

6.3 Update on SDAC

MESC meeting

Brussels, 17th June 2020

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Agenda

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| 1 | Completion of SDAC: roadmap 2020 | 10 min. |
| 2 | Partial decoupling 4th February & training market participants | 10 min. |
| 3 | 15 min MTU implementation - status update | 10 min. |

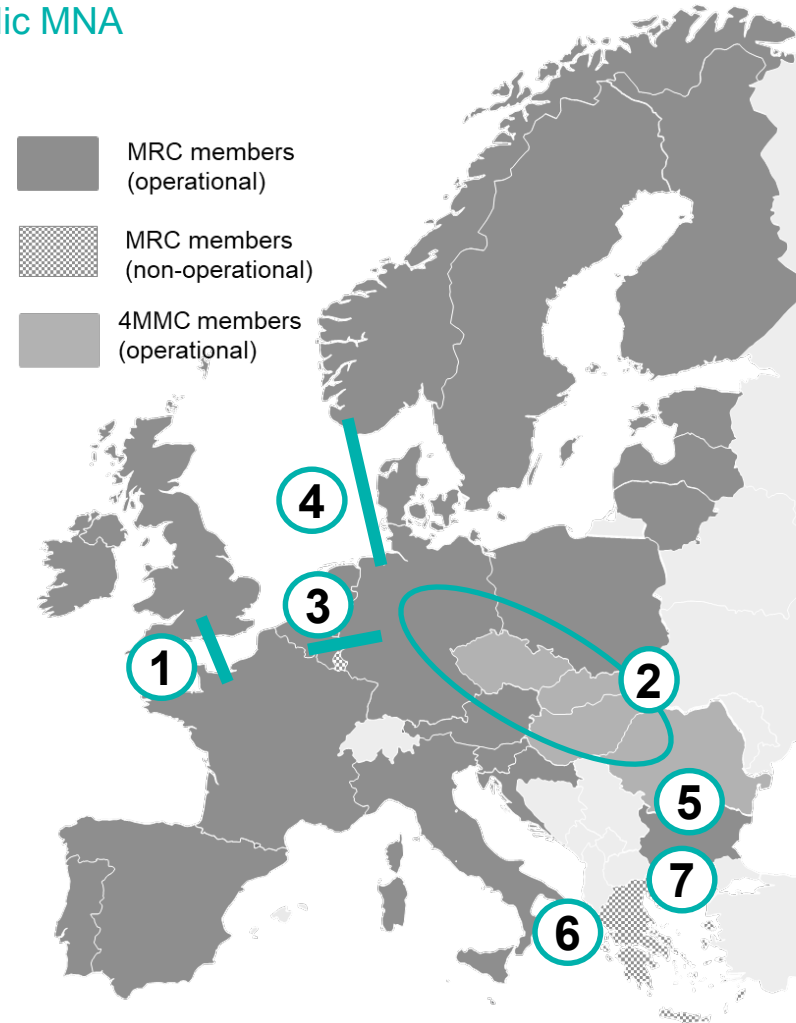
Completion of SDAC: roadmap

Focus extensions

- 1 IFA 2 cable (France – Great Britain)**
 - Go-live window: Q3 2020
- 2 Interim Coupling Project (DE-AT-PL-4M)**
 - Go-live window: Q3 2020 (under re-assessment)
- 3 ALEGrO cable (Belgium – Germany)**
 - Go-live window: Q4 2020
- 4 NordLink cable (Norway – Germany)**
 - Go-live window: Q4 2020
- 5 Bulgarian – Romanian MC Project**
 - Precondition: successful delivery of the Interim Coupling Project
 - Go-live window: December 2020
- 6 Greek – Italian MC Project**
 - Go-live window: Q4 2020
- 7 Greek – Bulgarian MC Project**
 - Precondition: successful delivery of the Greek-Italian MC Project
 - Go-live window: Q1 2021



Achieved milestone since last MESC:
03/06 successful implementation of Nordic MNA

