024 MCCG
8	26/02/2024	NEMOs	Come back on the next steps associated to SDAC second auction removal proposal	Q2 2024 MCCG
9	26/02/2024	TSOs and NEMOs	Propose detailed windows for 15' MTU member testing and clarify the 15' MTU transition plan for SIDC continuous, SIDC IDAs, and SDAC as a part of the 15' MTU transition plan	Q2 2024 MCCG
10	26/02/2024	NEMOs	Prepare an enhanced version of the EUPHEMIA public description, including a written description of products and rules in view of 15minMTU implementation	Q2 2024 MCCG
11	26/02/2024	Market parties	Futher clarify their question/concerns on 15minMTU and (DA?) balancing obligation that exists today (including the specific country) and why the swtich to 15minMTU would make such an obligation more difficult/different then in the 60 min context	Q2 2024 MCCG
12	26/02/2024	NEMOs	Ask individual market parties about their expected usage of smart block products in view of increased time granularity of flexible assets and share the data with PCR ALG	Q2 2024 MCCG
13	26/02/2024	MCCG Conveners in cooperation with SDAC MSD Conveners	Follow-up on the expectation of high block usage from market parties	Q2 2024 MCCG

Agenda

AGENDA			
TIME	DURATION	MORNING SESSION	PRESENTER
09:00 – 09:10	10 min	Welcome, review of the action points logged in the last meeting	Hélène Robaye, Thomas Van Den Broucke, Pierre Milon (MCCG Convenors)
09:10 – 10:10	60 min	SDAC operational timings <ul style="list-style-type: none"> - Impact of additional computation time on operational timings of the SDAC process - Nomination deadlines: follow up of the ongoing discussions with MCSC and MPs - Second auction process reconsideration 	Mario Pession (SDAC OPSCOM Convenor) François-Xavier Detraz (TSO SDAC QARM Convenor) Pierre Milon (MCCG Convenor)
10:10 – 11:40	1h 30 min	SDAC 15 min Market Time Unit (MTU) <ul style="list-style-type: none"> - Project timeline - Recap on the decision on product mix <ul style="list-style-type: none"> o Description of 30' and 60' products o 60' curves vs. 15' blocks - Feedback from Market Participants on limitations of blocks 	Adèle Roy & François-Xavier Detraz (SDAC QARM Convenors) Timo Suhonen (SDAC MSD Convenor) Hélène Robaye (MCCG MPs Convenor)
11:40 – 12:00	20 min	MCSC Status update on the prioritization exercise until 2026 and beyond	André Estermann, Cosimo Campidoglio, Ondřej Máca (MCSC Chairs)
12:00 – 13:00	60 min	LUNCH BREAK	
TIME	DURATION	AFTERNOON SESSION	PRESENTER
13:00 – 13:20	20 min	SIDC 15 min Market Time Unit (MTU) <ul style="list-style-type: none"> - Map of time resolutions in Europe in SIDC continuous as well as future SIDC IDAs - Update with the 2025 outlook regarding the 15' MTU switch in intraday continuous, incl. legal deadlines and derogations - Overview on the transition to 15' interconnector OTU in SIDC 	Martim Stilwell (SIDC OPSCOM Chair)
13:20 – 14:20	60 min	SIDC Intraday Auctions (IDAs) <ul style="list-style-type: none"> - Progress of IDAs project & Members testing planning - Overview on offered capacity types by TSOs for IDA1, IDA2 and IDA 3 - Summary of IDA operational timings - Heads up to the IDA Pre-launch event at the end of March 2024 	Jean-Michel Reghem & Vladimír Satek (SIDC QARM Convenors) Thomas Van Den Broucke (MCCG Convenor) Lara Visone & David Myška (SIDC MSD Convenors) Kata Fehér & Emma Vila I Lopez de Recalde (Com TF Convenors)
14:20 – 14:30	10 min	COFFEE BREAK	
14:30 – 14:50	20 min	Updates on methodologies' updates and consultations <ul style="list-style-type: none"> - SDAC Product methodology update – Open public consultation - Algorithm methodology – Publication of public consultation results on Co-optimisation 	Christoforos Zoumas (NEMO Tech TF Convenor)
14:50 – 15:05	15 min	Stakeholder engagement approach <ul style="list-style-type: none"> - Update of the improvements made and foreseen in 2024 (follow up of discussion last MCCG) 	Thomas Van Den Broucke & Pierre Milon (MCCG Convenors)
15:05 – 15:25	20 min	AOB – Co-optimisation R&D update	Timo Suhonen (SDAC MSD Convenor)
15:25 – 15:55	30 min	AOB for Market Parties – optional	Hélène Robaye (MCCG MPs Convenor)
15:55 – 16:00	5 min	Closure	Hélène Robaye, Thomas Van Den Broucke, Pierre Milon (MCCG Convenors)

1. Welcome & Announcements

Summary of the topics

- MCCG #5 participants were welcomed by MCCG Convenors Pierre Milon and Thomas Van Den Broucke as well as MCCG Market Parties Convenor Hélène Robaye.
- Update on open action points was presented. All action points from October 2023 MCCG meeting have been addressed, either before or during the MCCG #5.

2. SDAC Operational timings

Summary of the topics

- Since October 2023 MCCG, NEMOs and TSOs have put efforts into optimizing the computation time of SDAC algorithm and subsequent sub-processes to minimize the shift of the Publication time of the results.

