

# MESC – Market Europe Stakeholder Committee

## Update on MCSC

Conference call, 01 June 2022

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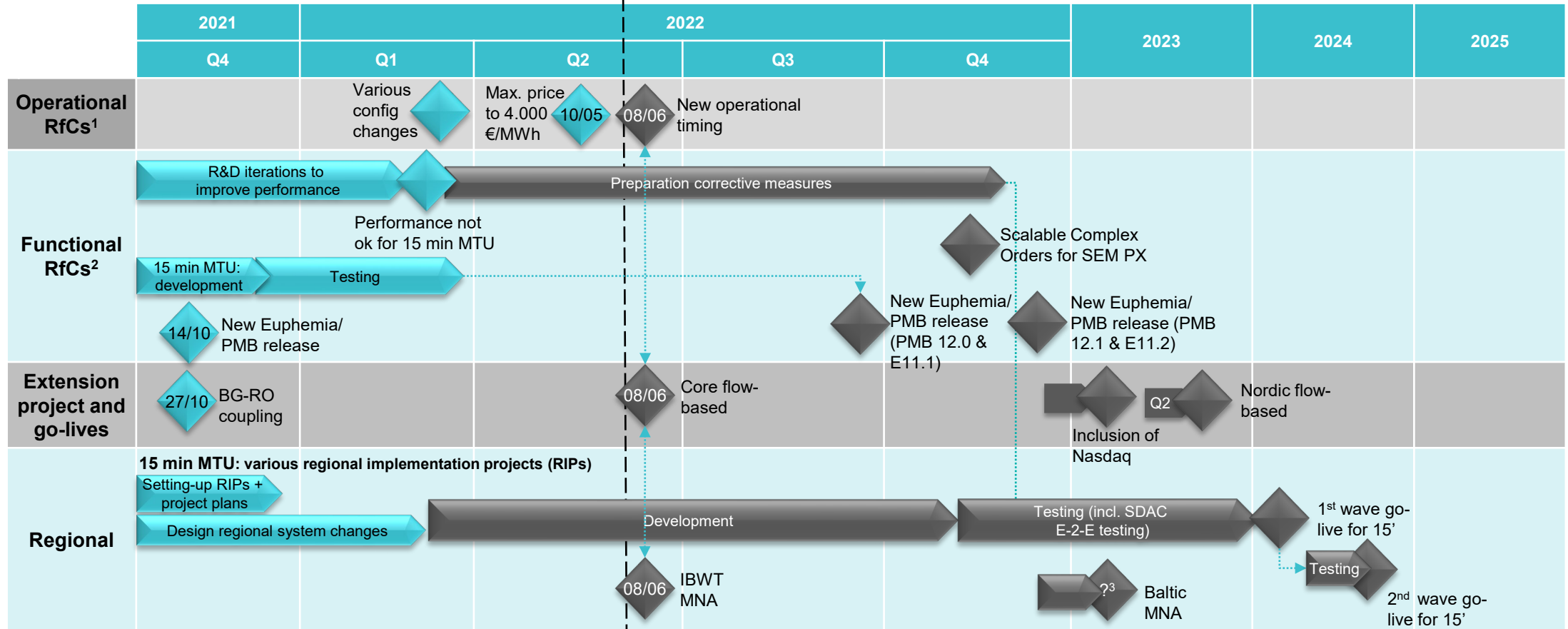
SDAC / SIDC Co-chairs

# Agenda

- 1** SDAC roadmap - extensions
- 2** New operational timing – impact assessment
- 3** Partial decoupling event on 10 May
- 4** SIDC extensions
- 5** SIDC operations
- 6** SIDC roadmap
- 7** SIDC R&D update
- 8** Market Coupling Consultative Group meeting

