

XXVII European Electricity Regulatory Forum

2.1.2. Early implementation projects Flow Based Capacity Calculation Projects

27 November 2014

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Reliable Sustainable Connected

CWE Flow Based Market Coupling Project

Project Status

- ▶ CWE project parties have decided to shift the target Go Live date to March 31st 2015 due to the risks involved by the specific situation for Belgium this winter:
 - Unexpected unavailability of a third of centralized generation capacity
 - Risk of load shedding
 - Risk of potential price spikes on the Belgium market
- ▶ CWE project parties are addressing the uncertainty regarding BE supply and imports in such exceptional conditions
- ▶ Further experience with the behavior of Flow-Based will be gained thanks to the extension of the daily parallel run
- ▶ Technical readiness for normal days is confirmed (November 2014)
- ▶ The confirmation of Go live is subject to:
 - NRA approval
 - Fulfillment of Go live acceptance criteria

CWE FB MC Project

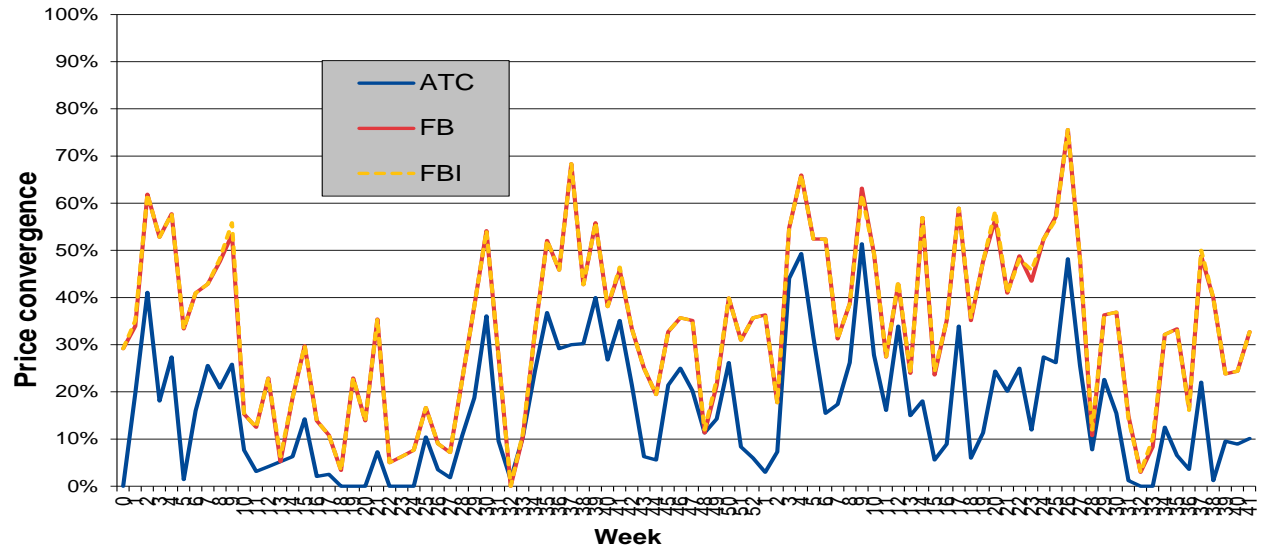
Overview of acceptance criteria/future developments

In the short run, Project Partners now focus on addressing the following aspects:

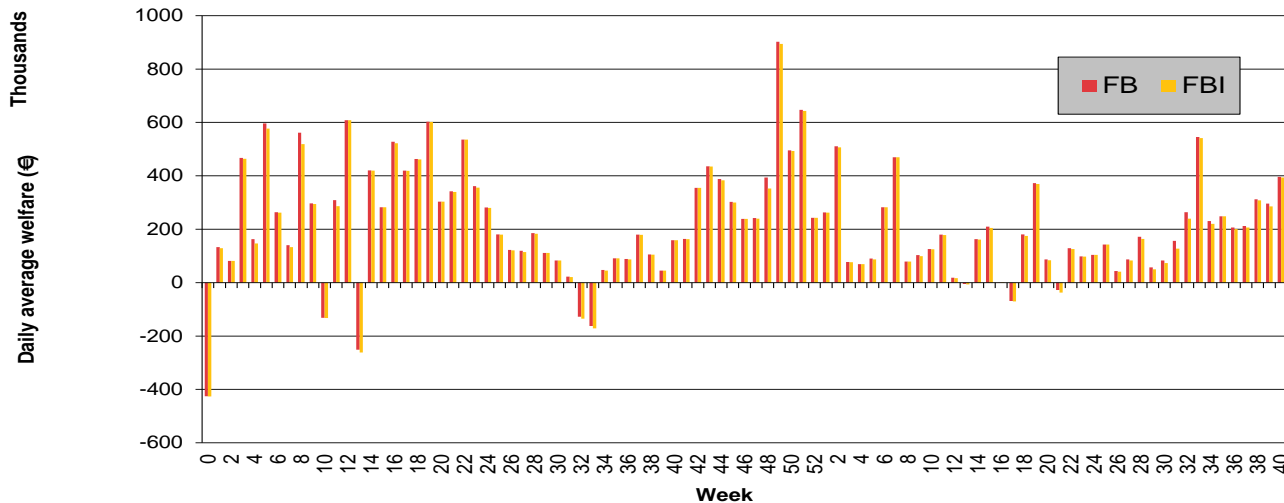
- Monitoring of the Flow-Based domain to:
 - Ensure the optimum quality and magnitude of the FB domain given to the market, consistent security
 - Assess the potential for further improvements on the calculation capacity process
- Mitigation of risk of order curtailment due to flow-factor competition for implementation before winter 2015-2016
- Mitigation of impact of possible change in nomination behaviour on market coupling resilience
- Agreement on the Intraday Capacity Calculation development roadmap

