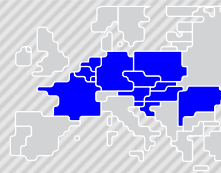


3. Forward

How are the bilateral historical commitments on [...] DE-AT borders* reflected in the LT Capacity Calculation Methodologies

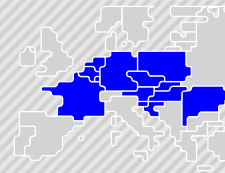
- **Note: other legal, regulatory or operational agreements are in place on internal or external Core borders: SI -> HR, NL <-> DE together with NL <-> BE, FR <-> CH, DE <-> CH**
- **NRAs' position 03/03:**
 - *The long-term capacity calculation methodology and the splitting rules methodology shall be the only means of determining the capacity that is offered in the long-term allocations.*
 - *The FCA Guideline does not foresee any other uni-, bi- or n-laterally politically, regulatory or technically defined and agreed measures or arrangements related to transmission, generation, trade of energy or other areas that could impact or change the outcome of these methodologies. Therefore, in principal it is not foreseen to deviate from the outcome of these methodologies.*
- **IG meeting 25/05 - on the discontinuation of the agreements once the Core LT CCM is implemented:**
 - *Although Core NRAs have expressed their clear position in the respective message to Core TSOs, some parties express the concerns that the discontinuation of governmental agreements may be difficult.*
 - *It is concluded that all agreements have to be discontinued as soon as possible, but if some political, regulatory or operational agreements would last for a limited time period behind Go-live date of Core FB CCM, they shall have no material effect on the capacities as resulting from the implemented DA or LT CCM.*
- **NRAs also stated in their position on 03/03:**
 - *Core NRAs are of the opinion that fair, transparent and efficient coordinated capacity calculation, based on an established common grid model gathering all the necessary data for the capacity calculation consequentially has to result in provision of capacities similar to the values which have been applicable in the market up to today.*
 - *Despite many discussions, this statement remains difficult to interpret in the light of the discontinuation of the historical agreements (some of which including redispatching agreement to secure current capacities)*



3. Forward

General update

- **FCA: long term capacity calculation methodology (Art. 10)**
 - Context: in August 2019, Core TSOs fail to agree by QMV on the methodology. The draft methodology has been escalated to ACER/EC, and EC is to take the “appropriate steps”
 - An interim experimentation report has been delivered in January regarding the draft methodology (with variants)
 - Based on the interim results, Core NRAs required Core TSOs to stop experimentations and to consider instead alternative approaches (statistical CNTC approach vs. scenario-based or statistical approach each using a flow-based allocation)
 - ACER made a proposal for a way forward, with scenario-based CNTC as transitional approach and flow-based as target model. An updated high level proposal has been sent by TSOs and will be discussed with NRAs on 19th June
- **FCA: splitting rules (Art. 16)**
 - A methodology was proposed by TSOs, of which the core feature is a 80%-20% split between yearly and monthly timeframe
 - NRAs requested a technical amendment to have a review of the methodology 6 months after approval of LT CCM and 2 years after implementation of the splitting rules
 - TSOs complied with the request and submitted an amendment on May 14th
- **FCA: regional design of long-term transmission rights (Art. 31)**
 - Core TSOs submitted a third amendment on February 20th
 - FTR options will be implemented on all borders except SI-HR



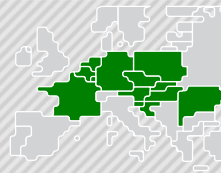
6. CACM

Implementation

- Core **flow-based day-ahead capacity calculation methodology**: successful start of the internal // run on February 19th, in line with the planning established last summer.
 - An industrialised Core Capacity Calculation tool (CCCT) is in place less than one year after ACER decision on Core CCM was taken. Some workarounds are in place and few bugs are found, but the Go-live window (May – September 2021) is not affected.
 - All TSOs develop their local tooling to interact with CCCT. The developments of the tools to support the individual validation are especially challenging considering the new CEP context with 70% / action plan / derogation.
 - Core TSOs also prepare the required tooling for post-coupling, in particular related to **congestion income distribution methodology** (considering also that the legal framework is in the course of approval with ACER – Art. 61 FCA).
 - A way to consider the inclusion of Switzerland (and other third countries) in capacity calculation is being discussed at EU level and within Core.
 - A workshop was organized with NRAs on 22nd January to discuss the interpretation of a series of technical requirements. An amendment of the Core CCM is being discussed. Market parties will be further informed about the amendment content and planning during an upcoming CCG call. The consultation is planned to take place in July.
- Core **flow-based intraday capacity calculation methodology**: project is being initiated in order to establish a project planning.

Experimentations and development of methodologies

- **Redispatching and countertrading regional optimisation and related cost sharing methodologies (SOGL Art. 76, CACM Art. 35 and 74)**
 - NRAs referred the CACM proposals (submitted in March 2019) to ACER at the end of March 2020
 - An experimentation report (covering 10 timestamps) has been delivered mid-March to NRAs. The experimentation reports illustrates the effect of different scenarios for cost sharing
 - Further, the experimentations with prototype tooling illustrates the complexity of the related methodologies. Some need for further methodological developments were also identified (e.g. mapping)



Reminder FB DA MC milestones

- TSOs CC concept operational readiness (CCC set up - external milestone) → November 2020
- Launch EXT // run → November 2020
- Core Joint MC testing → October 2020 until April 2021
- Proposed period for common EU wide SDAC simulation test → February 2021 and March 2021
- Earliest date TSOs and NEMOs operational readiness for Market Coupling Go-Live → End of May 2021
- **MC Go-Live window → End May 2021 – September 2021**

Progress and developments

- Agreed that the approach will be Flow-Based Plain
- Opened a JAO Q&A forum for Market Participants: <http://coreforum.my-ems.net/>

Core CG mailing list

- Registration for Core CG mailing list can be done via: CoreCG@magnus.nl
- Communication about the Core FB MC project will be done via this mailing list

One more Core Consultative Group meeting is foreseen in 2020, plus one additional

- June 24th, conference call
 - LTA inclusion
 - Transparency update
- October 7th, Vienna
 - Overall Core CCR project status update
 - Core MC EXT //run and member testing