

MESC

Input SDAC

Conference call, 23 September 2020

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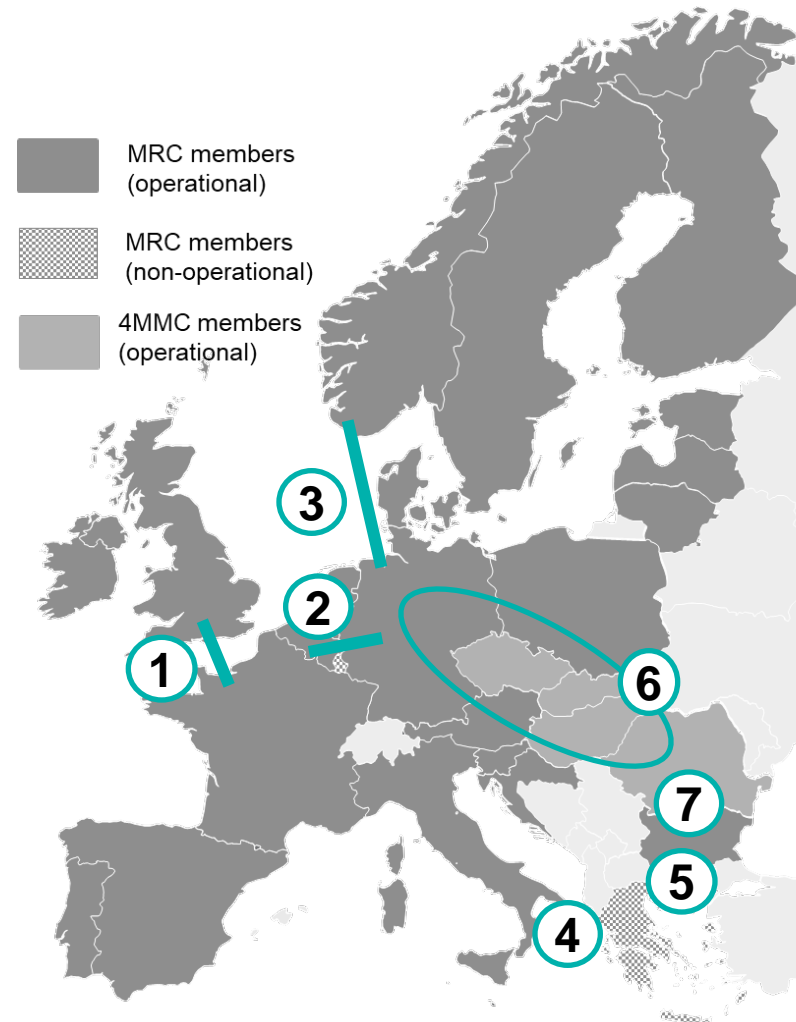
SDAC Co-chairs

Agenda

- 1 SDAC extensions**
 - 1.1 Update on Interim Coupling project (DE-AT-PL-4M MC)**
 - 1.2 Update on Nordic FB project**
 - 1.3 Update on CORE FB DA MC project**
- 2 Joint training with market participants**
- 3 Update on 15 min MTU implementation**

SDAC roadmap – extension of market coupling

- 1 IFA 2 cable (France – Great Britain)**
 - Commercial go-live window: mid October
- 2 ALEGrO cable (Belgium – Germany)**
 - Technical go-live: 03/11/2020
 - Commercial go-live: mid of November
- 3 NordLink cable (Norway – Germany)**
 - Technical go-live: mid of November
 - Commercial go-live: beginning December
- 4 Greek – Italian MC Project**
 - Go-live window: early December 2020
- 5 Greek – Bulgarian MC Project**
 - Precondition: successful delivery of the Greek-Italian MC Project
 - Go-live window: Q1 2021
- 6 Interim Coupling Project (DE-AT-PL-4M)**
 - Go-live window: under re-assessment*
- 7 Bulgarian – Romanian MC Project**
 - Precondition: successful delivery of the Interim Coupling Project
 - Go-live window: under re-assessment*



*The project timeline is under revision and written guidance of the EC on the continuation of the Interim Coupling project is expected at the latest until the end of September.

Consequence of Brexit

- On 09.07.2020 the EC published a communication concerning the readiness at the end of the transition period between the EU and the UK following Brexit.
- Concerning „Energy“ the following is noted:

*“As of 1 January 2021, although electricity and gas interconnectors can of course still be used, **the United Kingdom will no longer participate in the Union’s dedicated platforms.** Alternative fall-back solutions will be used instead to trade electricity on interconnectors with Great Britain²⁴. These should allow electricity trade to continue, although not with the same level of efficiency as within the Single Market today.*

²⁴ This does not apply to the electricity interconnectors between Northern Ireland and Ireland, given that under Article 9 of the Withdrawal Agreement, Northern Ireland will continue to participate in the Integrated Single Electricity Market across the island of Ireland.”