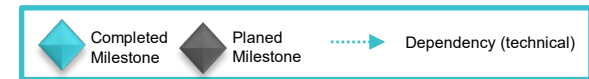
# 1. SDAC high-level roadmap

Today, 01.06.2022

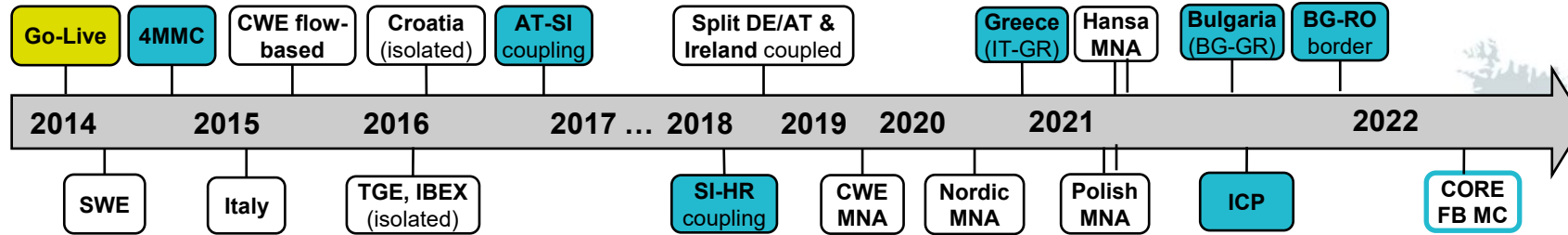


Roadmap: projects in pipeline (Status: 25/05/2022)

<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

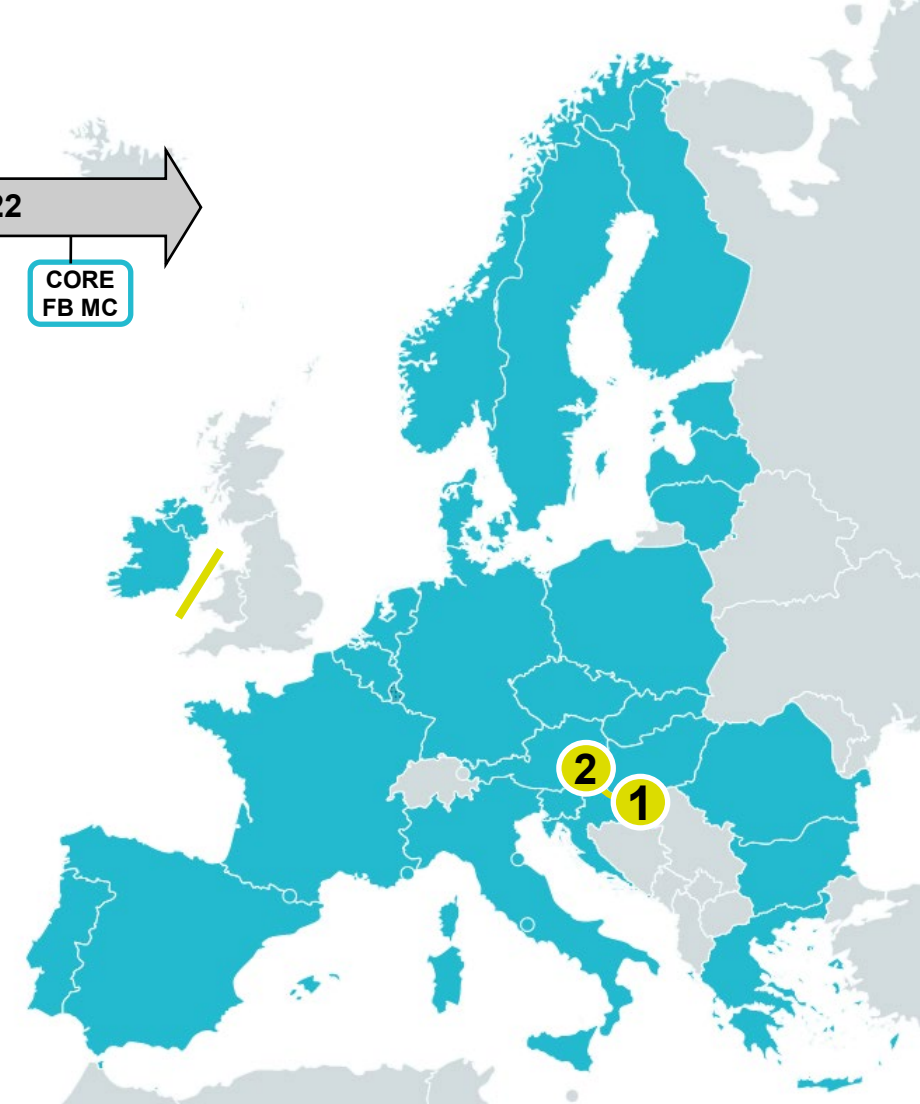


## 1. SDAC Roadmap - extensions



In 2022

- 1 **Croatian – Hungarian border**
  - Will be included with CORE FB MC project go-live (8 June 2022)
- 2 **New interconnector on Hungarian – Slovenian border is planned to be in operation end of June 2022 (new border)**