CWE FB MC Project

Parallel run results



Development of welfare (XX - ATC) - daily average



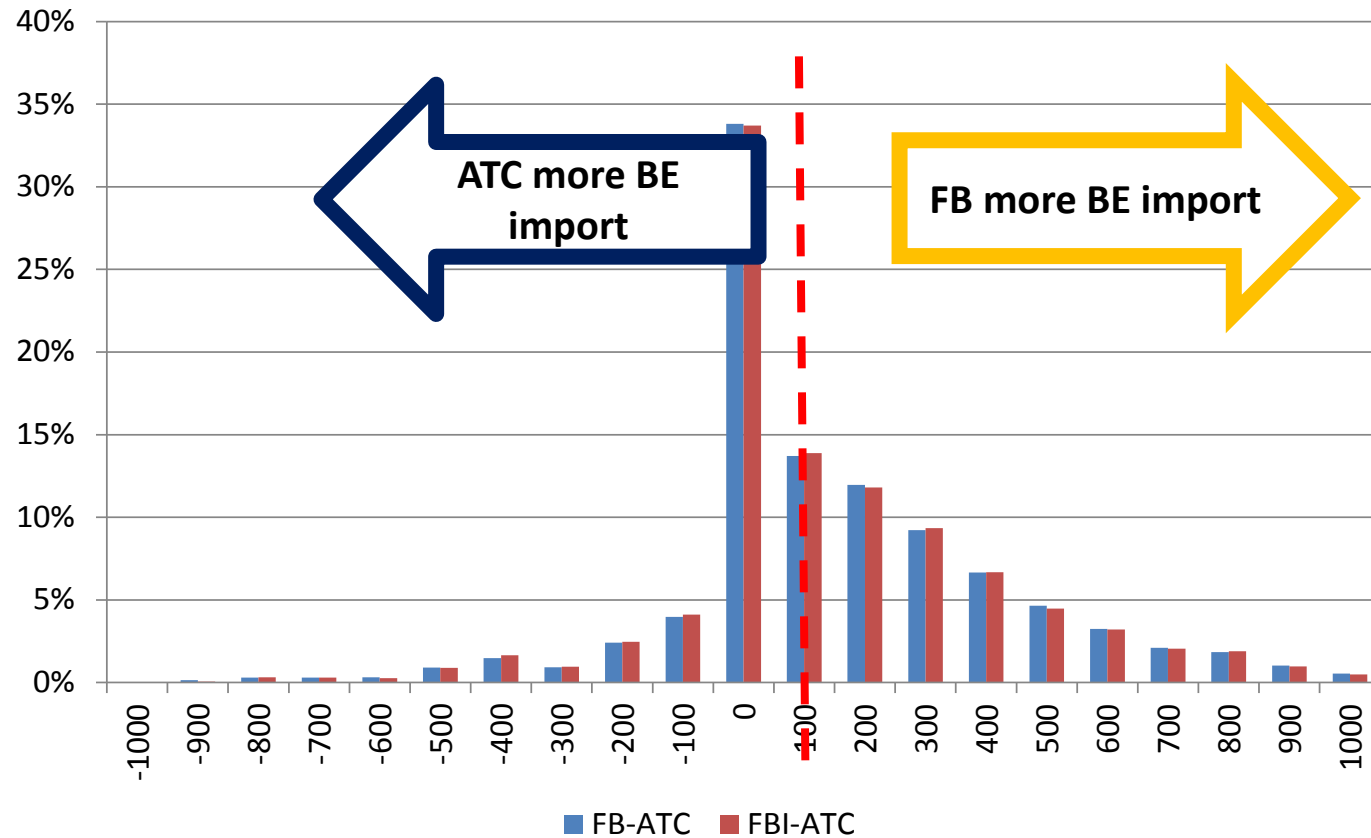
CWE FB MC Project

Adequacy study

- ▶ Project parties prepared a study related to “generation adequacy & FB”
- ▶ While the topic has a “universal range”, a special focus is put on the situation in Belgium for the coming winter where the concern on generation adequacy is the sharpest.
- ▶ The report is structured as follows:
 - Conceptual approach
 - Explanation related to the “order curtailment concept” (curtailment of price taking orders in some hubs) and how the optimization principles in ATC and FB could play a part in such situations.
