

Nordic CCM SHF – meeting minutes

FINAL Version

June 14 2017, 09.00-16.30 (Copenhagen airport, Clarion hotel (former Hilton))

Participants		
CCM project <ul style="list-style-type: none">Ulrik Møller (Edk)Nils Flaten Ræder (Statnett)Heini Ruohosenmaa (Fingrid)Mårten Bergman (Svk)Martin Julander (Svk)Pieter Schavemaker (E-Bridge Consulting) - PM	<ul style="list-style-type: none">Håkon Egeland (Statkraft)Daniel Stølsbotn (Nord Pool Group)Johan Roupe (Energimarknadsinspektionen)Marja Karppinen (Nord Pool Group)Raimo Peltola (Fortum)Ole-Christian Grytten (NVE)	<ul style="list-style-type: none">Jan Kahlroth (Kraftnät Åland AB)Jan Mörn (Kraftnät Åland AB)Jonas Karlsson (Vattenfall)Søren Søndergaard (Energitilsynet)Jens Mortensen (DONG Energy)

1. Coffee (9.00 – 9.30)

2. Welcome, objective and agenda (9.30 - 9.35), Ulrik Møller (Edk)

3. Short recap of capacity calculation and FB methodology (9.35 - 10.00), Nils Flaten Ræder (Statnett)

Q: Will you use negative RAMs?

A: Like today negative NTCs are used, negative RAMs can occur in the FB capacity calculation. Negative RAMs are not used in today's simulations though: potential negative values are put to zero (which means that TSOs would take care of the potential overloads resulting from that).

Q: Can you explain a bit more on the 15% sensitivity threshold?

A: the 15% threshold applies for a so-called zone-to-zone PTDF factor: it indicates whether an exchange from any one bidding zone to another impacts the flow on a CNE with more than 15% or not. If all these individual impact factors fall below the 15% threshold value for a CNE, the TSOs do not consider this CNE to be 'significantly impacted' by cross-border trade. As such the CNE will not be provided to the NEMOs as a market constraint, and potential overload situations will be dealt with by the TSOs by means of redispatch or countertrade.

Q: Will there be overloads in FB?

A: Yes, as TSOs do not provide all grid constraints to the NEMOs to be managed by the power market. TSOs do apply redispatch today, and will need to apply redispatch under FB as well.

Q: What setup has been used in the market simulations?

A: Historical order books and capacities in the CWE, UK, Baltics, Poland, and the Nordics for the NTC market simulations (today's reference situation). For the Nordic FB market simulations, the same setup is used but the NTC capacity constraints in the Nordics are replaced by FB constraints.

4. Nordic CCM proposal and the consultation process (10.00 - 10.45), Ulrik Møller (Edk)

Q: How much time would it take to set up the CNTC? Compare the advantages of FB with the disadvantages (complexity). Not only focus on socio-economics, but on the whole Nordic power system / power market. With the current tooling at the stakeholders, CNTC is a better planning tool.

A: CACM GL states that FB is the default: TSOs are not obliged to prove that FB is better than CNTC. Irrespective of that, there is no reason to assume that CNTC can outperform FB in the Nordic situation. Therefore, the Nordic TSOs would like to focus on the FB methodology developments, and would like the stakeholders to do the same: what is needed to make FB work in the Nordic power system. With regard to the planning / long-term capacities: the GL FCA (GL on forward capacity allocation) sets the CNTC methodology to be the default for the LT capacity calculation methodology.

Q: Even before having the CGM, and the parallel run, the decision has already been taken to opt for FB in the Nordics?

A: Indeed, this decision has been taken at the time of writing the CACM...

Q: (to NRAs) what happens if you approve FB, and it turns out to be not good

A: (from NRA) CACM states: FB unless all TSOs stand up and prove that CNTC is as good or better. NRAs can and may approve conditionally: approved under the condition that FB works out properly.

Q: Will the intention, expressed by the TSOs during the June 14 Stakeholder Forum, to develop the transparency together with the stakeholders, be described in the CCM proposal documents?