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

- TSOs and NEMOs are preparing the implementation of 15 min MTU in SDAC
- Performing market coupling at 15' MTU **has a major impact** on the size of the optimization problem which brings **significant performance challenges to the Euphemia Algorithm** in current time constraints of the DA MC process
- SDAC parties are **actively working to find solutions** in order to resolve these performance challenges to enable a go live of 15' MTU in SDAC. **This Performance Optimization Plan mainly focusses on following streams:**
  - Clearly assessing the impact of 15 min MTU introduction on the performance of algorithm
  - **As primary solutions**, SDAC seeks **internal improvements via R&D** and also investigates the possibility of allocating **additional time to the algorithm** in DA MC process.
  - However, given the significant challenges of combining 15' MTU with existing requirements & products, on top of the primary solutions **additional measures will be needed**. These measures impact existing requirements and products.
    - Some examples of such possible measures which have relevance for market parties are;
      - **PUN product of Italy cannot be accommodated in a 15 min MTU context**. It must be removed from the SDAC algorithm before
      - Replacing **Complex Orders with Scalable Complex Orders** as this bring benefits for performance
      - Facilitating **only 15' MTU products** instead of combination of 15'/'30'/60.

TSOs and NEMOs in SDAC are exchanging the 15 min MTU status and its challenges with NRAs/ACER.

Unfortunately at this moment TSOs and NEMOs cannot confirm that the algorithm **will be performant enough to allow a go-live of 15' min MTU** in SDAC according to the current project timeline in 2024 (1st go-live wave)

## 2. New operational timing – impact assessment

A detailed presentation will be provided to market participants at the Market Coupling Consultative Group (MCCG) meeting on 07. June 2022

## Partial decoupling on 10 May in SDAC

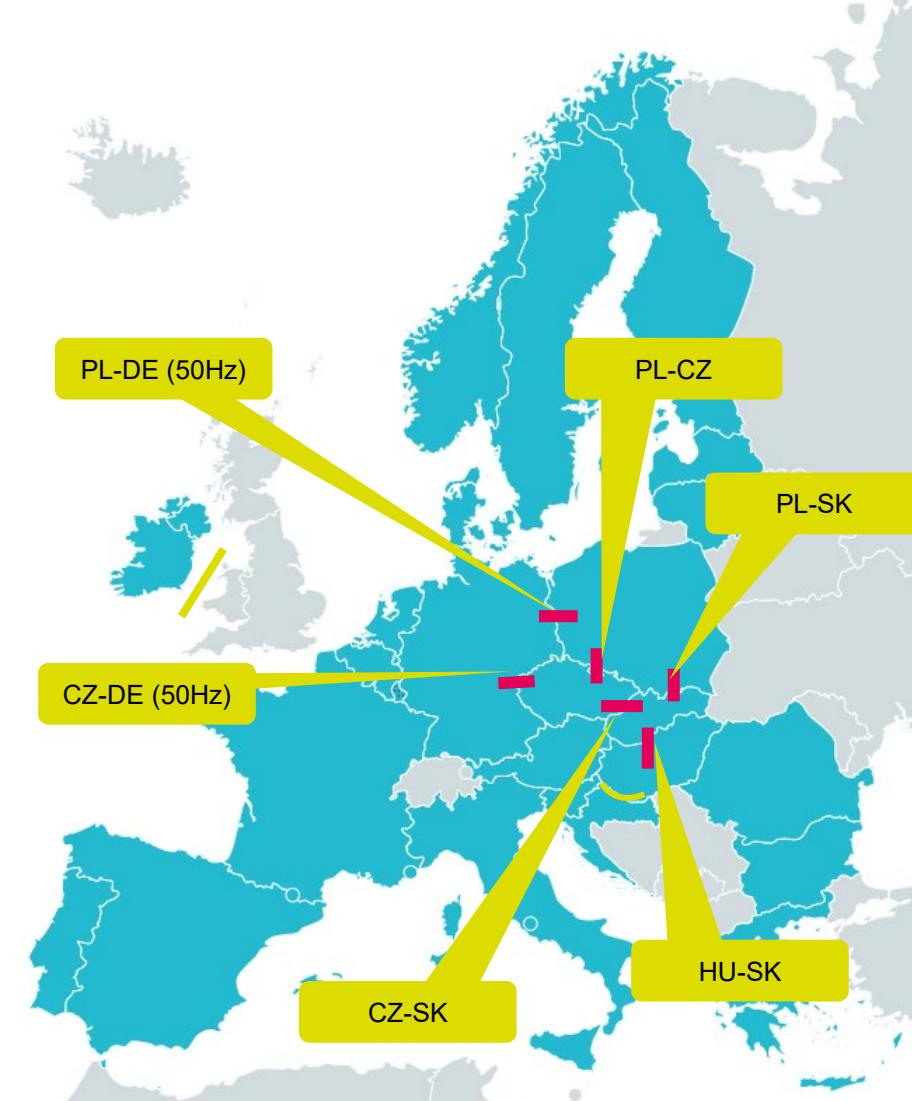
During the market coupling process on 10 May a technical issue was experienced that led to a partial decoupling.