- **As a positive result, time available for Market parties for providing nominations to TSOs might remain almost the same: Shift of the final results publication is envisioned only for 3 minutes and the shift of the preliminary results publication for 6 minutes.**
- **The proposal is not agreed yet: It will be tested with various possible scenarios. Based on the test results, final timings will be adapted.**
- **SDAC nomination deadlines will remain unchanged by TSOs in the 15 min MTU context with the exception the Netherlands and Belgium working on moving their local nomination deadline from 14h00 to 14h30.**
- **SDAC second auctions process is under reconsideration. NEMOs will publish public summary of the consultation as well as explanatory note shortly after MCCG. Decision to be taken in H1 2024 for an entry into force at a later stage.**

Outcomes

Operational timings

- Proposed timings will be re-assessed after the testing. This is currently the most feasible proposal TSOs/NEMOs have agreed on.
- Results publication deadlines, as currently proposed, might be rounded, depending on the results of testing.
- MCCG MPs Convener notes that, indeed, with the switch to 15minMTU and increased complexity, the risk of publications delay is an important one, in need of a further discussion on how to organise the switch. If there is a delay to the envisioned timing of 13:01 for the final results publication, it will have to be assessed how will this impact subsequent nomination deadlines.
- SDAC OPSCOM Convener notes that there are two effects that could increase the risk, one being a higher complexity and the other, on top of the increased complexity, we are shortening the time for confirmations. Regarding the nomination deadlines, more details are available below.

Nomination deadlines

- SDAC nomination deadlines will not change. The main one – 14:30 – in case of normal day scenario, will not move.
- Building on the discussion from the October 2023 MCCG and subsequent dedicated meetings, overview on the postponed deadlines in case of late publication of SDAC results are presented.
- In the normal day scenario with the results publication time before 15h50 and later than 13h05, both the local and cross-border nomination deadline will generally stay at 14:30.
- For the Local nomination deadline with results publication time >13:05, it was noted that within BEL bidding zone with 14:15 deadline, the work is ongoing in order to harmonise with the rest of the region. More info will be shared during respective BE stakeholder meeting on the local level at 29/02/2024.
- In case market result delivery is later than 13:50, in general situation, the nomination deadline is shifted by 30 min to 15:00 for both local and cross-border nomination deadline.
- In summary, in case of late delivery, the first shift is triggered at 13:50.
- In case results are published later than 14:20, the local and cross-border nomination deadlines are, in general, shifted by 30' to 15:30.

Second auction process reconsideration

- No decision has been taken yet. The goal is to take the decision in the coming months. The entry in force will not take place in Q2 but likely before or at the same time as the 15minMTU go-live. More will be discussed next week in the plenary session among NEMOs.
- MCCG MPs Convener notes that MPs are not comfortable with a simple removal without alternative solutions which would ensure safe operations. They are keen to hear what NEMOs have in mind. It is key to ensure consistency and that a level of standard to is respected by NEMOs.
- Energy traders Europe is ready to support NEMOs in finding the process of finding the right tools to secure market operations in the coming months.
- NEMOs announced that they will insist on the proper adequacy between issues and solutions, and will also deal with the coverage of the bidding mistakes by market participants, in light of the recent events over last winter.

Actions

- **MCSC TSOs and NEMOs to clarify by when will the proposed deadlines for DA results publication be confirmed [Q2 2024 MCCG]**
- **MCSC NEMOs to come back on the next steps associated to SDAC second auction removal proposal [Q2 2024 MCCG]**

Q&A

Operational timings

- **Q2.1: In case the 13:01 deadline is indeed a tentative deadline for the moment to publish final market results, can you shed some light on when final confirmation of this proposal will be available?**
- The work on the testing planning is ongoing. Ideally, the confirmation of the timings will take place in Q3 2024, following a presentation on testing of 15minMTU where this could be more clarified.
- What was presented in this proposal is a result of an extensive investment in the algorithm over 2021-23 (software and hardware), making sure that the calculation is extended to 30 instead of 60min. The optimisation of processes at the NEMO and TSO side between gate closure time and nomination deadlines, resulting in the currently presented proposal for new (final/preliminary) results publication. In 2024, the goal is to secure the 13:01 instead of 13:11 deadline if the do not manage to compute this process better.

