

# MESC – Market Europe Stakeholder Committee

## Update on MCSC

Brussels, 14 September 2022

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SDAC / SIDC Co-chairs

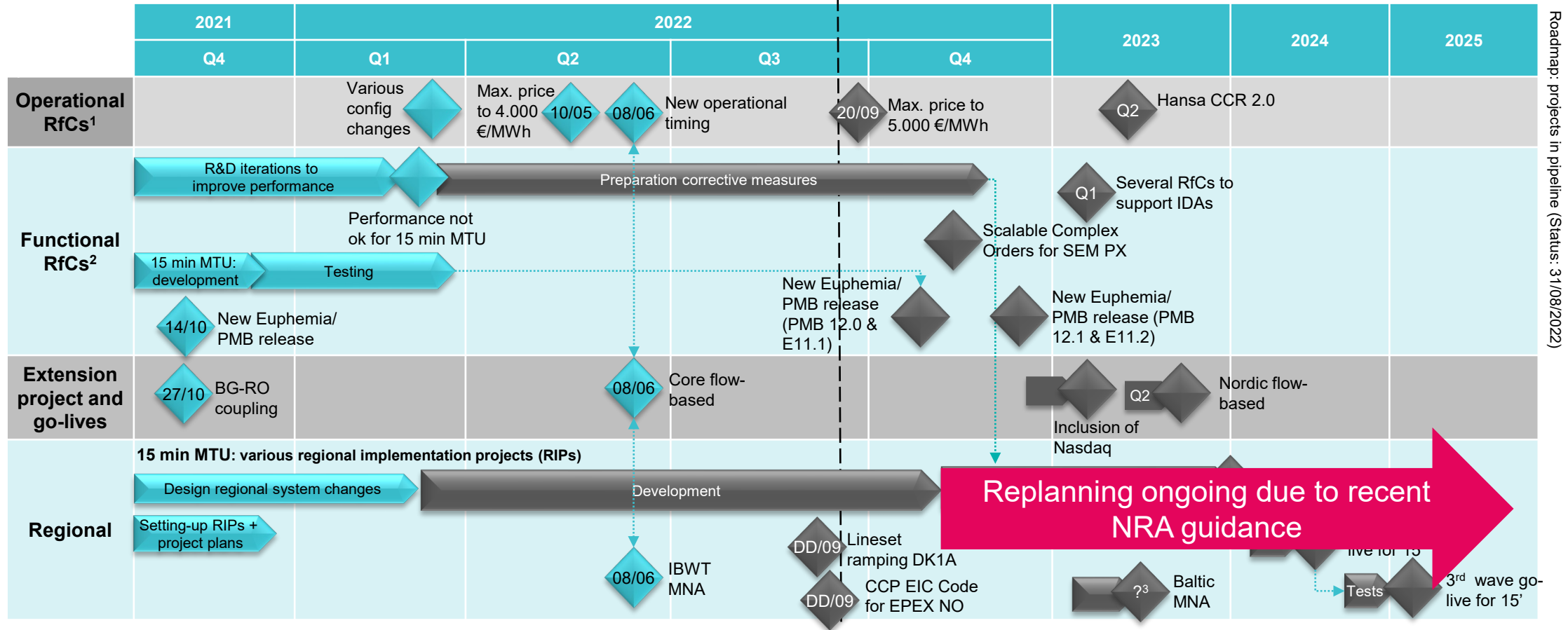


# Agenda

- 1** SDAC roadmap, extensions and challenges
- 2** SIDC extensions
- 3** SIDC operations
- 4** SIDC roadmap
- 5** SIDC R&D update
- 6** Market Coupling Consultative Group meeting

# 1. SDAC high-level roadmap

Today, 14.09.2022

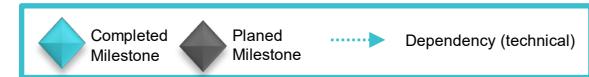


Roadmap: projects in pipeline (Status: 31/08/2022)