- Country/Bidding zone decoupled from a market point of view from SDAC: Slovakia
- Order book decoupled from the SDAC process: OKTE The following interconnectors were decoupled from SDAC: CZ-SK, SK-HU, DE\_50Hz-PL/CZ, PL-DE\_50Hz/CZ/SK, CZ-DE\_50Hz, CZ-PL, SK-PL, DE\_50Hz-PL

The incident was caused by a technical issue at OKTE. The party reported that the issue occurred in their local trading system. The issue could not be resolved within the time allocated by the SDAC procedures and partial decoupling was declared. The final market coupling results for the remaining coupled parties were published at 13:41 CET and they were confirmed at 13:52 CET. The common coupling system worked as expected and ensured the coupling of the remaining part of SDAC.

**The MCSC has initiated an in-depth investigation.**

**A decoupling report summarising the outcome of the investigation and potential lessons learned is expected to be published before long.**



## 4. SIDC Geographical extension

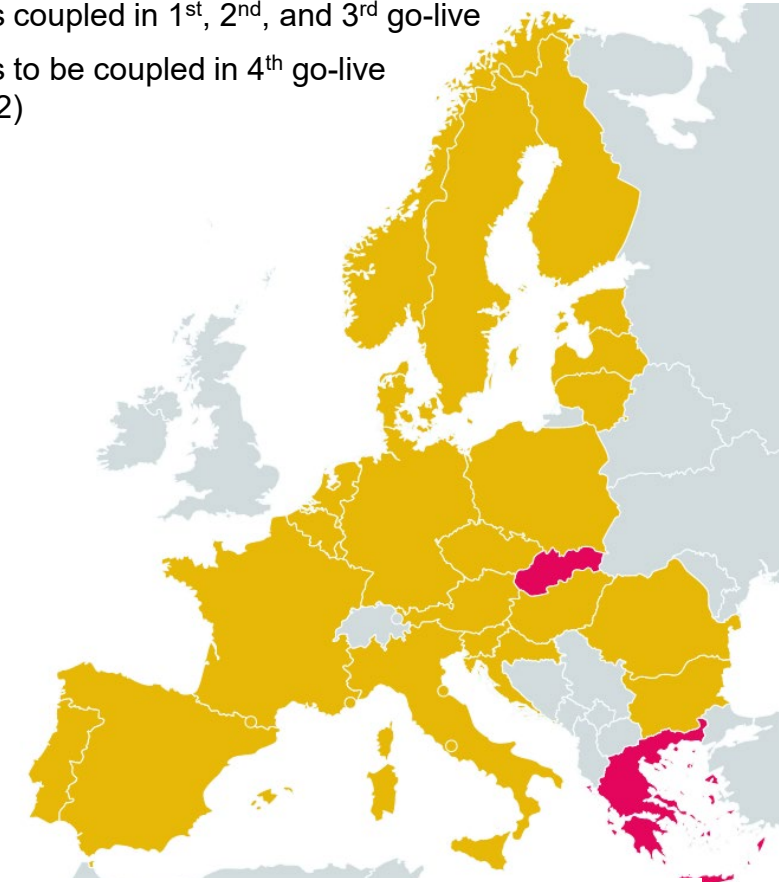
- 3<sup>rd</sup> go-live wave (Italy)
- Italy successfully integrated into Single Intraday Coupling on 21<sup>st</sup> September with first deliveries on the 22<sup>nd</sup> September 2021.

