



Communication to Market Participants

Date: 8 December 2014

CWE Flow-Based Market Coupling

Subject: Additional reports and data publication as part of the external parallel run

Dear Market Participant,

The CWE Flow-Based MC Project would like to inform you that the Parallel Run Performance Report as well as the Adequacy Study for the CWE region have been finalized and published on the CASC website. You can find the links and some background information below. Besides these, the CWE Flow-Based MC Project can also communicate that additional data is now published as part of the external parallel run in order to further support market needs in terms of data publication and transparency. If you should have any questions, please contact one of the project partners.

- **Parallel Run Performance report:**

<http://www.casc.eu/media/20141117%20Parallel%20Run%20performance%20report.pdf>

The Flow-Based (FB) project has been carrying out for 18 months so-called parallel run, aiming at demonstrating the efficiency of the FB methodology. During this period project parties demonstrated that globally the FB method results in a significant increase in welfare (95M€ for 2013) and that CWE prices converge more frequently to a single CWE price. However some specific aspects of the method and remarkable outputs of FB market coupling needed to be addressed in more details:

- The need to rely on a so-called Long Term Allocation (LTA) coverage algorithm
- The observed days resulting in welfare losses from ATC to FB
- Some observed days resulting in remarkable welfare gains

This report builds upon these elements and explains the differences observed between the ATC and FB approaches, and, for some elements, proposes improvements of the FB methodology and associated work-plans.



- **Adequacy Study CWE:**

http://www.casc.eu/media/Adequacy_study_report_CWE.pdf

CWE NRAs requested the project to study if a link exists between market coupling under FB and short term generation adequacy. This report studies that link, focusing in particular on the Belgian market and its ability to import. The expected scarcity situation and the fact that Belgium has no other electrical borders outside CWE explain this particular focus. The report explores:

- The theoretical impact FB capacity allocation can have on adequacy;
- Quantitative results of these effects for the Belgian market;
- Potential mitigations to be assessed for any adverse effects, both from a TSO operational perspective as well as suggested changes of dealing with “price taking” orders in the respective DA markets;

Following additional data is now available:

- **Historical files with fixed labeling of presolved CBCOs since the beginning of the parallel run** (the CBCOs remain anonymous but their ID is fixed) – available in excel on the FTP server in the new folder “PTDF (Fixed CBCO ID)”
- **Historical files with fixed labeling of all (presolved and not presolved) CBCOs since the beginning of the parallel run** (ID is still fixed, same than for the presolved publication and available even for non-presolved CBCOs) – available in excel on the FTP server in the new folder “PTDF (All Fixed CBCO ID)”

Please note that due to algorithm changes needed to provide the full CBCOs fixed labeling files, already published data has been **re-produced with new labels**, and old data has been replaced and are no more valid for comparison with new data.

Starting from now, as it is still a manual process; data will be published with fixed ID in the dedicated folder of the FTP server mentioned on a monthly basis. This process will be industrialized as of Flow based Go Live.

Best Regards,

CWE Flow-Based Market Coupling project partners