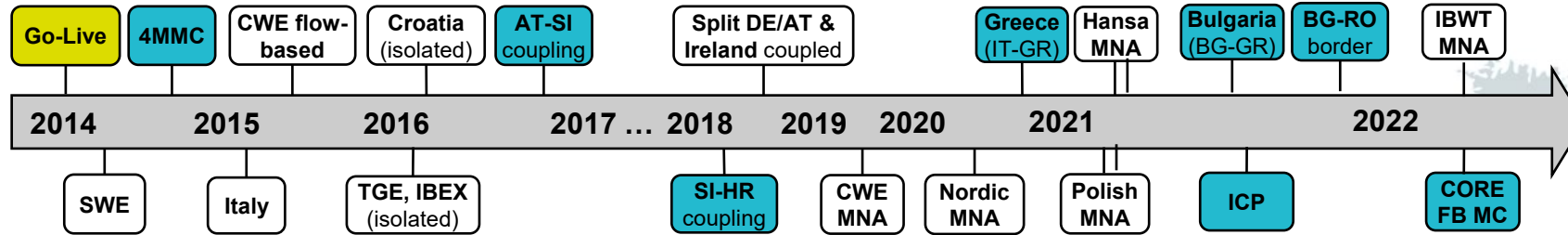
<sup>1</sup> Changes of topology, bidding zones, which will have an effect on the operations of the market coupling. Not necessarily related to a change of Euphemia algorithm, but could possibly have as a prerequisite that a functionality is implemented first.

<sup>2</sup> A change of functionality of Euphemia → requires a change in the algorithm. Hence, linked to algorithm releases.