Nomination deadlines

- **Q2.2: In case we are in a situation where results cannot be delivered by 14:30 in most of the days, what do you envisage at this stage – Do we go in degraded mode frequently or is there other solution envisioned? Is there a contingency planned?**
- With the result publication later than 14:20, the shift will be to 15:30.
- **Q2.3: What will happen if the solution is not found in a "reasonable" time most of the days? Will it roll back or will you limit order types? Is this being discussed/prepared?**
- Under discussion was the confirmation time (which is being compressed), not the calculation time (which is being extended). What was mentioned is that there could be cases where confirmation takes longer.
- **Q2.4: What will happen if we are not able to produce the results on time (before 14:30) in most of the days? Will it just trigger local auctions every day? Is there a contingency for that? What happens if we have 4 or 5 days in a row in decoupling?**
- The question seems to be on what if the go-live is not taking place smoothly, i.e., if from day one of the 15minMTU go-live, we do not publish the results before the full decoupling deadline. In case of several delays in the publication due to extended publication time beyond 30min, the algorithm methodology foresees the need to apply of corrective measures, e.g., limit of usage to the products which are non-compulsory products, e.g., complex block orders. This is an extreme measure to restore reliable operation.
- **Q2.5: For how long would these products be removed?**
- This depends on the source of the issue and how far will get we with the solution. These solutions are envisioned to be temporary solutions.
- 15minMTU is a mandatory product in NRAs and ACER's view. Only optional products are subject to corrective measures. Even if more time is needed, we are using the contingency from slide 8 up until 14:20, having more than 1 hour to solve such an issue. NEMOs have in the last years already avoided any application of corrective measure and the aim is to continue as such also in 2025.
- It can be worth to clarify that application of CMs is (1) primarily due to algorithmic performance degradation which per se is not linked to price calculation time or delayed publication time vs. normal, and (2) the measures then contemplated are not limited to possible product usage reduction but also (TSO) requirements. All details are given in Article 12 of the since 2020 in force Algorithm Methodology Annex I.
- HEP, Croatia, notes that the issue of calculation of available cross border capacities for market participants given only to power exchanges through Flow Based method makes a very complex and sensitive chain from two days ahead via day ahead and through intraday auctions until continuous intraday trading and MARI and PICASSO levels. Every calculation issue in each step or ring of that chain can make a huge risk for market participants in trading their positions without giving them enough redundancy. We speak about huge amounts of MWs in the pipeline and very sensitive

price deviations due to the fact that those MWs have to find the way from the source till end customers in pan-European market. In the practical sense, there are many challenges to achieve that operative process works smoothly. Therefore finding redundancy in such complex process should be the priority.

- **Q2.6: As some market parties, offer their full capacity in complex orders, wouldn't removing complex orders create stressful clearings? Isn't it against regulatory requirements that obliges to offer full capacity?**
- This is to be avoided to by any means. Indeed, stressful situation might be created. All participants are invited to join the consultation on the products and share their concerns there as well.
- NEMOs are fully aware of the criticality of the availability of complex block orders for market participants. Regulatory framework is still there, if corrective measures are in need to be applied, it will start with optional products first.

2nd auction process reconsideration

- **Q2.7: At this stage, is there any information on alternative solutions?**
- Not yet, NEMOs are finalising the explanatory note. There will be more news during the next MCCG.
- **Q2.8: Is the decision going to be taken by NEMOs or NRAs?**
- Usually by NEMOs, only in some countries by NRAs.

3. SDAC 15 minutes Market Time Unit (MTU)

Summary of the topics

- **Dedicated SDAC 15 min MTU testing/project group has been refining the implementation planning. In the next MCCG, more information on the member testing and other go-live preparations will be provided. An holistic view of the 15' MTU transition needs to be prepared for Intraday continuous, SIDC IDAs, SDAC**
- **Zooming in on respective products, excluding the calculation time extension to 30 min and the changes in Italy and Iberian peninsula, the market continues to function as today. There are no restrictions on usage of the different market time units. 15' block orders can start and stop at any quarter of an hour. The coarser MTU curve orders may be (partially) paradoxically rejected. Those points will be further described in an enhanced version of the SDAC algorithm public description**
- **Discussion on block limitations has clarified that NEMOs determine the number of blocks they wish to provide to their market participants. MCSC TSOs and NEMOs validate the central algorithm against strict criteria, following a robust change management process, where SDAC algorithm is fed with a total number of blocks. It was highlighted that the discussion should be taken from market participants towards their relevant NEMO(s). However, it would be beneficial to get a centralized feedback from market participants as part of the MCCG activities on the anticipated realistic usage of blocks.**
- **Market parties observe that:**
 - o **It is urgent to provide precise specificities on the future products.**
 - o **The reform should incorporate a substantial increase on the availability of smart block orders and foresee new products enabling flexibility to be properly represented.**
 - o **It is also necessary to harmonize the availability and the limits of smart block orders between PXs. Limits are there to help the algorithm - if some have different limits between PXs, the impacts will be unequal on the MPs of different PXs.**
- **MCSC NEMOs and TSOs will further investigate this feedback from market parties.**

Outcomes

Project timeline

- Early 2025 deadline is kept as the goal while fine-tuning the project planning, taking into account known constraints and dependencies, e.g., the higher volume of testing in 2024 for central and regional projects such as IDAs or Nordic Flowbased.

- For the time being, MCSC NEMOs and TSOs are not able to propose detailed window for member testing. On this, during next MCCG in Q2, further details on when parties can join market participant test will be provided. Currently, the work on the details to organise the whole testing period for 15minMTU is ongoing.
- MCCG market parties' Convener highlights a concern regarding potentially limited time between testing and go-live available for market parties to react in case issues arise.
- This concern has been taken into account. Parties are encouraged to align with respective NEMOs on possible constraints they might face which should be then raised at the SDAC QARM level for effective planning.

