

EFET response to the TSOs consultation on Amended Day-Ahead and Intraday Capacity Calculation Methodology for the Nordic CCR



EFET response – 20 May 2019

The European Federation of Energy Traders (EFET) welcomes the opportunity to provide comments on the amended Day-Ahead and Intraday Capacity Calculation Methodology for the Nordic CCR.

General considerations

1. We are glad to see stakeholders involved in the first three steps of the implementation of FB approach for day-ahead timeframe. We restate our position of October 2017 that transparency needs to be ensured both in the current development process and when the flow based methodology is put into operation¹.

We add that during operation of flow-based market coupling, the transparency requirements currently in place and in development in the CWE area should be taken as a minimum requirement for the Nordic region. Also, the transparency with respect to future development of Capacity Calculation Methodology must be ensured.

2. Regarding the implementation of FB methodology for intraday, we have repeatedly asked for an evaluation of the difference between a CNTC and FB methodology, with real actual outcomes/flows as a reference. This explanation is not clearly provided in the supporting document, nor in the slides presented in the stakeholder forum web conference on 25 April. We note that the involvement of stakeholders in the implementation of a CNTC or FB approach for intraday timeframe is non-existent.

¹ EFET, Eurelectric, Nordenergi and MPP response to the TSOs consultations on capacity calculation methodologies, last updated on 22 March 2018 and available at: https://efet.org/Files/Documents/Downloads/EFET_Eurelectric_MPP_Nordenergi-TSOs%20consultation%20CCM_22032018.pdf.

3. In terms of simulations, we called for a careful assessment of the proposal and at least await the outcome of the full 18 months of parallel runs before committing to a transition to flow based capacity calculation in the Nordic CCR. We see that the current TSOs' proposal covers minimum of one year of FB market simulations, but only a minimum of 12 months of continuous parallel runs, including FB and NTC.
4. Our call to ensure that the proposed methodology does not discriminate between internal and cross-zonal trades or avoids moving internal congestions to the border remained unheeded. The CACM guideline refers to "rules for avoiding undue discrimination between internal and cross-zonal exchanges to ensure compliance with point 1.7 of Annex I to Regulation (EC) No 714/2009". We refer to the recent ACER decision of the CORE CCM as an example to avoid such discrimination².
5. There are still violations of European legislation, with sentences such "taking the significant grid constraints into consideration" in the Nordic CCM approved in July 2018 that the current proposal does not address. Regulation 714 and the CACM GL are very clear that internal congestions must not affect cross-border trade. The grid constraints inside bidding areas must not affect cross border trade, except if deemed necessary in exceptional cases such as violation of operational security, after all efficient remedial actions, including costly ones, have been exhausted.
6. We recall that the underlying reasoning for using the flow-based calculation is to increase transmission capacities between bidding areas, especially in meshed networks. Hence, the flow-based calculation must not lead to decreases in capacities and trade.
7. We ask that the results of the calculations on how RM evolves over time shall be presented to stakeholders upon request.
8. Decisions on the activation of remedial actions, including costly remedial actions, remain in the realm of individual TSOs. We believe it is not the task of individual TSOs to define and activate remedial actions, but tasks that must be done jointly and by the RSC. Remedial actions must be coordinated between all TSOs of the CCR.
9. We are still of the opinion that the process proposed is far too loose and risks that TSOs will include any possible constraint in the calculation. Further, we question the possibility for TSOs to perform validations at the end of the process after all the assurances they are given that capacity calculation will not violate system security. The last-minute validation process endangers the efficiency of and delays capacity calculation. The validation should solely be the RSC's responsibility.

² ACER decision 02/2019 on the CORE TSOs proposals for day-ahead and intraday capacity calculation methodologies, dated 21 February 2019 and available at: https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2002-2019%20on%20CORE%20CCM.pdf.