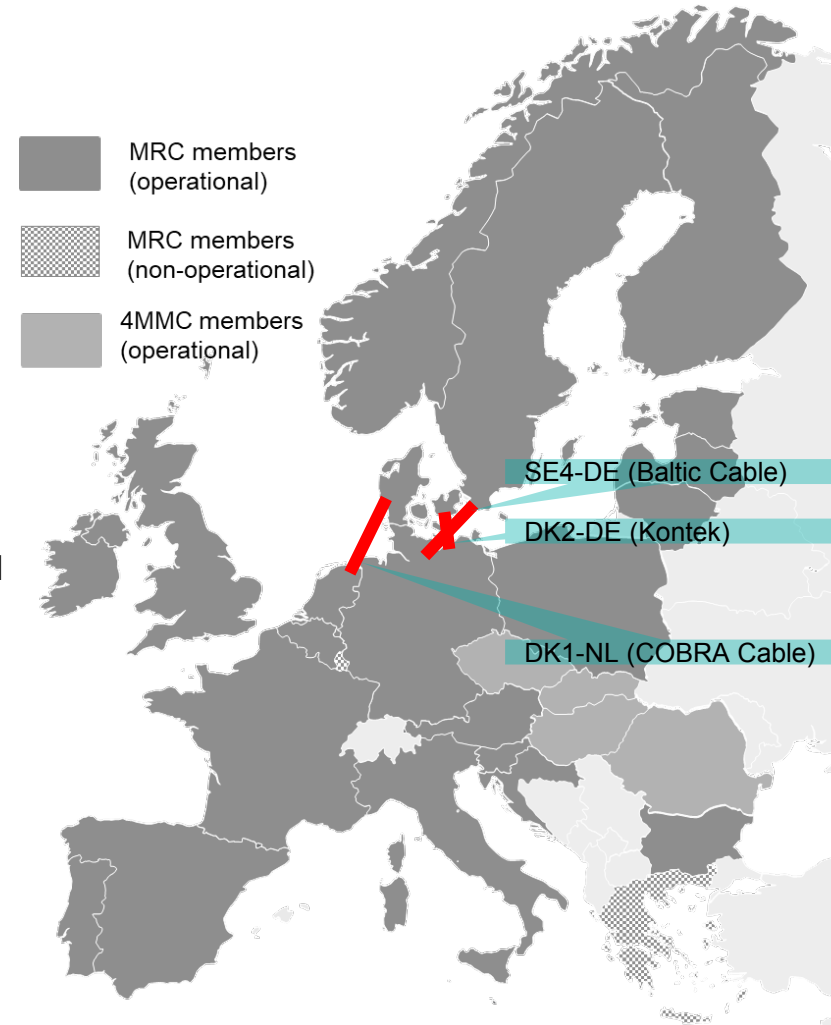


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Partial decoupling 4th February

- 04/02/2020 a partial decoupling took place of EMCO in CWE.
- Root cause: an issue in EMCO's Local Trading System prevented the processing of an order, which made it impossible to successfully aggregate the purchase and sales curves. This led to issued for EMCO for submitting the aggregated order book to the central market coupling process.
- Consequences for the SDAC Market Coupling
 - Shadow auctions were triggered on borders shown on the right (except Baltic Cable: capacity back to owner).
 - Due to confusion, shadow auctions were triggered for IFA1 and as soon as this was realized the auction was cancelled.
 - Several order books of the remaining coupled areas were reopened after the partial decoupling and everything went well. For EMCO CWE (decoupled area), the local auctions were cancelled due to the persisting technical issue with the local trading system.
- Incident report: published 20/03 see [ENTSO-E](#) or [NEMO Committee](#) webpages
- Preliminary findings: All SDAC procedures were followed and processes worked as expected apart from the confusion related to triggering IFA1 auctions.



Training market participants

Background

- 07/06/2019 and 04/02/2020, partial decoupling incidents took place that impacted the SDAC market coupling.
- Although there are procedures in place to manage incidents, the handling of these two incidents did not go smoothly.
- Training of operators from TSOs, NEMOs, shadow auctions-involved parties, and market participants is needed.
- Representatives of EFET and Eurelectric have explicitly shared their expectations for these trainings.

Clarification between Representatives of EFET, Eurelectric, and SDAC

- Coordinating training is limited to DA (inclusion of other ID will be very challenging to organize).
- Information package ideally contains among others: Changes in the market; Mechanisms available to manage incidents; Elaboration of what MNA implementations mean for Market Participants, especially for (part.) decouplings.
- There is a difference between testing (which is focused on systems and procedures) and training (which is focused on operators and their knowledge).

Process for organizing training session with market participants (elements in green=work in progress)

- 05/03: TSOs, NEMOs and JAO confirmation that they can facilitate joint training in a “realistic manner”
- June: Detailing of the exact training session
 - Agreement on exact goal, dates, scenarios including post-coupling
 - Information package for market participants (among others addressing the above)
- 26/06: Invitation
- 01-16/09: Establishment of connectivity
- 30/09: Execution of the training session
- 09/10: Reporting

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15 min MTU implementation

Two design options exist: **BigBang** and **Stepwise** approach

Topic	BigBang	Stepwise
Implementation approach	15' MTU is introduced everywhere simultaneously, but can only start once ISP is 15' min in all countries	Gradual implementation 15'/30' MTU
Timeline	Not possible before 15' ISP in all countries	Implementation can start before 2025
Algorithm Performance	Very negative (first diagnosis: no solution could be found within 1 hour for several sessions)	Very negative (expected, no prototype existing), potentially worse than in "BigBang" approach due to need of cross-matching.
Project management	One single big project, with a joint EU-wide focus. Multiple parties involved & inter-dependency is a challenge to have a joint go-live	"Waves" or "small bangs" Gradual introduction with smaller scopes is more manageable but is to be planned over a long 4 years period with multiple significant projects, incl. inter project dependencies.
Design	Current version of Euphemia can be used if no product cross-matching is foreseen (using 96-period sessions)	More challenging, requires implementation of product and network cross-matching (capability to define networks constraints under different time units), currently not existing

Assessment performed on the additional complexities of the Stepwise approach compared to the BigBang implementation

15 min MTU implementation in SDAC

Challenges

- Algorithm performance is impacted in both designs
- Concurrent implementation of many other changes takes place in the SDAC market coupling process
- Heterogenous Imbalance Settlement Period (ISP) introduction across the EU affects design options and timeline
- Many stakeholders with their specificities and corresponding systems are involved

Actions performed

- Design assessment (BigBang vs. Stepwise approach) has been performed by TSOs & NEMOs in Q1 2020
- Based on technical assessment, implementation of the 15 min MTU in Europe via a Big-Bang solution seems to be more advantageous // Higher impact in case of Stepwise compared to Big-Bang approach
- Deadline of 2021 for 15 min MTU in SDAC is not realistic. High-level estimate of an achievable project timeline for Stepwise introduction ongoing

Next steps

- Performance analysis and development of algorithm continues
- Decision on which design to implement is still open