Product mix and MPs' feedback on limitations of blocks

- MCSC TSOs and NEMOs have received from market parties a request to provide a written description of products in view of 15minMTU implementation.
 - o It will be done via Euphemia public description and will contain a public description of blocks management, averaging rule, acceptance criteria, etc.
 - o As market parties explain, the concern is that we might end up with too many paradoxically rejected bids. Consequently, due to low liquidity in some bidding zone for some time resolution. This might lead to outcomes that are not easily explained which might mean a decrease of confidence in the outcome of the algorithm and the market.
 - o NEMOs and TSOs will discuss this and will get back to market parties as soon as possible.
- The questions on the partial acceptance feature of future 60min and 30min products, as well as on the granularity and features of the smart blocks have been explained. Conditions of matching or rejection/acceptance will be further described in the public description of the central SDAC algorithm.
- The concerns regarding the possibility of an exponential increase of combinations of possible production / consumption schedules remain.
- There may also be the trade-off with topic discussed earlier this morning, where issues with the calculation time (which may be more likely with an increase in the smart blocks) may ultimately trigger corrective measures.

Actions

- **MCSC TSOs and NEMOs to propose detailed windows for 15' MTU member testing and clarify the 15' MTU transition plan for SIDC continuous, SIDC IDAs, and SDAC as a part of the 15' MTU transition plan [Q2 2024 MCCG]**
- **MCSC NEMOs to prepare an enhanced version of the EUPHEMIA public description, including a written description of products and rules in view of 15minMTU implementation [Q2 2024 MCCG]**
- **Market parties to further clarify their question/concerns on 15minMTU and (DA?) balancing obligation that exists today (including the specific country) and why the switch to 15minMTU would make such an obligation more difficult/different than in the 60 min context [Q2 2024 MCCG]**
- **MCSC NEMOs to ask individual market parties about their expected usage of smart block products in view of increased time granularity of flexible assets and share the data with PCR ALG [Q2 2024 MCCG]**
- **MCCG Conveners in cooperation with SDAC MSD Conveners to follow-up on the expectation of high block usage from market parties [Q2 2024 MCCG]**

Q&A

Project timeline

- **Q3.1: Is the deadline for the SDAC 15minMTU go-live still on Jan 2025?**
- Indeed, the deadline of Jan 2025 is still the goal. TSOs and NEMOs will come back with a transition plan include SDAC, SIDC IDAs and SIDC IDC, with a focus done on members testing phase for SDAC.
- **Q3.2: Given the January 1 being a bank holiday, shouldn't the 15minMTU go-live be on a more appropriate date?**
- Indeed, the same constraints are relevant and kept in mind also on TSO/NEMO side. We will aim for choosing feasible dates

Product mix

- **Q3.4: With PUN being removed, how will the inputs from Italy be included in the algorithm – can you provide more explanation please?**
- **Q3.5: Is the removal of PUN going to affect Italian futures market (such as CC auctions, settlement price for the futures products, etc)? Also, is there any impact on the consumers in Italy?**
- National market shall respond to these questions to market parties via Italian NEMO GME with the necessary level of detail as has been pointed out in the questions. A public consultation will be organized.
- **Q3.6: Is PUN fully disappearing or just not calculated in Euphemia?**
- The PUN will be disappearing from the algorithm. This is already a public information – there will be pun index usable for several goals mimicking the current PUN. More information will be available as a part of the joint consultation on the national level.
- **Q3.7: Can we confirm then that there is no change on Euphemia from the removal of PUN?**
- Euphemia will not deal anymore with PUN-related specific computation.
- **Q3.8: Will the calculation methodology stay the same for PUN index (that has been mentioned) as it is today for PUN?**
- A public consultation will be organized by the Italian NEMO GME.
- **Q3.9: With the PUN being removed, will Italy North BZ be still coupled to CORE, or will it end up in the same state as e.g. Switzerland?**
- Clarified after the meeting: PUN removal is Italian internal market change. It has no impact to Day-Ahead market topology and therefore all Italian bidding zones shall remain within market coupling. All current interconnectors will remain as they are today.
- **Q3.10: Would there be a separate clearing price for 15/30/60 MTU that can differ between the different MTUs? For example, would average 4 quarters in an hour equal to corresponding hourly product?**
- As of 2025 in SDAC, clearing price will be 15'. Then the averaging rule belonging to the central SDAC algorithm DNA will make sure that all prices are linked. In other words, we are not talking about 15' and 60' separate merit orders mechanisms! 60' prices are the results of an averaging mechanism. Clarified after the meeting: The 15' price (in €/MWh) is the official price for energy after the go live of the 15min MTU.
- **Q3.11: As the 60 min MTU will still be available, is it possible to send the 60 min MTU in the same manner we are used to, i.e., as a matrix, or do we have to convert them into block orders?**
- Yes, as today, i.e., as a matrix with 60/30/15 min MTU. There is no need to convert the products into block orders. It should be clarified that for day-ahead in 2025, the multi-time resolution will be proposed. This means that hourly curves can be kept on top of which, 15minMTU will be introduced. On the other hand, in intra-day per bidding zone, only 1 time resolution – 15minMTU – will be proposed for 2025, i.e., without the possibility to submit hourly curves. This is the biggest change compared to what was proposed in October 2023 MCCG. The concern captured from market parties has been successfully addressed.
- Please mind there will also be the discretionary choice of each NEMO to offer the 60' products to their members. At least the central Algorithm supports 60' curve orders (without the need to do any conversion).
- **Q3.12: Can a 60 min product be partially cleared on quarter-hourly basis?**
- If the order is an hourly one, it can only be cleared at an hourly basis, not a quarter-hourly one, subject to partial acceptance for the whole period.
- **Q3.13: We discussed that if the solution is not found in a reasonable time in several instances, 'optional' order types might be removed. Could this lead to the case in which 60 min block orders are (temporarily) removed from the auction as they are considered 'optional' (block-orders)?**
- Simple block orders are not optional but mandatory. Optional products as per ACER decision are Complex Blocks Orders (linked families, exclusive groups) + MIC orders / scalable MIC orders / 8oads gradient orders / merit orders and PUN. More info can be found on this NEMO Committee [LINK](#).
- Also mind between 15'/30'/60' blocks, this is mostly a convenience feature. The 60' blocks are still modelled as 15' blocks, so there should not be a difference in complexity (the 60' blocks add an additional constraint where the 15' sub-periods happen to coincide with whole hours).
- **Q3.14: The block orders are also supporting the three MTUs (e.g., exclusive orders could be submitted on either 15, 30min or 60min MTU). Correct?**