<sup>3</sup> Baltic MNA go-live is pending the entrance of a second NEMO

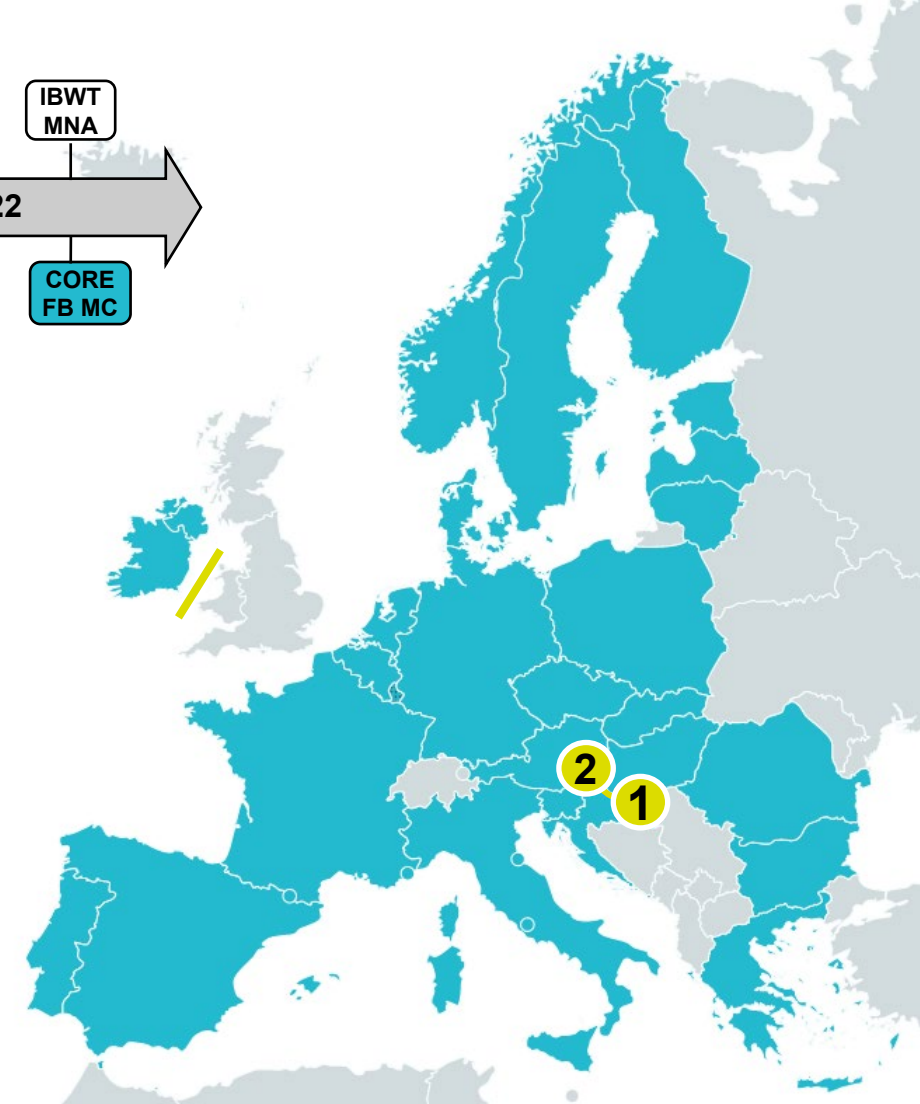


## 1. SDAC extensions



Already happened in 2022

- 1 **Croatian – Hungarian border**
  - Included with CORE FB MC project go-live (8 June 2022)
- 2 **New interconnector on Hungarian – Slovenian border is in operation since the end of June 2022 (new border)**



## 1. 15 min Market Time Unit challenges to Algorithm performance

- In line with EU Clean Energy Package (CEP), SDAC is preparing the move of DA market coupling auctions from a time resolution of 60 min to 15 min. This requires different adaptations on local systems, central assets and algorithm performance.
- **Stepwise implementation with unharmonized bidding zones/multiple MTUs (15/30/60) lead to significant challenges to the algorithm** compared to only 15 min MTU Big Bang. TSOs and NEMOs could not confirm that the algorithm will be performant enough to allow a go-live of 15 min MTU in SDAC in 2024 with the Stepwise implementation. After receiving this information, **ACER and NRAs shared new guidelines on the Big Bang implementation approach in June 2022**. SDAC parties are now actively working on the Big Bang project planning and assessing its performance to enable the 15 min MTU go-live in SDAC in Q1 2025.
- Big bang is a switch to 15 min MTU by all parties as from 2025 when ISP has changed to 15 min by all parties. But for a **product design perspective, Big Bang can still be with products in multiple MTUs or 15 min MTU products only**. SDAC is currently assessing both multiple MTU products and 15 min MTU product-only as separate scenarios. Regular updates on 15 min MTU status with Big Bang implementation will be provided to NRAs/ACER.
- SDAC is already working on the following measures that are “must-have” for the 15 min MTU implementation also in Big Bang implementation approach: **i) Removal of PUN product from SDAC, ii) Transition from Complex order to Scalable complex order, iii) Additional time to the algorithm in DA MC process and iv) Deployment of the Distributed Computing environment**

## 1. SDAC Harmonized Maximum Clearing Price change

Since 10/05/2022, the Harmonized Maximum Clearing Price (HMCP) has been 4,000.- €/MWh.

16/08/2022, high prices were reached in Lithuania, Latvia, and Estonia in hour 18 of delivery date 17/08, based on which the HMCP shall be increased by 1,000.- €/MWh to 5,000.- €/MWh on trading day 20/09, in line with the HMMCP Methodology.

23/08, an information note was published on the NC/ENTSO-E websites in line with the deadline set out in the HMMCP Methodology, meaning that all Market Participants are informed that the Maximum Price will be increased to 5,000.- €/MWh for trading day 21/09/2022.

MCSC sent a letter on 5th September to ACER and DG Energy on subject Exemption from applying the HMMCP Methodology until its revision. NEMOs and TSOs expressed their concerns about the increasing of the maximum clearing price during a period of energy crisis in Europe with surging electricity prices. NEMOs asked an exemption from implementing the maximum clearing price change required by the HMMCP until the revision of the Methodology.

The slides were written on 6th September. Any new information will be shared verbally during the meeting.