A: Yes it will.

Q: If you use non-intuitive FB in the DA market, how will this work out on the ID market?

A: DA and ID market flows can be different, like today. The ID capacity will result from a dedicated ID capacity calculation. As such, there may be ID capacity available or not.

Q: Is there less capacity for the ID after FB is introduced?

A: On the contrary to today, where the ID capacity is left-over capacity, the ID will have its own dedicated capacity calculation based on dedicated CGMs.

Q: Statement: "non-intuitive flows will complexify the forward market"

A: Let's discuss this in the more detailed "transparency" discussions among TSOs and stakeholders, on what is needed for the long-term forecasting of the power market.

Q: What would happen if you are forced to use intuitive FB? The welfare gain compared to CNTC may be minimal then?

A: Yes, some part of the benefits of introducing FB are discarded then.

Q: What are the "D-2, D-1, ID CGMs" as mentioned on your indicative timeline?

A: Those are the common grid models that are expected to be available as of mid 2018, being the first versions of these models. For the DA capacity calculation, the D-2 model will be the basis. Though the foundation is created on D-2, the model will be updated to take on board the latest information for the capacity calculation. This will not yet be the case mid 2018; it will be the case at Q3 2019.

Q: What will you consult upon in the Summer 2017 consultation?

A: The legal CCM proposal.

5. Coffee (10.45 - 11.15)

6. Nordic CCM proposal and the consultation process (11.15 - 11.45), Ulrik Møller (Edk)

7. ACER recommendations and the CCM proposal (11.45 - 12.15), Ulrik Møller (Edk)

Q: ACER Recommendation, HL principle 1 should refer to redispatch and countertrade

A: Countertrade is redispatch over the border. We will add this.

Q: You, as a TSO, make the assessment DA whether to put in a CNE in the FBMC or to apply redispatch. How do you want to prove what is more efficient?

A: Prices reflecting the true physics are the most efficient by definition. Please note in this respect that CNEs under outage situations are considered to fall under the necessity 'to ensure operational security'.

Q: How may CNEs will the proposed exemption for the ACER recommendation apply for?

A: The number of CNEs varies; the exemption will focus on the main principles.

8. Status update on the Stakeholder Information Platform (12.15 - 12.30), Martin Julander (Svk)

9. Lunch (12.30 - 13.30)

10. Intermediate ID CNTC solution and DA FB (13.30 - 14.30), Heini Ruohosenmaa (Fingrid)

Q: Is it a problem if the DA market clearing point is outside the CNTC ID domain?

A: This would indicate that (at the DA planning stage; with the information available at that time), the market clearing point resulting from the DA market is not secure. This may pose some challenges for the TSOs, and have implications for the ID capacity.

Q: There seems to be a big difference between NTC and CTNC?

A: CNTC is comparable with NTC, based on commonly-agreed principles though. CNTC is more coordinated, e.g. in the sense that a CGM is used.

Q: Would it be possible to provide some low left-over capacity to allow for an early GO of the ID market?

A: In principle, the proposed intermediate ID methodology can allow for this, when we use the D-2 CGM as a basis and then assess the left-over CNTC capacity after the DA FB market clearing point.

11. Coffee break (14.30 - 15.00)

12. Questions and answers (15.00 - 16.30)

Q: Stakeholder Fora and Group meetings?

A: After the public consultation we would like to go back to the Stakeholder Group meetings (3x / year) and Stakeholder Fora (1x / year).

Q: Market participants make use of price prognosis from Bloomberg / Reuters. Shouldn't they be invited?

A: All are welcome in the Stakeholder Forum!

Q: Developments in the Baltics?

A: The Baltic TSOs are in the process of drafting their CCM proposal.

Q: CCM in CCR Hansa?

A: CCM proposal in CCR Hansa is now open for public consultation: <https://consultations.entsoe.eu/markets/capacity-calculation-region-hansa/>