



3. TSO reflection and next steps (09:40 – 10:20 CET)

Nordic CCM Stakeholder Meeting
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NRA's communication regarding the TSOs' June 2023 EPR report

The NRA's communication in full text is available at the NordREG website:
<http://www.nordicenergyregulators.org/2023/07/nra-communication-regarding-the-tsos-june-2023-epr-report/>

General conclusion

“The Nordic NRAs find that the Nordic TSOs in the external parallel runs (EPR) report have demonstrated that the flow-based (FB) capacity calculation works sufficient in operational terms, given the current state of development. However, the Nordic NRAs conclude that there are still open issues beyond the key performance indicators (KPIs), and the Nordic NRAs request the TSOs to investigate and elaborate on those issues in more details during the upcoming 6-months of EPRs.”



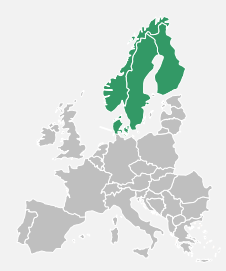
First reflections 1/5

NRA communication	REGWG reflection
<p>“In order to ensure a successful implementation and further improve the understanding of the methodology, the Nordic NRAs note that the TSOs should provide clear communication and full transparency on the results of the EPRs.”</p>	<ul style="list-style-type: none">• Bi-weekly stakeholder meetings on EPR results have been initiated in the meantime
<p>“Nordic NRAs note that there are still many questions from the stakeholders, which have not yet been fully answered. The Nordic NRAs emphasize the importance for the TSOs to follow up on all stakeholders’ FB related questions and remarks.”</p>	<ul style="list-style-type: none">• All questions received by email have been answered and published on the NRCC website: https://nordic-rcc.net/flow-based/questions-answers/• The bi-weekly SH meetings help to address part of the questions• TSOs are looking into some of the questions / issues raised during the public consultation, that TSOs could not fully / in detail answer in the time available.



First reflections 2/5

NRA communication	REGWG reflection
<p>“The level of impact the change from NTC to the FB methodology seems to have on final consumers’ electricity bills further imply that the TSOs must continue to be cautious and examine all details in the months to come.”</p>	<ul style="list-style-type: none">• We will continue to publish the data as currently, and the market reports• This allows NRAs and stakeholders to perform all the analyses deemed relevant from their point of view
<p>“What results relate to the TSOs’ current NTC practice and what relate to the features of the new methodology? This issue applies to the ATCE results in the intraday market as well as to the FB results in the day ahead.”</p>	<ul style="list-style-type: none">• The Operational learning document (Operational Learning Points.docx) covers, and will cover, the operational learnings during the whole EPR, and is expected to address this point of the NRAs• The document is published on the NRCC website since June 30: https://nordic-rcc.net/wp-content/uploads/2023/06/Operational-learning-points.pdf



First reflections 3/5

NRA communication	REGWG reflection
<p>“Hours of particular interest should be highlighted, and the results explained in light of specific conditions within the operational hour, where relevant.”</p>	<ul style="list-style-type: none">• TSOs will continue to zoom into certain outstanding (hours /) days / events.• Please note: hourly results are impacted by the other hours of the day, due to e.g., block bids and ramping constraints
<p>“In order to provide increased understanding of the comparison of welfare during the EPRs, the TSOs should elaborate on their costs of countertrading or redispatching, which they have incurred by the current NTC practice, and which would not apply to the new methodology.”</p>	<ul style="list-style-type: none">• Please note: redispatch and countertrade is triggered by the physical reality resulting from DA, ID, and actions taken on the BT<ul style="list-style-type: none">• Isolation of costs linked to the DA timeframe only is difficult• Incurred costs only exist for NTC• The part “which would not apply to the new methodology” is impossible to answer – and one would need to assume this to be zero• Under discussion with NRAs



First reflections 4/5

NRA communication	REGWG reflection
<p>“TSOs should clarify to what extent the EPR results relate to issues in the concrete modelling of FB or of ATCE.”</p>	<ul style="list-style-type: none">• The Operational learning document (Operational Learning Points.docx) covers, and will cover, the operational learnings during the whole EPR, and is expected to address this point of the NRAs• The document is published on the NRCC website since June 30: https://nordic-rcc.net/wp-content/uploads/2023/06/Operational-learning-points.pdf
<p>“NRAs have noted concerns from the stakeholders regarding the handling of the ATCE capacities at go live on some borders given non-intuitive flows in DA. More clarification is needed by complementing the EPR results with additional analysis that looks specifically at these concerns.”</p>	<ul style="list-style-type: none">• Clarified with NRAs: This is a request to share more information on the ATCE• Work is ongoing in the ID Validation TF to review the ATCE results and methodology → see a later slide for more information



First reflections 5/5

NRA communication	REGWG reflection
<p>“NRAs’ foresee that SvK will see to that their practice on publication of CNEs will be compatible with art. 25(5) in the CCM.”</p>	<ul style="list-style-type: none">• Svk and Ei deliberated on the topic following the decision by ACER on the Nordic LT CCM and came to an understanding on how to manage the provisions in the LT CCM.
<p>“Furthermore, the Nordic NRAs request the TSOs to extensively communicate the progress to the Nordic NRAs and the stakeholders during the upcoming months of EPRs, both via regular stakeholder seminars and in meetings with the Nordic NRAs.”</p>	<ul style="list-style-type: none">• Bi-weekly stakeholder meetings on EPR results have been initiated in the meantime



ATCE

- Work is ongoing in the ID Validation (IDV) TF to review the ATCE results and methodology
 - IDV is working on the evaluation of the ID results – triggered by concerns of the TSO operators - and the parameters of the ATCE methodology
 - Currently a PTDF relaxation (5%) is applied, when translating the DA left-over FB capacity into ATC capacities. This way of relaxing the FB domain may lead to a situation that is hard to manage in operations.
- Please note (Art 20(3) of the DA/ID CCM):
 - *Two months before the application of this transitional solution, the Nordic TSOs shall publish the exact values and parameters of the functions f , g and h , including their description, purpose and effect. During the development process of the functions f , g and h , Nordic regulatory authorities and stakeholders will be informed, and they may provide comments duly to be taken into account in development work.*



ID and arbitrage

Please note that arbitrage on the ID timeframe can occur, irrespective of the ATCE parametrization: based on the latest information in the most recent CGMs, capacity may be released that was not available before.