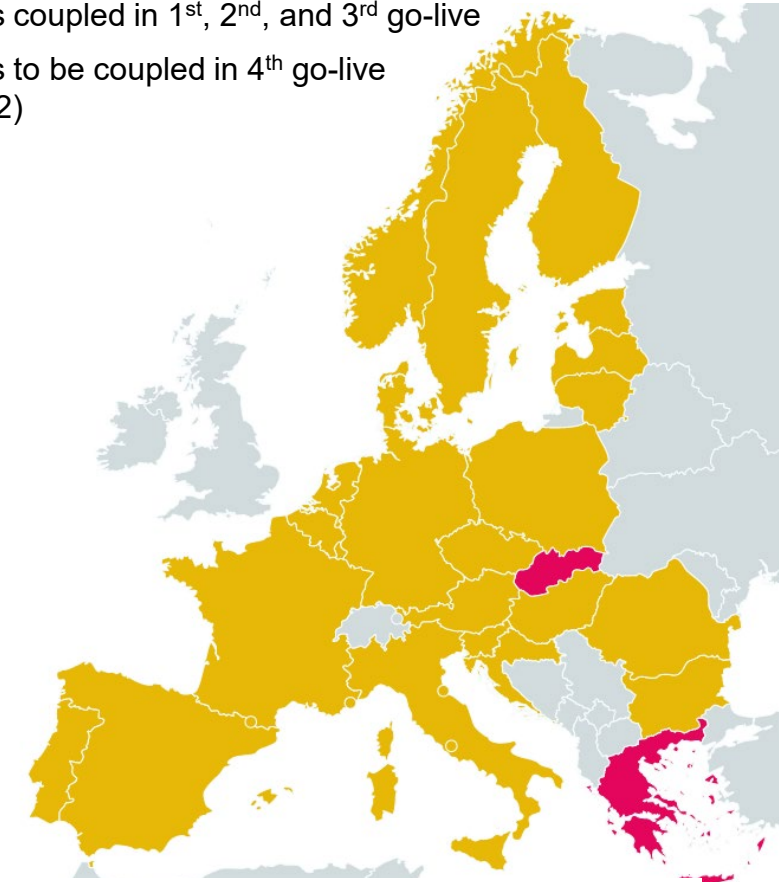
## 2. SIDC Geographical extension

- 3<sup>rd</sup> go-live wave (Italy)
  - Italy successfully integrated into Single Intraday Coupling on 21<sup>st</sup> September with first deliveries on the 22<sup>nd</sup> September 2021.
  - The SIDC implementation of new border and interconnector between Slovenia and Hungary – beginning of July 2022.
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- 4<sup>th</sup> go-live wave (Greece)
  - The SIDC integration of Greece (coupling with Italy) will go live at the same time as Slovakia in November 2022.
  - 4<sup>th</sup> go-live wave (Slovakia)
  - Slovak borders (SK-CZ, SK-HU, SK-PL) planned to go-live in November 2022

future

### Countries coupled Intraday with 4th SIDC go-live

- Countries coupled in 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> go-live
- Countries to be coupled in 4<sup>th</sup> go-live (end 2022)



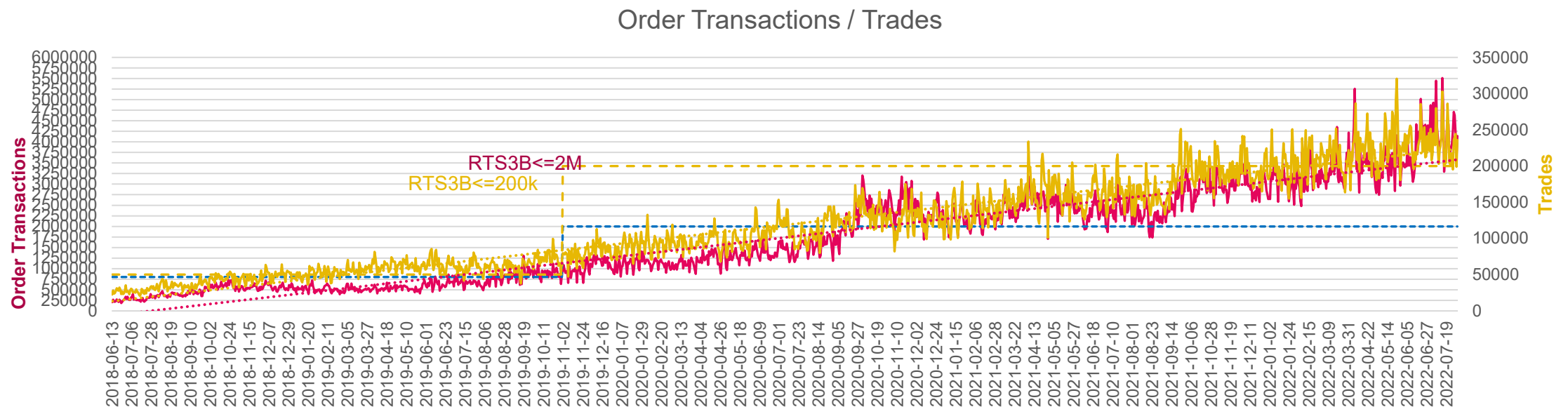
Note: Luxembourg is part of the Amprion Delivery Area. Market participants in Luxembourg have access to SIDC through the Amprion Delivery Area.