- Correct, although it is upto each NEMO to decide if they want to offer 30' or 60' blocks. Please note that 15' blocks can be used to model 30' or 60' blocks (the same does not hold true for curve orders).
- **Q3.15: Can you mix block order types, e.g. (15, 30, 60 min), or does one need to pick one MTU?**
- NEMOs can offer distinct 15'/30'/60' block orders, but can discretionary decide what features are disclosed to their respective members. Similarly, NEMOs may add further constraints (e.g., only allowing like time resolution blocks to be linked, etc.). However, as far as Euphemia is considered, they are all interpreted as 15' blocks (although some "happen" to include all quarters of full hours). Euphemia does not impose any constraints on what can and cannot be linked. I.e., blocks of different MTUs can be submitted, linked to one another, and can be part of the same exclusive group. Final confirmation of PMB support for cross-MTU linking is ongoing in case such feature is supported with SDAC 15 min MTU go-live.
- **Q3.16: If the lower and higher boundary will stay the same, is there not a much higher risk to reach that boundaries in the quarter structure?**
- This will be clarified in the written description of products and rules in view of 15minMTU implementation.
- **Q3.17: Regarding the block orders, is it correct that you can define them from any quarter to any quarter, i.e., you don't have to stick to hours or half hours?**
- This is correct.
- **Q3.18: Do you have an estimation on whether after the switch to 15minMTU, the block will be more often rejected than today? Can you estimate whether the block offers are more often rejected in the 15 min regime as today?**
- There is no significant difference, depending on the market conditions and, especially, on how market participants are using the market in terms of whether the trading volume is on the 15 min or on 30/60 min MTU usage. The coarser MTU may, especially if they have the majority of the liquidity, then the possibility of paradoxical rejection will increase although not significantly. MPs can impact the stability of the market and the reducing of the number of paradoxically rejected orders by having the orders on the 15minMTU in the rest of the SDAC and on 30minMTU in Ireland.
- **Q3.19: Would there be an obligation to be quarter-hourly balanced in DA for the Generation TSO nominations? Isn't this strictly limited to (or linked to) what granularity each MS TSO based on regulatory approval are applying as Imbalance Settlement Price, which we know according to ELE REG 2019/943 shall be 15 Min MTU based latest 2025 (unless there possibly could still be some room for derogations)?**
- The balancing obligation, whether it will be applied or not, is likely not linked to the switch to 15minMTU.
- It was in a sense that if there is limited number of exclusive groups on QH basis there is equal optionality between bidding on QH or H basis in exclusive groups. So less incentive to move to QH exclusive offering. However, if we need to be balanced perfectly in DA for the generation nomination, then basically this will be forcing to switch to QH bidding for exclusives. For example, bidding the exact start-up curve on QH basis, instead bidding the average hourly.
- **Q3.20: So all will depend on the liquidity of the orders with a 15min MTU?**
- The liquidity in 15minMTU is the preference. However, the algorithm will be able to also work with 60min products. It would be helpful, form the market stability perspective, to use 15minMTU. If the liquidity is largely on the coarser MTU, the possibility of paradoxical rejection of curve orders and the volatility of prices will increase.
- It can determine if we use QH profiles in the use of smart bids, or stay with hourly profiles for the smart bids.
- For IFIEC Europe, we are not opposed to a 15min MTU, but we remain concerned about the liquidity in all MTUs, such that this switch does not lead to split/less liquid sub-markets and thus less good market integration results. PRBs as such are an issue, as they could undermine confidence in the algorithm outcome.
- Clarified after the meeting: However, MCSC TSOs and NEMOs clarify that the market will not be split. We continue to have a single market where MPs can trade with multiple time resolutions.
- **Q3.21: Do you expect in the future more 15 min price dependant bids than in 60min? These define the market prices. Only price dependant bids in quarters lead to stable prices. Will the price dependant participants go to quarter products or stay at 60min?**
- At this stage, it cannot be forecasted what will be the behaviour of market participants when using respective products.
- **Q3.22: A Single Electricity Market means all participants having access to the same DA products. It's not sensible to try to have a fake competition between PX to prevent this.**