 - Quantitative approach
 - Studies on the “import potential” and “realized imports” in Belgium (ATC vs FB) over the parallel run history
 - Analysis on the CBs active during the parallel run (statistical PTDF analyses)
 - TSO operational approach
 - Winter overview in CWE
 - Measures taken to cope with extreme cases and assessment of robustness towards FB implementation

MC Project CWE FB

Adequacy study



Parallel run results:
difference between FB
import and ATC import:
Histogram of (FB-ATC)
realized imports

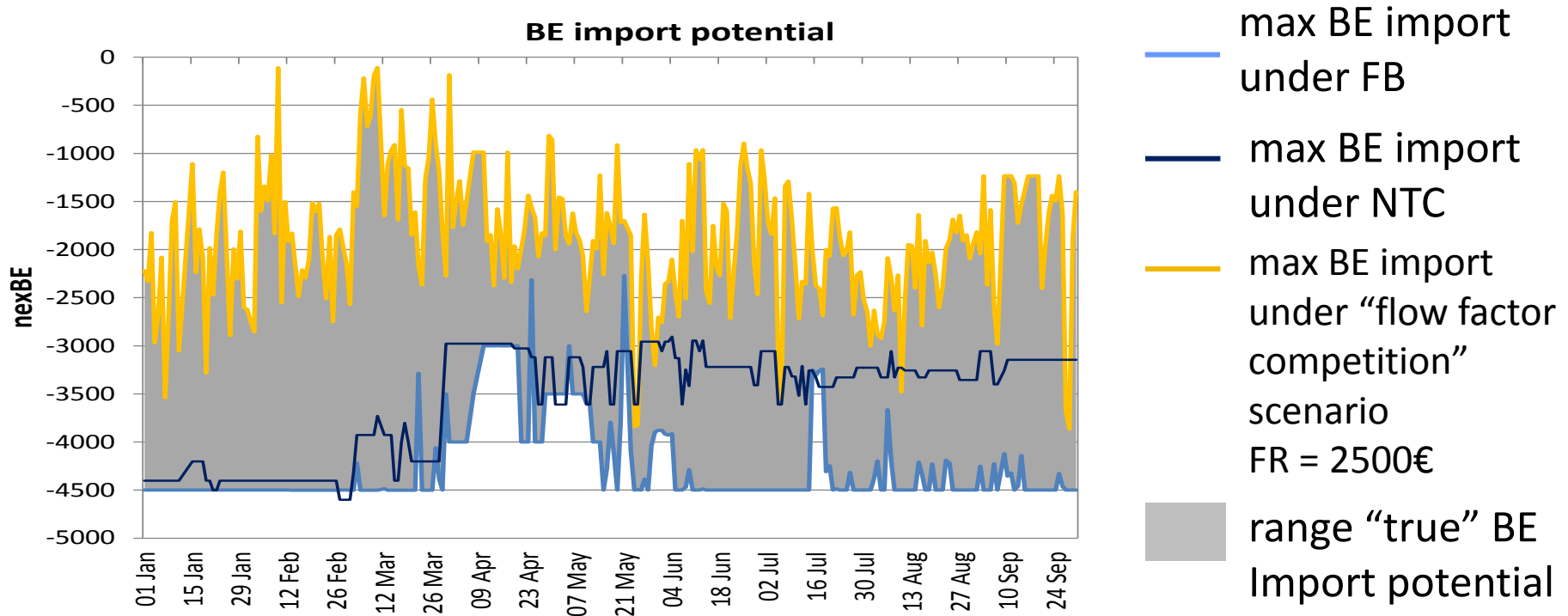
- Most frequently $FB > ATC$;
- Some time $FB = ATC$;
- Infrequently $FB < ATC$;