future

- The SIDC implementation of new border and interconnector between Slovenia and Hungary – end of June 2022.
- 4<sup>th</sup> go-live wave (Greece)
- The SIDC integration of Greece will go live at the same time as Slovakia end of 2022.
- 4<sup>th</sup> go-live wave (Slovakia)
- Slovak borders (SK-CZ, SK-HU, SK-PL) planned to go-live end of 2022.

### 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.

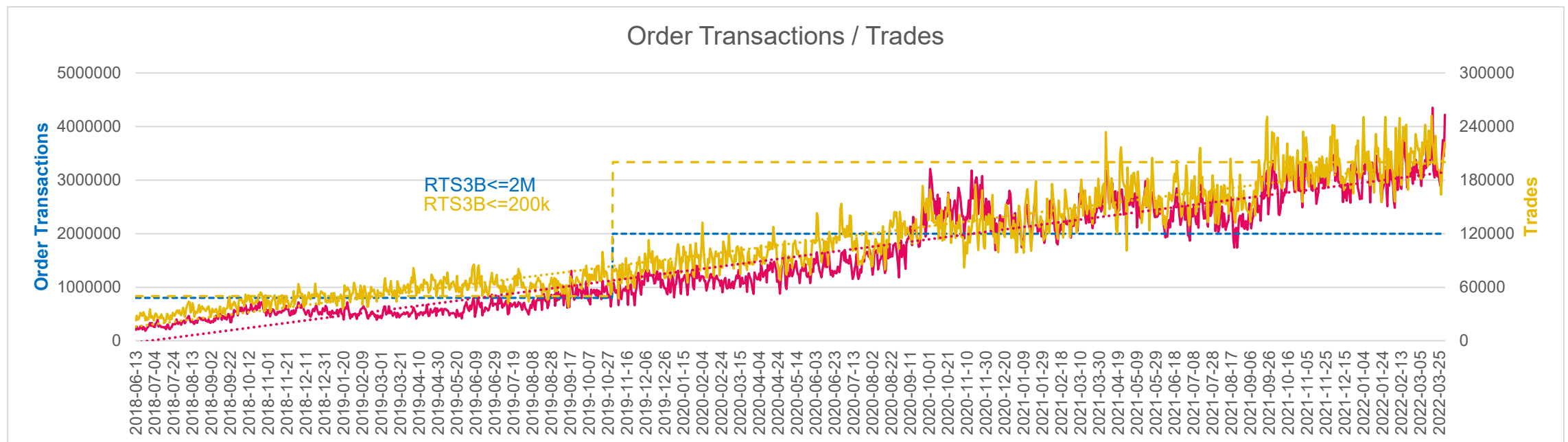