- Available products (order types) in SDAC are defined in the all NEMO (and TSOs) Algorithm and Product Methodologies approved by ACER (NRAs) and therefore per se no different products between NEMOs, but rather a set of products supported by the SDAC algorithm.
- **Q3.23: MCSC TSOs and NEMOs would like to ask whether market parties have had the chance to define anticipated usage of smart block products in view of increased time granularity of flexible assets and consequent mathematical implications of an exponential increase in combination of possible production/consumption schedules.**
- It is not possible to discuss a precise way of bidding within associations due to confidentiality. From the theoretical examples, this might be a reality that market participants will be exposed to. To give an in-practice number is difficult to do. Yet, NEMOs already have a view on the current usage and they could raise the question on usage expectations with individual market parties on a 1-1 mode.
- **Q3.24: By highlighting the need for an increase of smart block orders, do market parties mean by that linked families and exclusive groups?**
- Yes. We are not talking about simple blocks, but smart families.
- This will be discussed in the NEMO and TSO community. Within MCSC, we need to anticipate realistic usage of a given product. The mathematical example is well understood and correct. The actual use is somewhere between what we use today and what the theoretical calculations can provide. To have a view on what is realistically expected would be very important. This will help, in the long run to understand where the focus on the continuous algorithm improvement process should be. The challenges in terms of confidentiality are well understood.
- The point is to focus on how do we ensure that the reform will bring added value.
- **Q3.25: When market parties highlight the need to grasp the most benefit of the reform, do they mean only when using the smart blocks or is it also an opportunity in using the normal blocks in 15min as well?**
- It is likely not only smart blocks but a significant portion of the flexibility is put in the market via smart blocks.

4. MCSC Status update on the prioritization exercise until 2026 and beyond

Summary of the topics

- **The prioritisation process proposal aims to establish a regulatory procedure to secure streamlined implementation of deliverables and projects to minimise delays in implementation.**
- **MCSC advocates for a prioritisation exercise with a clearly defined scope of projects allowing for streamlined long-term planning based on ACER input. In 2024, MCSC TSOs and NEMOs clarified that prioritisation shall apply essentially for years 2026 and 2027, while both R&D and Implementation shall be in the scope.**
- **MCSC will focus on gathering stakeholders' input to secure the final scoring representative of the market view and feasible pipelines.**

Outcomes

- From the MCSC perspective:
 - o The recent planning still builds on the principle wherein the extensions are considered first, operations second, and functionality developments the third.
 - o However, the discussion from the last meeting with ACER suggests that the order of the priorities has changed to the first being the functionality (with the highest priority being, e.g., co-optimisation), second being the operations, and third being the extensions to new countries.
 - o Based on the recent change in the prioritisation approach, our two main currently ongoing projects – 15minMTU and extensions – are now apparently the lowest priority which is raising questions on the overall process we are following. It is still not clear and needs to be jointly understood what is the practical implications of this prioritisation.
- From ACER point of view:
 - o For example, medium priority given to a project does not mean that it will be done later - It just represents a relative benefit of a project in comparison to others.

- The main purpose of the exercise is to determine what is the relative priority of different project ongoing in a qualitative manner and to signal if there is a congestion then it is also clear where the priority lies.
- In terms of the extension, this is a different approach compared to the past but this does not mean that the extensions would not take place or continue.
- We will be looking into how to best support this versus other important projects ongoing which are delivering relatively higher welfare to consumers in Europe.
- The discussion on the relative scoring of the different projects will take place during the targeted MESC consultation, not during this Wednesday's MESC meeting.
- The concept of 'go live windows' is also preferred by ACER in order to limit the impact on other projects.
- For Energy Traders Europe:
 - It is important to have an impact assessment, ideally with CBA where possible, before rushing into deadlines on respective projects.
 - MRLVC, Co-optimisation, CORE-Italy North, etc., still need a timeline discussion with market parties. The discussion will continue in MESC.
- ACER's slides on project prioritisation were already shared with ENTSO-E last week, even if they are not yet published on ENTSO-E's website.

Q&A

- **Q4.1: Can you explain RIP?**
- Regional Implementation Project. Example: accession of Energy Community members will consist in several regional activities due to geographical situation (Ukraine / Moldavia on one end, Balkans on the other, etc).
- **Q4.2: For the EU, the regional implementation of market coupling was used as the most pragmatic way to implement market coupling where PXs and TSOs are ready and not to wait for least ready. There were several unofficial communications that MCSC changed the approach and is thinking about the big-bang approach for non-EU bidding zones to join SDAC or SIDC. Is that correct? If yes, what is the reason for changing the approach, and how to deal with the fact that some of the bordering non-EU bidding zones are more advanced in their readiness for joining SDAC/SIDC than others? Expanding market coupling must use a slicing-the-bread approach. Postponing this until a big-bang expansion is possible is not sensible.**
- MCSC will provide dedicated annual windows (see above). However, new parties need to take multiple steps outside of MCSC in order to be timely ready (e.g., Transposition, NDAs, establishment of LIPs/RIPs). So far, all relevant new parties face delays. For the sake of clarity, (clarified after the meeting) MCSC is an operational project. Hence, legislative or regulatory decisions are out of scope.

5. SIDC 15 min Market Time Unit (MTU)

Summary of the topics

- SIDC OPSCOM conducted an analysis on to the readiness of all parties/borders for the 15minMTU switching in ID. MCSC TSOs and NEMOs provide a comprehensive overview of the readiness of bidding zones and bidding zone borders between today and the end of 2024/early 2025.
- Moreover, an explanation of the OTU vs. MTU and an overview on the OTU vs. MTU bidding zone border readiness is presented. OTU setting impacts the market participants because it defines the cross-border closure time of the contracts.

