

MESC

Input SDAC

Conference call, 14 December 2020

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SDAC Co-chairs

Agenda

- 1 SDAC extensions**
- 2 Feedback on decoupling training session with market participants**
- 3 Update on 15 min MTU implementation**

SDAC roadmap – extension of market coupling

① **ALEGrO cable** (Belgium – Germany) 
 • Commercial go-live: 17/11/2020 with delivery day 18/11

② **NordLink cable** (Norway – Germany) 
 • Commercial go-live: 08/12/2020 with delivery day 09/12

↓
 PLANNED


③ **IFA 2 cable** (France – Great Britain)
 • Commercial go-live: mid December

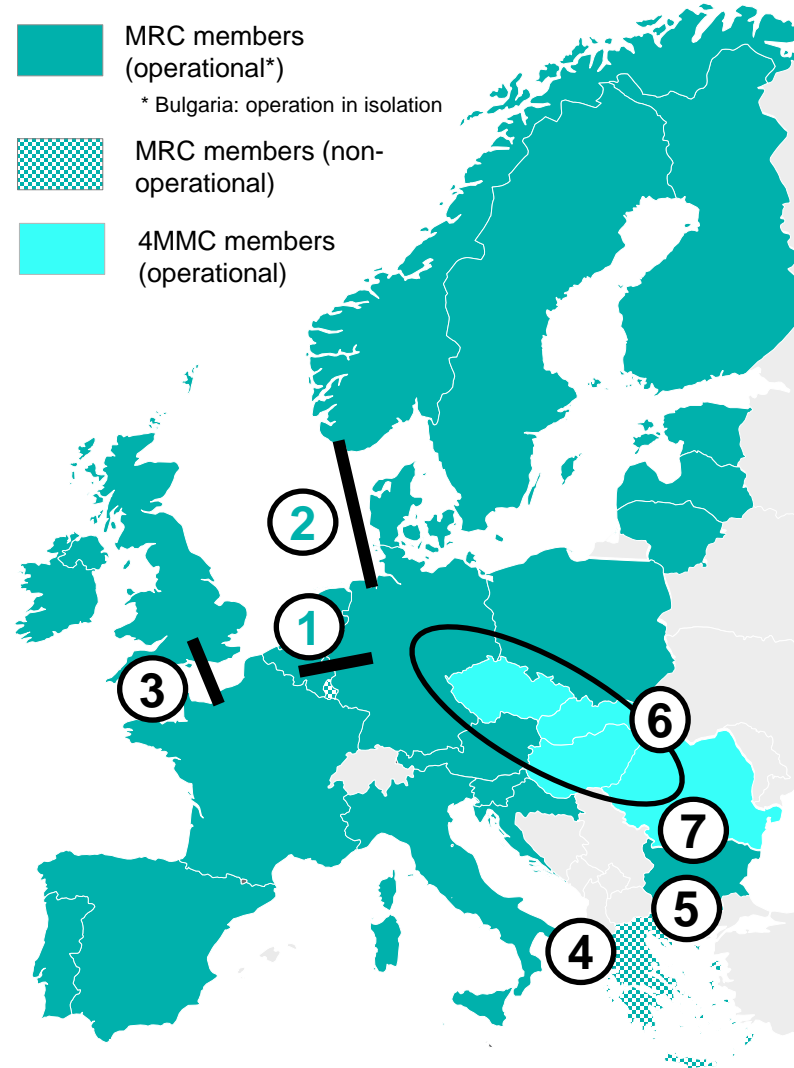
④ **Greek – Italian MC Project**
 • Go-live: 15/12/2020 with delivery day 16/12

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: May 2021

⑦ **Bulgarian – Romanian MC Project**
 • Precondition: successful delivery of the Interim Coupling Project
 • Go-live window: up to 3 months after go-live of the Interim Coupling Project

-  MRC members (operational*)
* Bulgaria: operation in isolation
-  MRC members (non-operational)
-  4MMC members (operational)



Consequence of Brexit

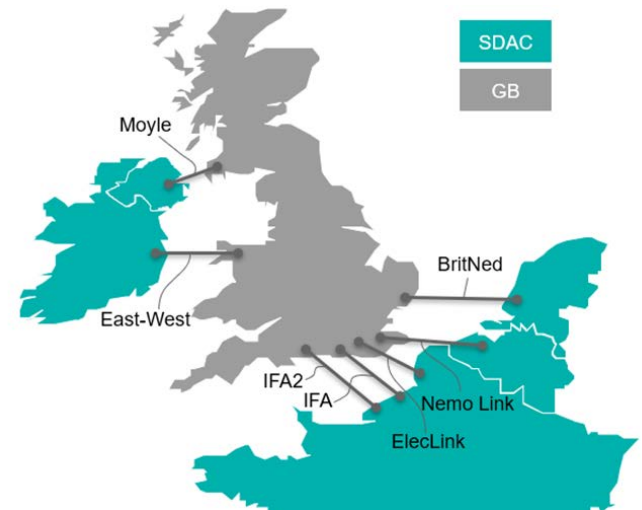
On 09.07.2020 the EC published a communication concerning the readiness at the end of the transition period between the EU and the UK following Brexit:

“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 the trading day 01/01/2021*

- **Day-ahead EU-GB interconnector capacity** (which includes BritNed, EastWest, IFA, IFA2, Moyle and Nemo Link) will not be available within the day-ahead, implicit mechanism and instead will be sold via alternative trading arrangements.
- **GB day-ahead order books** will no longer be coupled with Europe, nor within the GB. There will no longer be an intra-GB coupling between GB1 and GB2.
- **Single Electricity Market (SEM)**, which encompasses the island of Ireland, will remain within the implicit day-ahead market coupling with the SEM bidding zone operated in an isolated mode.



* In the event of any last-minute developments from the ongoing negotiations between the UK and EC, the SDAC parties will review their impact on the exit plans and will inform market parties without undue delay where any changes to the aforementioned arrangements are required.

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Feedback on decoupling training session with market participants 30/09

Goal of the session:

- Give all parties involved in the day ahead market coupling the opportunity to validate that they are properly prepared to handle a decoupling incident in real operations.
- The full decoupling of SDAC was simulated to be due to issues with the central calculation process, meaning that no market coupling results are available.

Outcome of the SDAC evaluation of the training session:

- Procedures and messaging
 - The procedures were correctly followed.
 - The messaging was performed in line with the procedures.
- Shadow auction process
 - Issues were encountered with the server in the test environment. It turned out that the performance of the test environment is not sufficient.
 - Note that the performance of the production environment ensures that such a delay would not occur in day-to-day operations.
 - This led to a two-hour delay in the shadow auction process.
 - Due to this delay, which exceeded the planned ending time of the training session, several parties left before the actual end of the training session.
- The regional and local auction processes were completed successfully.

Feedback on decoupling training session with market participants 30/09

In conclusion, the SDAC parties are not satisfied with the outcomes of the training session but do see several lessons learnt to be applied when organizing the next training session

- The performance of the shadow auctions test environment will be upgraded.
- The case “Shadow Auction results are not available in time” will be accounted for in the procedures.
- More information on the shadow auction process will be provided in advance of a training session, because several market participants have indicated not to be familiar with the details.
- In order to allow all parties to participate in the whole session, the training timings will be made more realistic.
- Details of the nomination process such as email address to send the nominations, URL of the test nomination platforms, explanation of the organization of the nomination of shadow auctions rights and emergency contact, will be shared in advance of the test by the TSOs.

The SDAC parties are planning to organize the **next decoupling training session with Market Participants in Q1 of 2021.**

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Update on 15 min Market Time Unit (MTU) implementation

- Through Article 8 of the **EU Regulation 2019/943** on the internal market for electricity NEMOs are obliged to provide market participants with the opportunity to trade energy in time intervals that are at least as short as the imbalance settlement period (ISP) for both day-ahead and intraday markets.
- In September, the SDAC Joint Steering Committee (JSC) agreed on establishing a **dedicated 15 min MTU implementation project** directly under the SDAC JSC.
- Meanwhile, the project has delivered and agreed **Terms of Reference**, an **organization structure**, and a **high-level plan**, while assuming an approach involving Regional Implementation Projects (RIPs) that are coordinated by the project organization at SDAC level.
- Currently, the SDAC project is **working on an impact assessment** covering the common systems and procedures, and the contracts.
- Given the impact that concerns the whole chain of market coupling processes, TSOs, NEMOs, and related parties are jointly assessing the appropriate level to organize themselves. As a starting point, the so-called Capacity Calculation Regions (**CCRs**) **have been assumed for the RIPs**.
- The RIPs will ensure that regional processes and systems are supporting a flexible implementation of 15 min MTU. Bidding zones and bidding zone borders are then foreseen to **go live in subsequent waves**, the first one of which is expected in the first half of 2024. In case a party/parties are not ready to join a particular Go-Live wave, the involved party/parties can join the subsequent Go-Live wave.
- In order to facilitate the establishment of RIPs, an **information package** has been drafted that details what can be expected from SDAC and what is expected from the RIPs.
- To transparently keep track of the progress made both at SDAC, as well as RIP level, a **readiness monitoring template** has been drafted to which the RIPs are periodically providing updates.

In due time, the market participants will be informed on the timelines for the changes for them related to the 15-minute MTU implementation.