## 5. SIDC operation

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

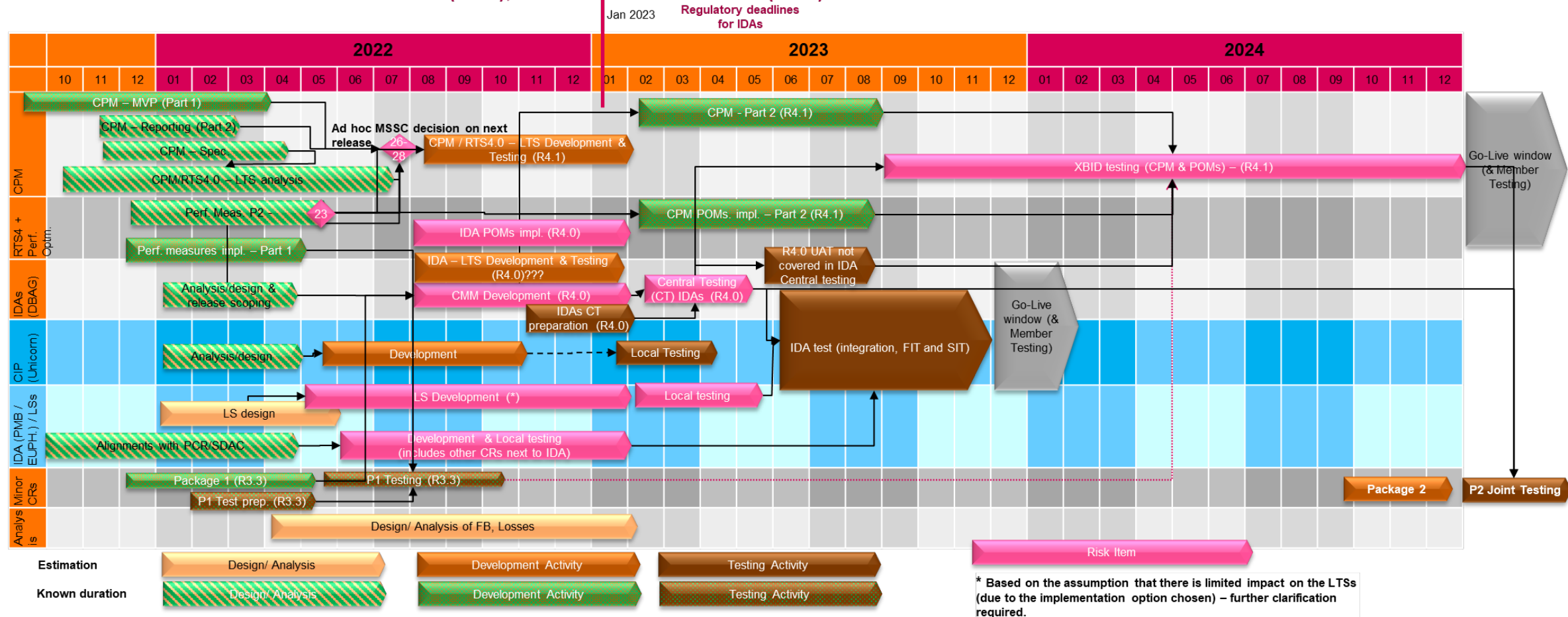
These March data set new monthly records :

- more than 6,4 million trades (one year ago: 4,68 million trades)
- 102,5 million order transactions (one year ago: 73,86 million order transactions per month).
- A new daily record of 4,35 million order transactions was achieved on 18 March.