Q&A

- **Q5.1: Is it correct that the borders of FR-BE, FR-DE, FR-IT will not move to 15min granularity before January 2025?**
- The borders of France will switch to 15minMTU by early 2025. However, they will switch to 15minOTU probably only after January 2025.

- **Q5.2: Can you explain the difference between MTU and OTU?**
- With the 15minMTU, market parties will be trading in 15min segments in continuous trading. OTU means that the interconnectors will close 60min before for the whole hour. As an example, for the delivery period 15:00-16:00 with the granularity of 15minMTU and 60minOTU, at 14:00, the MTU periods of 15:00-15:15, 15:15-15:30, 15:30-15:45, 15:45-16:00 will all close. With the granularity of 15minMTU and 15minOTU, 60min before the delivery, the trading will close for a quarter-hour; i.e., at 14:00, 15:00-15:15 will close; at 14:14, 15:15-15:30 will close.
- **Q5.3: When this needs to be fully harmonised?**
- This needs to be checked with the French TSO.
- **Q5.4: How about the OTU readiness of Spain?**
- It will be the same as it is based on French system's limitations at this moment. There is a lack of data for Spain, Portugal, and Greece on when will they implement the 15minOTU.
- As for the reference for the Greek OTU and relevant to specific public consultation for moving to 15min MTU for the DA and ID (IDAs+XBID) the current anticipated timeline is aligned currently with the 15min MTU incorporation in DA (Q1-2025).
- Regarding GR<>BG interconnector we confirm that 15' OTU at the same time as 15' MTU in Q1 2025.
- **Q5.5: Is the OTU the IDCZGCT frequency and not the interconnector scheduling step?**
- Correct, the MTU is always the time resolution. OTU only defines the moment at which the cross border trade is closed. I.e., whether the cross border trade closes for each hour, 1) in case of 60minOTU, four quarters in a row or, 2) in case of OTU switch to 15min, quarter by quarter, in both cases with 60min neutralization period, as usual.
- On the definition of the OTU concept and its difference compared to MTU, please refer to the outcome of the previous MCGG: question 20, page 7 of the following document [\[LINK\]](#).
- **Q5.6: Is it possible that at some point, SDAC is in 15min and SIDC still in 30min (in FR for instance)?**
- No, when speaking about MTU, they will switch jointly. The deadline is specified so that the SDAC 15minMTU can go live.
- **Q5.7: It is important to understand also the overview on the borders with non-EU states. Could any information be provided on this?**
- Since non-EU borders are not in the scope of MCSC governance, MCSC TSOs have no further information on this.
- **Q5.8: Regarding the 3 go-lives (SDAC 15min, SIDC 15min, and IDAs 15min) in January: Do you plan to do the 3 of them on the same day in January, or 3 separated (still in January)?**
- Many bidding zones will already have 15minMTU implemented in ID continuous and IDAs by end of 2024, before SDAC 15minMTU. Remaining bidding zones where TSOs will implement the 15min ISP in early 2025, yes the three frameworks of 15minMTU in ID continuous, IDAs, and DA might wait for early 2025. Whether they will go-live at the same day is up to NEMOs and TSOs who are finetuning the planning.
- **Q5.9: Why ES-FR and ES-PT bidding zone borders are in grey color on slide 42? I understood that the transition to 15 min OTU depends on France in those borders, correct? If so, the color should be orange instead of grey.**
- Currently, there is a lack of data from specific TSOs on respective borders. Updates are expected to take place after the meeting.

6. SIDC Intraday Auctions (IDAs)

Summary of the topics

- MCSC TSOs and NEMOs provide an overview of current developments within IDA Implementation – Mainly regarding ongoing testing as well as next steps. It is noted that testing of some scenarios needs to be repeated due to the ongoing local development in the post-coupling processing.
- TSOs and NEMOs are working on the timeline for finalizing SIT testing and mitigation measures to be put in place.
- One of the remaining open points is the implementation of IDA settlement of congestion income (target or interim solution) which is ongoing but completed by TSOs.
- One of the key phases from the market parties' view is member testing - Member tests are expected to take place for 4 weeks starting on 8th April. Two approaches on the timing to support needs of all SIDC regions were presented.

The overall focus is on the complete process chain with the emphasis on the coupling phase. To participate in the member tests, Market parties will be using their local NEMO platforms. More details on the member testing of IDAs will be provided during 21/03 IDA Pre-launch event.

- Overview on offered capacity types by TSOs for IDA1, IDA2, and IDA3 were presented. This overview is preliminary and living.
- In order to provide more insights on the IDA set-up and go-live, MCSC TSOs and NEMOs inform market parties and MCCG participants about the upcoming IDA Pre-launch event planned on 21/03, where among other, a full update on IDA CZCs will be provided.

Outcomes

Progress of IDAs project & Members testing planning

- As a part of the member testing planning, there are two approaches related to the timing as in some countries to allow all regions to have the opportunity to test with the timing optimal to them.
- The exact dates might change subject to fine-tuning of the planning. The final information will be available during the IDA Pre-launch event on 21st March 2024 at the latest.
- For clarification, ATCE: Available Transfer Capacity Extraction. It is an intermediate solution to extract ATC domain from flow-based domain until flow based is implemented in intraday.
- Market parties were asked to give feedback to the question of whether for the IDA trial period, given very limited cross-border capacity for IDA1, the preference is to 1) use real, limited capacities (0 / close to 0) to simulate potential operational situation, or 2) to have sufficient capacities which may deviate from operational situation but may allow MPs to better test IDAs. Any feedback on this would be much appreciated.