### 3. SIDC operation

The latest **operational data** covering July clearly confirm the trend of recent months of a constant growth.

These July data set new monthly records :

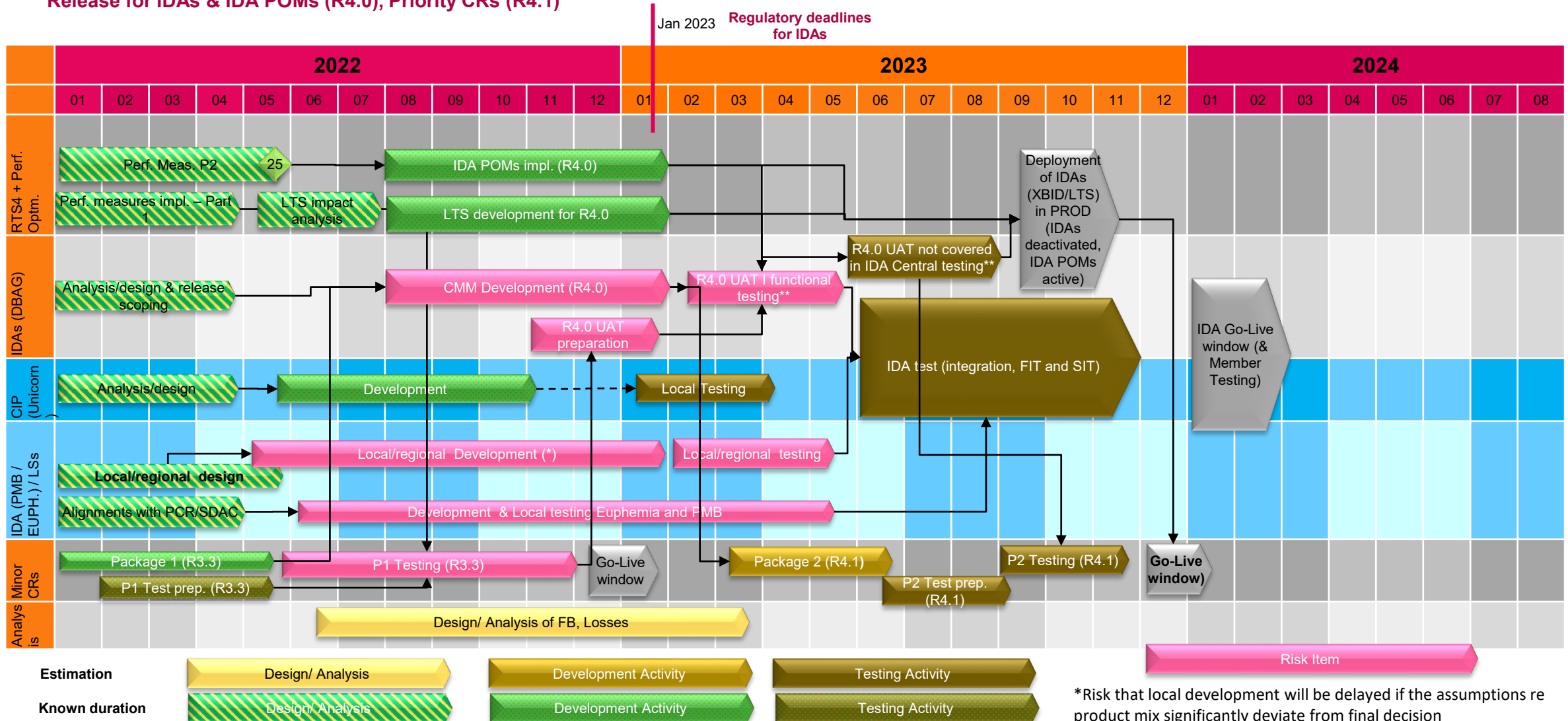
- more than 8,7 million trades ((in March: 8,2 million trades)
- 134,5 million order transactions (in March: 102,5 million order transactions per month).
- A new daily record of 5,52 million order transactions was achieved on 14 July.