BE tends to be able to import more under FB than under ATC

CWE FB MC Project

Adequacy study

Range for BE import potential

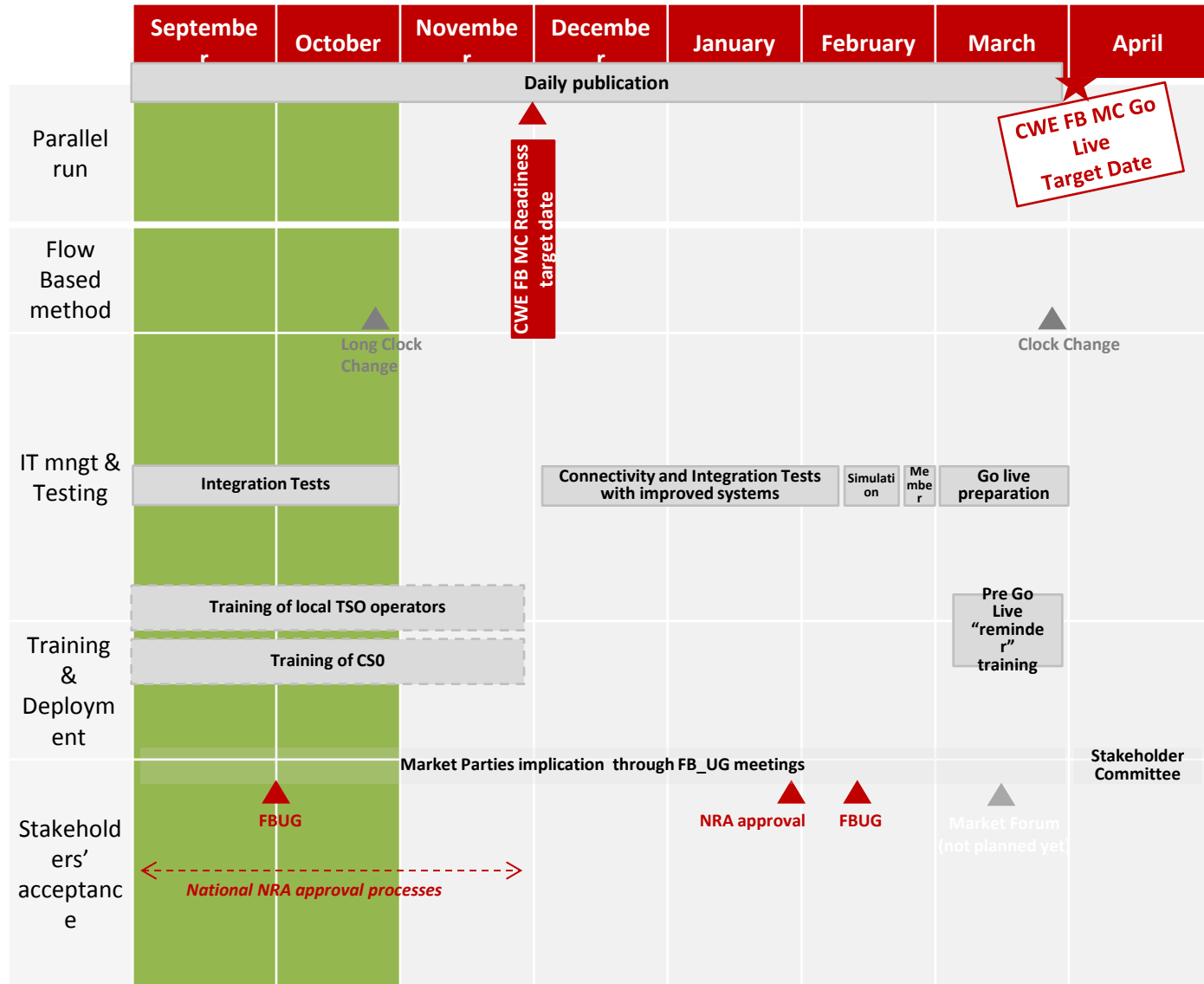


- **Factoring in “flow factor competition” under some extreme scenarios (very high prices in both BE and FR) the ability to match BE price taking orders is impacted;**
- **Caveat : FB domains of the parallel run are not representative of scarcity situations**

CWE FB MC Project

Project Planning

- The target for operational and technical readiness for normal days is maintained for end November 2014
- Project partners are progressing in the technical and operational implementation in order to meet the go-live acceptance criteria
- The NRA approval is under discussion
- A new market forum may take place in March 2015 (under discussion with NRAs)



CWE FB MC Project

Creation of Stakeholder Committee after Go Live

- ▶ AESAG and NRAs requested the project to investigate the creation of a Stakeholder Committee for after Go Live, allowing a dialogue with MPs before changing the methodology or implementing any improvements

- ▶ CWE Project partners could imagine the following organization:
 - **Participants:** CWE NRAs, TSOs, PXs, MPs having a direct interest and adequate knowledge in FB implementation. Representation via Eurelectric, EFET, IFIEC...

 - **Scope:**
 - Performance of FB
 - Presentation of potential improvements/changes in the FB methodology having an impact on the market
 - FB extensions to other regions

 - **Organization**
 - Meetings scheduled on an ad hoc basis (or on request of a majority of Participants ; minor changes and status updates may be communicated in written)
 - Publication of meeting minutes



Any questions?