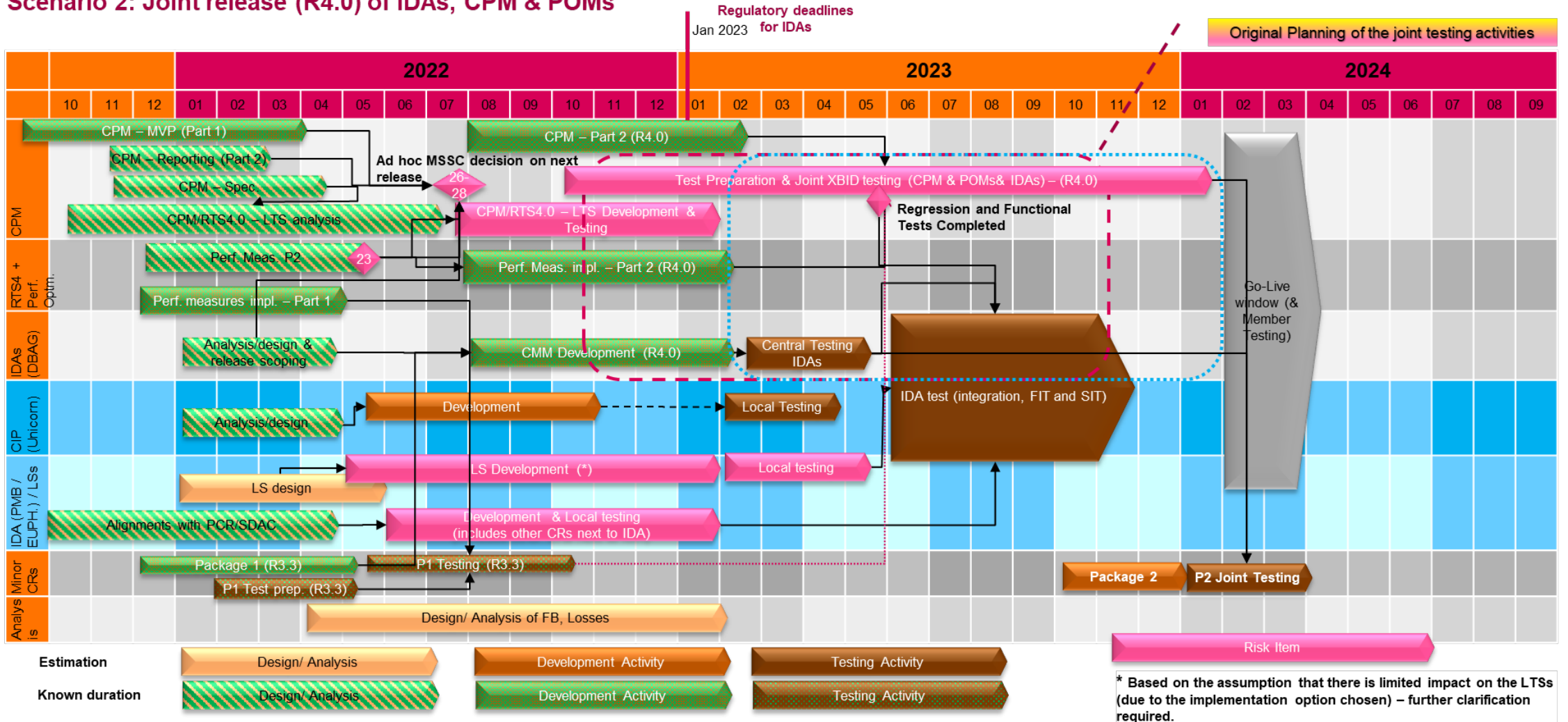
## 6. SIDC Roadmap 2022-23 – status as of May 2022, Scenario 1 (work in progress)

### Scenario 1: 1<sup>st</sup> release for IDAs & IDA POMs (R4.0), 2<sup>nd</sup> release CPM & POMs (R4.1)



## 6. SIDC Roadmap 2022-23 – status as of May 2022, Scenario 2 (work in progress)

### Scenario 2: Joint release (R4.0) of IDAs, CPM & POMs



## 7. Status on R&D changes

- Cross-product matching (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. An issue identified at the end of development of the minimum viable product required a design reconsideration and resulted in 7 weeks of delay.
- The expected impact on performance remains a significant challenge and ongoing clarifications also delay the local system changes analysis. The central analysis of the performance shall be concluded in May.
- Market participants will be informed on the technical details of foreseen solution within an online **Market Coupling Consultative Group** meeting on 7 June.
- The **detailed design** for the integration of the continuous (SIDC, XBID) and the day-ahead auction infrastructure (PCR) has been finalised by SIDC.
- The **service provider** for the interface between XBID and the day ahead (IDA Central Interface Point infrastructure – IDA CIP) **has been selected**.
- Final technical design based on which the development may start has been finalized with IT providers of XBID and IDA CIP. Requests for change provided to SDAC (EUPHEMIA + PMB) were aligned with PCR IT providers. EUPHEMIA changes development is ongoing and PMB changes development will be triggered soon.
- Initial conceptual test in XBID identified a performance impact which will be resolved with changes discussed in relation to CPM. Performance tests in EUPHEMIA are ongoing for limited set of products – first indications are promising.
- Regional implementation projects scoping and setup is ongoing.
- IDA Testing Group has started to work focusing to IDA CIP tests and overall coordination of testing (include finalization of Testing approach prepared by SIDC and commented by SDAC/PCR)

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

The **first MCCG meeting will be held on the 7th of June** 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.

The MCCG meeting will be organised twice a year, preferably physically.

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