Nordic CCM SHG – meeting minutes

DRAFT Version

January 29 2020, 13.00-15.00 (Web Conference)

Participants		
CCM project	**NRA**	**Other participants**
• Ulrik Møller (Energinet) • Martin Julander (Svk) • Trond Jensen (Statnett) • Ida Eriksson (Statnett) • Pieter Schavemaker (E-Bridge Consulting, PM)	• Luis Boscan (Energitilsynet) • Toril Naustvoll Gange (NVE) • Jori Säntti (EV) • Kaj Forsberg (EI) **NEMO** • Hilde Rosenblad (Nordpool)	• Jacob Hygum Olsen (Danske Commodities) • Jens Mortensen (Orsted) • Anders Sivertsgård (Norwegian energy) • Heini Ruohosenmaa (Fortum) • Rickard Björström (Vattenfall) • Håkon Egeland (Statkraft) • Magnus Thorstensson (Energiforetagen) • Petteri Haveri (Energia) • Pasi Kuokkanen (Elfi)

Text in non-italics are statements, questions or claims from the person mentioned.
Text in italics are answers or comments provided by the person mentioned, or the project.

1. Welcome and introduction: public consultation DA/ID CCM + Feb 6 SHF (13.00-13.15)

2. KPIs (13.15-14.00)

Hilde: The algorithm optimizes the pan-European welfare. You probably need to publish the overall European welfare, rather than the Nordic welfare only.
Ulrik: The CCM project will do a small note, based on this input.

Q: Håkon: You are referring to capacities (i.e. more than one) in one single KPI. Is this an average then?
A: The description per KPI clarifies how it is measured.

Q: Hilde: External parallel run will be performed at the minimum for 12 months?
A: Yes.

Q: Heini: Does the traffic light approach mean that we get only 2 valid months of results? You should be able to demonstrate the adequacy for 12 months
A: It is for sure the intention, and expectation, to have 12 months of results. Yet we need to be realistic, and realize that there are improvements needed and applied during these 12 months.

Q: Anders: According to your proposal, it is apparently good enough to have only 1 month with green traffic lights before going-live. Is one month sufficient to demonstrate robustness?
Petteri: Indeed, you may have issues in September, and cross your fingers that in Oct and Nov it works out properly; is this a realistic approach?
A: This is a trade-off between monitoring and creating comfort on the one hand while not unnecessarily blocking a go-live.

KPI01
Q: Hilde: what does the fallback mean?
A: When something happens on the TSO / RSC-side that disturbs the "happy flow" in the capacity calculation a fallback is activated, e.g. to replace TSO input data. The fallbacks will ensure that capacity is delivered without delay.

Q: Håkon: Okay to have fallbacks, but how about the quality of the result? To test the quality of a fallback, you may apply back-testing to compare what should have been the real solution compared to the fallback solution?
A: This KPI is to measure the quality of the process only. "Quality of capacity computed" is a difficult notion to get a grip on. Please do note that the fallbacks have been designed in such a way that the TSOs are comfortable to apply them, in those rare cases where it is needed.

Q: Anders: FB is in use in CWE. How often do they use fallbacks?
A: CWE is a different region with different processes and challenges.

Q: Anders: Some fallbacks are critical, while others are less critical. Can you separate them and measure?
A: We focus on the number of fallbacks rather than the flavour of the fallback.

Q: Petteri: Will you keep a transparent log on the fallbacks?
A: In the MIT (market information tool) we intend to publish whether results have been computed using fallbacks or not. This holds for the fallbacks at the coordinated / RSC level; TSO local fallbacks are not logged centrally.

Q: Magnus: What is the robustness today, i.e. higher or lower than 7%?
A: There is no coordinated, i.e. this level of formalized and automated, capacity calculation performed today; so this is not measured.

KPI02 & 03
Q: Hilde: what do you mean with a delay? 5 min or 30 minutes?
A: A delay means that it is not delivered in time. We can define this in more detail.
Hilde: With the introduction of FB, you will publish capacity at 11.00. This is one hour later than what you do today. If capacities are not in by 11.45, there will be a decoupling. By publishing at 11.00, the contingency time is much shorter. A delay longer than 10 minutes is critical.