➤ Consequence is that as of 01/01/2021*

- The bidding zones GB 1 and GB 2 and all lines connected to these (i.e. IFA, Nemo Link, BritNed, etc.) will be removed from the SDAC market coupling.
- SEM bidding zone, which encompasses the island of Ireland, will operate in isolated mode.

* Exact date end 2020 under discussion – if feasible, change shall not be introduced on 31/12/2020 but few days earlier

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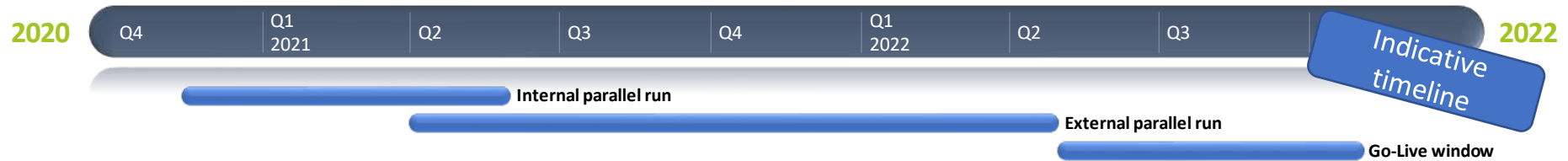
Parties involved in the project (TSOs-NEMOs)				
TSOs: 50Hertz, APG, CEPS, MAVIR, PSE, SEPS, TenneT, Transelectrica NEMOs: EMCO, EPEX, EXAA, HUPX, OKTE, OPCOM, OTE, TGE SPOC: Bianka Szirják (MAVIR)				Disclaimer: the project timeline is under revision and written guidance of the EC on the continuation of the project is expected at the latest until the end of September.
Main Milestones of the project				Description of progress of the project
Name	Status on 11/09/2020		Deadline	
Design phase	High-level Market Design has been finalized on 11/02/2019 and approved by the respective NRAs on 22/05/2019.			The DE-AT-PL-4M NTC Market Coupling project has been initiated on the request of the concerned NRAs on 21/12/18, as an interim step until the go-live of the Core FB MC project. The design phase of the project has been finalized. Implementation of the joint TSO system is progressing according to plan (testing environment already completed). Elaboration of the regional joint procedures, as well as the necessary contractual framework is on-going. Necessary discussions with JAO and work on the related agreements regarding shadow auctions, Congestion Income Distribution and data publication are on-going.
Development phase	Local IT development is completed by most of the parties, while some parties have identified delays. None of the CWE NEMOs is ready to start testing according to plan, some other parties also reported delays. Implementation of the IT development of the joint TSO system is progressing according to plan.		<i>Under review</i>	The joint testing phase of the project has started with Pre-FIT (connectivity) testing on 14/04/20. EPEX, EMCO and EXAA local IT systems were not ready on time, therefore they were not able to complete Pre-FIT testing according to the original planning (HUPX is not ready either due to dependency on EPEX readiness). Pre-FIT tests were completed with those project parties who are ready with local implementation. Due to the inability of some parties to accomplish the Pre-FIT phase, the timeline of the following test phases and go-live window has to be re-evaluated.
Contracting phase	Necessary contractual framework has been identified, drafting of contracts is almost finalized.		<i>Under review</i>	As a result of the delay in project implementation activities, the project will not be able to go live in September 2020, but several months of delay are expected.
Testing phase	The first testing phase (Pre-FIT/connectivity tests) was completed with those parties who have completed their local developments. The following testing phases are expected to include approx. 2,5 months of integration testing between project parties (functional and procedural tests), followed by 2 weeks of joint testing with SDAC, 2 weeks of Member Tests with market participants and 2 weeks for Acceptance Testing.		<i>Under review</i>	During July and August 2020 discussions took place with NRAs and the European Commission on the next steps for the project. The NRAs have requested the European Commission to provide guidance on the continuation of the project. Such guidance from the Commission is expected to be received in the upcoming weeks. Market participants will be informed about the next steps as soon as possible.
Expected Go live Date	The go-live window (originally planned for September 2020) is currently under revision, at the moment there is no confirmed go-live window for the project.		<i>Under review</i>	

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Status Nordic FB Implementation - Sept. 2020



- *The Nordic DA/ID CCM, being a FB capacity calculation, is being implemented at the Nordic RSC*
- *The pressure on the IT implementation and datamodel quality improvements is increasing, and the timeline communicated earlier is no longer feasible*
- *Indeed, in order to guarantee the quality level foreseen, the external parallel run is not expected to start before April 2021*