Q&A

IDA planning and testing

- **Q6.1: Could the reason why there are two different timings for member testing be re-explained?**
- It is because in Spain, the timings need to be aligned with the real timings how they will be in production as the Spanish market is linked to the physical market. However, knowing that this is not ideal for all, there is also other testing during office hours which are not alike production timings but they allow for the testing in need.
- **Q6.2: Could you please develop on the member testing? Will it encompass the entire chain, up to price and volumes communication? Do you expect "coherent/real conditions" order books?**
- Full chain will be tested which, from market parties perspective, means that they will submit order books to their NEMOs which will provided aggregated orderbooks to the central system. Moreover, price and results will be provided and then forwarded back to market parties. It is not expected for this testing to include also SDAC / several markets connected together.
- **Q6.3: Are real conditions to be implemented for the member testing?**
- Indeed, real order books, if possible, are recommended to be used. Knowing that this could be challenging for some parties, also close-to-reality conditions could be used.
- **Q6.4: On slide 47, when mentioned 'partial decoupling in advance,' do you refer to partial decoupling from SDAC or IDAs?**
- Here, IDAs are considered. If there is a partial decoupling, meaning that (clarified after the meeting) one or more NEMOs are decoupled, the local/regional processes are followed, which may be different for each NEMO.
- **Q6.5: Can some information be provided also on the missing CCRs?**
- Full overview, including the capacities of CCRs missing in the overview provided in this session, will be available during the IDA Pre-launch event.

Operational timings

- **Q6.6: In case of cancellation of IDA1 due to DA results not known by 14:10 D-1, are you planning to run local intra-day auctions (in DE for instance)?**

- This will likely not be the case. Based on regulation, IDAs will replace all local auctions currently run at 15:00 in the afternoon. Even from the technical perspective, this should not be possible as there will be a decommissioning of local auctions after IDA go-live.

7. Updates on methodologies' updates and consultations

Summary of the topics

- NEMOs inform about the Open public consultation of the Product methodology. Results of the consultation are expected by mid-April 2024. The focus of the methodology amendment is connected to the activation of 15minMTU products in SDAC.
- Regarding closed consultations, NEMOs inform market parties about the public consultation on AM update for Co-optimisation and IDAs that was launched on 31st July 2023 and ended on 25th September 2023.
- NEMOs and TSOs are currently cooperating on defining the content and scheduling of the Co-optimisation R&D activities for 2024 for the definition of potential market design, incl. bid-linking options.

8. Stakeholder engagement approach

Summary of the topics

- MCSC NEMOs and TSOs agreed on the MCCG stakeholder engagement approach. Stakeholder engagement will further improve and increase as from 2024. This should be also reflected in the Terms of References governing MCCG.
- From the general organization point of view, MCSC TSOs and NEMOs are committed to organise at least 3 MCCG sessions per year and additional dedicated technical sessions related to specific projects (e.g., IDA pre-launch go-live event, 15' MTU SDAC, ...). Market Participants' MCCG representatives are welcome to also bring and present content to MCCG sessions.

Outcomes

- Alignment on MCCG #6 date is ongoing. The date will be fully discussed with market parties' representatives and shared with all as soon as it is agreed on.
- It is envisioned to align the dates of future MCCG meetings also with planned MESC and PCG meetings.
- From market parties' perspectives:
 - o Ad-hoc meetings when discussing the nomination deadline issues were appreciated, helping with the preparation of the topic of the MCCG meeting.
 - o Teams solution for the webinar seems to be working well.
 - o When setting the agenda, it would be appreciated to try to group the operational topics in the morning and more organisational/advocacy topics for the afternoon, to the extent possible. This is to ensure that participants working in market operation are able to join the meeting as they might have a limited availability to participate in a full-day meeting.
- From the TSOs and NEMOs side:
 - o Shorter response time when publishing meeting minutes, Q&A documents, etc., is envisioned.

9. AOB – Co-optimisation R&D update

Summary of the topics

- MCSC TSOs and NEMOs, are working on the Co-optimisation R&D during 2024. Market parties are informed that the scoping of the R&D prototype is ongoing.

- **MCSC TSOs and NEMOs see the bid linking mechanisms as the vital component of such R&D, and hence inform market parties about the intention to have a dedicated session focused on the bid linking option(s) in early April.**
- **Final R&D report can be expected at the end of September.**

Outcomes

- The MCCG framework is envisioned to be used to have a dedicated discussion on bid-linking. Additionally, the option for individual feedback provision is to be arranged for.
- Market parties' representatives will circulate this information to the members. It will be helpful to receive more information on what is expected as soon as possible to ensure timely feedback delivery.

Q&A

- **Q9.1: When will be more info on what is expected from market parties available?**
- Work on framing the development continues. This will bring a better understanding of the system and information on where and to what extent market parties' input would be desired.

10. Closure

Summary of the topics

- **MCCG Conveners thanked all for their participation and inputs.**
- **The next meeting will be scheduled in June 2024, details & date will be shared soon.**