Heini: I think that KPI03 should also be 100% to be "acceptable".

Q: Anders: Capacity: what do we mean here? We need to define what capacity means.
A: Domain in the header and capacity in the text; indeed, we need to be more crisp. In short - for the NEMOs: PTDF and RAM, for the MIT all the details.

Q: Anders: We also need to be assured that Euphemia works properly. The whole package (TSO, RSC, NEMO) needs to work.
A: Euphemia is not within the responsibility of the TSOs.
Hilde: in addition to the external parallel runs, there will be an algorithm testing before the Nordic FB can go into production.

KPI04
Q: Petteri: shouldn't we also look at the welfare over the whole period? Otherwise, you run the external parallel run for one year, and for 10 months we have negative results, and only for the last two months we have green traffic lights.
A: We may indeed measure the welfare for the whole period as well. Please note that the objective is to identify / filter out potential errors in the FB calculation, we should not improve / test the current NTC methodology. Indeed, the current capacity calculation cannot continue.

Q: Heini: Pan-European welfare is important, and also the welfare over the whole period. In addition to that: a welfare gain may only be a small benefit compared to the total: we need to see the gain as a percentage of the overall welfare.
A: Pan-European welfare is the one computed and published. We should be aware that the current capacity calculation cannot continue.
Heini: The benefits need to be demonstrated (as stated in the approved CCM). If this is not possible, further development is needed.
A: Indeed, socio-economic welfare loss would be a cause for concerns (yellow traffic light) and a reason to further investigate it.

Q: Anders: You only have yellow traffic lights tagged to this KPI, and no red?
A: A yellow traffic light indicates that there is a concern that requires a look into the results. In essence, it is debatable whether this should be a KPI (from a legislation point of view).
Heini: In the approved CCM, you need to show the reliability and benefits of FB.

KPI suggested by Vattenfall
Rickard: FB should reflect the physical reality better. The KPI tries to capture this.
It is not possible to measure this KPI, as the physical flow during the external parallel run period results from the current NTC market coupling (and not the FB).

3. Non-intuitivity (14.00-14.15)

Luis (DUR): Update on the decision made by ACER on the algorithm methodology.
The ACER decision, that was subject to voting in the last meeting of the BoR on Jan 23, removed the possibility to have the allocation constraint that suppresses counter-intuitive flows - aka the intuitive patch – applied in the algorithm. ACER deems that application of the patch deteriorates the algorithm performance, without providing advantages. In short: the ACER decision removes the possibility to have the intuitive path applied on a regional level.
The final decision will be published in a few days.

Hilde: Intention from ACER was to relax the algorithm and thereby to facilitate the legally-required implementation projects like FB and 15 min time resolution.

Q: Rickard: So there is no possibility to start FB with an intuitive patch. In the Core region they will not be able to apply the intuitive patch either?
A: Luis: Correct; that is also our understanding.

Q: Rickard: When in time will CWE lose its right to apply the non-intuitive patch?
A: Luis: This is not clear.

Q: Håkon: 15 min and FB. When you go-live in 2021 we have one-hour MTUs. Shortly after we will have a 15 min resolution. Can you imagine a situation where the FB and 15 min cannot go live both, as NRAs can ask for a derogation?
A: Luis: No further comments.

4. AOB (14.15-14.30)

Comments to the KPIs are welcomed by Feb 14 at the latest.
This will serve as an input for amending the KPIs.

Q: Hilde: I sent input to the KPI document. It may not be KPIs, but at least interesting data for the market to see. Maybe you can publish those numbers during the external parallel?
A: This depends on the implementation project and what they can manage; it is hard to make any promises on this.

The presentation has been uploaded on the RSC website: https://nordic-rsc.net/wp-content/uploads/2020/01/01292020-Nordic-CCM-SHG_V1.pdf