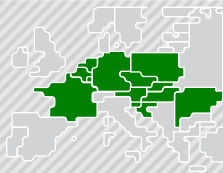
Nordic FB Implementation Challenges

- *Nordic CCM requires that FB is running alongside NTC for at least 12 months. This is by quite a few stakeholders interpreted to be running with the same day data as the production NTC.*
- *Nordic NRAs have agreed to start Nordic External Parallel Run on the Simulation Facility with the condition the grace period* should be as short as possible. The final period of the External Parallel Run must be done with a production set up.*
- *In addition, Nordic CCM KPI requires the MC to run without incidents for 2 months in a full production setup with same day data as NTC before Nordic FB can go-live - no such setup exists today and this needs to be investigated further*
- *IT wise, Nordic CCR is struggling with producing Nordic CGMs on a regular basis and the investigation and resolving of defects requires even more effort than originally anticipated - thus the Internal Parallel run is delayed with a follow on effect on the start of the External Parallel run.*

** Time between day D and when results of the parallel will be made available.*

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Project update

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**
 - Note: discussions are ongoing about the dependencies between Core FB MC and ICP go-lives

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

- October 7th, conference call
 - Overall Core CCR project status update
 - Core MC EXT //run

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1) Background & Goal

SDAC Operations

- Since the Go-Live of Multi Regional Coupling (MRC, i.e. the predecessor of SDAC) in 2014, almost 2400 successful market coupling sessions have been realized.
- Due to more and more countries and borders becoming part of SDAC, the complexity of operations is increasing. This is reflected in the increasing number of parties, systems and regional sets of procedures involved.
- In the last 15 months, 2 major incidents have happened that led to a partial decoupling of the SDAC Market. More specifically, the incident of 07/06/2019 led to a decoupling of CWE and the incident of 04/02/2020 led to a decoupling of one of the NEMOs in CWE.
- As part of the evaluation of these two incidents, a recommendation was made to perform training sessions involving all operational parties (TSOs, NEMOs, CCPs, Shadow Auction entities, etc.) including Market participants.
- In addition, EFET & EURELECTRIC on behalf of the Market Participants have requested for a realistic decoupling training session.
- Besides this training with Market Participants, SDAC have established a joint expert group that is looking into each process before 15:30 CET for improvements. Expectation is to present at December's MESC the outcome of the investigation.

Goal

This training session is organized to give all parties involved in a possible Day Ahead market decoupling the opportunity to validate that they are properly prepared to handle such an incident in real operations and real-life conditions.

2) Date and timeslot

Date

- 30/09/2020

Timeslot

- 13:00-17:00 CEST

3) Scenario: Full decoupling

How it will be simulated

- A full decoupling due to issues with the central calculation process will be simulated. This means that no MRC market coupling results will be available, but local auctions/regional coupling will be triggered depending on the specific region. For your convenience, the session will take place outside of the usual MRC timings in order not to interfere with ongoing operations.
- The TSOs, NEMOs, and JAO (Joint Allocation Office) will handle the situation in line with operational procedures, especially shadow auctions will be run by JAO and local auctions by the NEMOs after the Full Decoupling. Market participants are expected to respond and act, based on the operational messages from their respective NEMOs and JAO, exactly like in real operations. The complete process chain will be addressed (incl. nomination and matching).

Please note

- The entire training session will take place in a simulation environment.
- All operational messages from involved parties will be clearly marked as "SIMULATON" messages.
- Please make sure that in any case, if you are participating or not, your staff present on 30/09 will be aware that this test is scheduled and that messages related to it are sent out. This is important to prevent any type of misunderstanding that could impact the processes in production.

4) Next steps

The following next steps can be expected

- 16/09: Distribution of detailed information package to the Market Participants
- 30/09: Execution of the full decoupling training session
- 09/10: Reporting that addresses the following questions:
 - What went well?
 - What needs more attention?
 - Frequency of further training sessions?
 - Ideas for the future?

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15 min MTU implementation in SDAC

Guidance from NRAs on Stepwise design

- NRAs provided guidance to SDAC to proceed with the Stepwise design for the 15 min MTU implementation
- This should include the development of the cross-border & product matching functionality for the day-ahead auction timeframe

Relevant impact for Market parties:

- The 15 min MTU implementation in SDAC will follow the derogation timeline of the 15 ISP implementation across Europe until 2025. Meaning that multiple MTU (15min/30min/60min) within SDAC can exist in the interim phase
- Implementation of 15 min MTU in SDAC is expected by 2024 earliest

Started and foreseen activities within SDAC

- 15 min implementation project set-up under SDAC Steering Committee
- Algorithm implementation started/continued
- Alignments with SIDC will be foreseen

