PICASSO Stakeholder Workshop
Q&A document

13/07/2020

Webinar

Legend
Black: question from Webinar participant Green: response from PICASSO TSOs
Questions and answers
Can you please provide the slides of the afternoon presentation? In the website only the morning presentation slides are available. Thank you. The presentation in its final form will be shared with registered participants and will be published on the MARI & PICASSO websites. Regarding the arrow 2 in slide 32. What kind of bids are they? ex: A TSO can receive bids from BSPs at least 15min before it's use. All bids from standard products submitted by BSPs to the TSOs must be forwarded to the aFRR platform. Bids from specific products and from integrated scheduling processes are converted to standard bids and then submitted to the aFRR platform. More details on the timing can be found in the bidding process slides, common for PICASSO & MARI. Why is aFRR a last resort process as according to the SOGL it is used to free up FCR (so second type of reserve to be activated)? aFRR is the last resort to restore frequency back to normal, FCR reacts after an imbalance but does not restore frequency back to nominal value. FCR by design cannot solve frequency deviations. Do TSOs with a similar BSP pool have the same controller settings? This element is not harmonised. The tuning of the controller remains a TSO responsibility. TSOs are exchanging best practices on controller tuning but full harmonisation of control settings is not planned (Not beneficial due to not fully harmonized market rules und different generation structures). Does it mean the orange box showing the local frequency restoration process does not need to be adjusted? Adjustments might be needed depending on current setup of the aFRP (e.g. TSOs that currently use pro-rata activation must implement merit order). What is the basis for the estimates of the FRCE adjustment? There is a detailed mathematical description that will be made available but in principle there is an individual target for each area. The values are based on real time values (e.g. activated aFRR, demand) and parameters (e.g. "full activation time"). According to the SOGL aFRR is meant to free up FCR. Shouldn't aFRR not be the first process to allocate cross zonal capacity to? How is the cross-zonal capacity calculated? The sequence of cross-zonal capacity allocation process shows what happens before real-time. And in that sense, the first optimisation will be from TERRE moving to MARI and in the end to PICASSO and IGCC.

The total capacity is calculated and the amount available is a result from different market and balancing timeframes. No capacity is reserved for the exchange of balancing energy in later timeframes

Could you please go through the principles of the capacity management ones more? I couldn't understand to 100% if capacity is or isn't reserved after the respective market gates. Thanks

See response above

Will the allocated cross zonal capacity for balancing be adjusted for the reserve margins that are not valid any more in real time?

It can happen that after the different timeframes and balancing, there is no available margin for exchange of balancing energy.

Why is volume of activated aFRR a priority? Isn't economic surplus not enough?

In order not to have an activation in both directions. (prevention of "counter-activation" of bids without imbalance).

Does available cross zonal capacity to physical or calculated capacity?

Available Cross Border Capacity is the Net Transfer Capacity (NTC) minus the Capacity already allocated to previous timeframes

How will counterintuitive flows be prevented in the calculation?

See responses above

If in a given 15 minutes period, a TSO request upward aFRR twice. The first request modify the border flows by activating aFRR from neighbour. Does this mean that the TSO aFRR demand for 2nd request take into account the updated border flows?

A new result is calculated every 4 seconds. In that sense, previous requests are not re-considered but the border flow is taken into account in each optimization run.

Why is "pricing" a separate problem? Given that the AOF core is continuous, linear problem, could one not use the "marginal" as the shadow price?

It is a separate problem due to design adopted. Based on the analyses conducted, in the vast majority of the cases the set up with a separate problem yields the same results as one of considering shadow prices.

AOF select bids from common merit order list, these bids are then transformed to FRCE to be passed to local LFC. Then LFC activate bids based on FRCE from local merit order list -- how it made sure that that LFC activate the same bids that AOF selected? It is possible for LFC to activate different bids as it has extra constraints/conditions to be respected? Is it foreseen to have BZs equal to LFC areas?

The FRCE adjustment methodology is needed for differences between the global selection of bids from AOF and locally selected bids. The FRCE adjustment is always sent and TSOs are always requested to change the demand.

Is it foreseen to have BZs equal to LFC areas?

The aFRR Implementation Framework allows for a difference.

Why do you need a price, when no bids are selected?

Price is needed for TSO-TSO settlement purposes and BRP settlement price.

What would be the impact on TSOs to implement this project? impact in terms of additional interfaces, conforming to some exchange standards/formats, communication protocols(IEC101/104) and so on? Is there any study/survey conducted by the PICASSO working group? If yes, where could find that report?

TSOs consider all the common standards for data exchange when designing the platform and several of them are supported by the platform.

Slide 60: How will the monitoring made public?

The reporting obligations are covered separately but the report will be made public according to Article 13.

The monitorization will be Platform - TSO, right? Because the BSP will be responding to the local AGC (that will receive PICASSO setpoints in fact)

Yes, in line also with provisions of Article 13(1)(c).

Is it possible to elaborate a bit on the interaction between Picasso and IGCC?

The PICASSO platform performs an implicit netting of demands, by considering positive and negative demands in the same clearing process. Therefore, in the target solution the IGCC will evolve into PICASSO and will then cease to exist. Nevertheless, not all TSOs will join the PICASSO platform at the same time. In the interim period, there will still be a need for separate processes. The 2 processes will closely interact and will run on the same IT.

Can you explain how CBCL are taken in account in optimisation, please.

The ATCs are defined per border and are constraints in the optimization problem. Any possible limitations are taken into account.

In the case that there is a grid event, accessing aFRR is of more urgency than RR to a TSO than RR. If TERRE has run before PICASSO, cross border capacity could be blocked by RR reservations. Is that correct?

Yes, such a situation can happen. It cannot be prevented as it's not possible to forecast the direction of the aFRR and reserve capacities accordingly.

If the value for aFRR is higher than mFRR or RR to a TSO reflected through higher prices, should it not have priority for capacity?

See answer above.

Let's say BSP is in doubts whether its bids were not activated in "fair" way. Is there any auditing process planed?

Yes, in line also with provisions of Article 13(1)(c) all member TSOs shall monitor, evaluate and report the deviations between the activation of bids by each participating TSO and the selection of bids by the AOF. The exchange of volumes and prices provided by the AOF according to Article 3(16).

are there already concrete plans to phase out IGCC?

See question on interaction between PICASSO & IGCC above.

Will it be possible to have a pre-netting phase within Optimization regions in Picasso as per in the IGCC?

There is no such need for PICASSO. The netting done in PICASSO is done in such a way that the most competitive bid is activated.

slide 71: what is 'efficiency of pricing method'? and how is this calculated or defined?

There is a reference in Article 30 of EBGL to also consider deviations from the marginal pricing scheme. The topic has been discussed in PICASSO and the need for such a monitoring comes from market design and the different MTUs. This Performance Indicator will be defined and calculated to accomplish obligations of Article 13.

How does TSO-TSO settlement work? Is cross-border marginal price used?

Yes, the centralised solution is followed also for TSO-TSO settlement. Differences in TSO-BSP settlement are to be handled by the respective TSO.

Is it foreseen that a flexibility bid can be considered both in MARI and PICASSO?

This possibility has been discussed but at this stage, no harmonized cross-platform bidding process is established. The platforms do however provide the flexibility to implement such processes on a national level.