## 4. SIDC Roadmap 2022-23 – status as of August (1/2)

Release for IDAs & IDA POMs (R4.0), Priority CRs (R4.1)



\*Risk that local development will be delayed if the assumptions re product mix significantly deviate from final decision  
 \*\* Initial estimation which needs to be validated by XTG as soon as the specification is available

## 4. SIDC Roadmap 2022-23 – status as of August (2/2)

- Main changes in the comparison to the previous version of the roadmap:
  - Implementation of IDAs is a priority, the variant planning is not needed anymore (as presented in the last MESC)
  - **UAT testing of R3.3** is more challenging than expected, which puts R3.3 UAT testing as well as preparation for R4.0 testing on the critical path. This implies following risks:
    - **Risk related to the technical resources** – the project is harmonizing usage of the environments for different purposes.
      - The mitigation measure for **R3.3 UAT implies rescheduled of the testing activities.**
    - **Risk related to the human resources** – the roadmap foresaw that the XBID testing resources would be partially available for the preparatory work on R4.0 as of September 2022. Due to R3.3 testing extension the start of R4.0 testing preparation is delayed
      - Agreed mitigation measure is **a limitation of R4.0 scope by removing the non-IDA related CRs.**
  - The scope of the next XBID development activities is splitted into 2 releases:
    - Release purely focused on IDAs, and necessary IDA performance optimization measures **labeled as R4.0.**
    - Release purely focused on Minor CR – **labeled as R4.1** - which will be developed as soon as the development of R4.0 is completed.
    - As R4.1 contains CRs which shall be delivered to the operation ASAP, it is foreseen that R4.0 will be deployed in the operation as soon as the testing is successfully completed, closely followed by a deployment of R4.1
  - **Critical path of the roadmap**
    - R3.3 testing and R4.0 testing preparation
    - R4.0 development followed by the central testing and in parallel with the LS development and local testing.

## 7. Status on R&D changes

- Continuous Cross-product matching (Continuous CPM)

- Intraday Auctions (IDAs)

- Design of central system changes with SIDC service provider largely finalised
- **Development** of the first part of this functionality- minimum viable product- finished.
- The expected impact on performance is a significant challenge. The clarification on the Performance Optimisation Measures finalized resulting in the need of immense investment to ensure compliance with the agreed system boundaries.
- Market participants were informed on the technical details of foreseen solution within an online **Market Coupling Consultative Group** meeting on 7 June.
- Considering the need of the massive investment, reflecting final goal of 15-minute products on all borders and in all areas, considering also alternatives as linked order to deal with 30-minute and hourly resolution time, and reflecting recommendation of NRAs, **the CPM was put on hold.**
- Final **technical design** based, on which the development may start, has been **finalized** with IT all providers of XBID, IDA CIP (IDA Central Interface Point infrastructure), EUPHEMIA + PMB. The **development** of all IDA components (IDA CIP, XBID, EUPHEMIA, PMB) **is ongoing.**
- Initial conceptual test in XBID completed and performance impact addressed via performance optimisation measures. Performance tests in EUPHEMIA are ongoing for limited set of products – first indications are promising.
- Regional implementation projects (RIPs) are established including RIPs reporting towards the central project.
- IDA Testing Group has started to work focusing to IDA CIP tests and overall coordination of testing

## 5. Market Coupling Consultative Group Meeting (MCCG)

The Market Coupling Steering Committee (MCSC) held the first **Market Coupling Consultative Group (MCCG)** meeting on 7 June 2022 as a virtual event.

The **target audience are the market participants** as the NEMOs and TSOs have to common intention to discuss topics related to design, development, implementation, and operation of SDAC and SIDC.

MCCG is first and foremost a forum aimed at reaching a better common understanding between market participants, and NEMOs and TSOs.

On the first MCCG meeting different topics were presented and discussed among NEMO and TSO experts and the stakeholders, such as the Cross Product Matching, the Intraday auctions, 15 minute MTU, and the Non Uniform Pricing concept.

The MCCG meeting will be organised twice a year, preferably physically. The next MCCG meeting will be at the end of 2022.

The outcomes of each meeting will be publicly available on ENTSO-E and NEMO Committee websites.