

## CWE Consultative Group

### Meeting minutes, 30<sup>th</sup> of June 2015

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<b>Date</b>	30-06-2015		
<b>Author</b>	Karel Boyer		
<b>Name</b>	<b>Company</b>	<b>attendees</b>	<b>excused</b>
<b>MARKET PARTIES</b>			
JONG Dieter	<i>Anode</i>	X	
SCHOENENBERG Yves-Denis	<i>AXPO</i>	X	
GROTE Matthias	<i>BDEW</i>	X	
TUPAK Andreas	<i>BKW Energie</i>	X	
VISCOR Martin	<i>CEZ Trading</i>	X	
AMSELLEM Benjamin	<i>Citadel</i>	X	
FAVAND Alexandre	<i>CNR</i>	X	
GKOUNTIS Vasileios	<i>DELTA</i>	X	
PIROVANO Filippo	<i>EDF Trading</i>	X	
RADOMME Tanguy	<i>Electrabel</i>	X	
KALISCH Frieder	<i>EnBW</i>	X	
VISSER Vincent	<i>Eneco</i>	X	
ROBAYE H��l��ne	<i>Engie</i>	X	
BONDE Michael	<i>EON</i>		
MAURICE-VALLEREY Laurent	<i>Gazprom</i>	X	
BHAGWAT Mukund	<i>IFIEC</i>	X	
OTTER Ruud	<i>MPP</i>	X	
DE VIGAN Emeric	<i>Mercuria</i>	X	
LEFEVRE Eric	<i>Noble Europe</i>	X	
WESTRIK Hans	<i>Priogen</i>	X	
BEIENBURG Michael	<i>RWE</i>	X	
MESSA S��lvia	<i>Statkraft</i>	X	
STAAL Floris	<i>Vattenfall</i>	X	
MANDIC Regina	<i>Verbund Trading</i>	X	
<b>NRAs</b>			X
<b>CWE PARTNERS</b>			
CLAXTON Andrew	<i>APX</i>	<i>CWE co-chairman</i>	X
VERSEILLE Jean	<i>RTE</i>	<i>CWE co-chairman</i>	X
LANGER Yves	<i>BELPEX</i>	<i>FB Expert</i>	X
BECK Dietmar	<i>Amprion</i>	<i>Regulators referent</i>	X
HOEKSEMA Jo��l	<i>APX</i>	<i>FB expert</i>	X
MESTDAG Christophe	<i>ELIA</i>	<i>FBE WG leader</i>	X
DJABALI Rouquia	<i>EPEX SPOT</i>	<i>FB expert</i>	X
TARNAI Sylvie	<i>EPEX SPOT</i>	<i>Market Communication TF Leader</i>	X
BOYER Karel	<i>Eurogroup</i>	<i>PMO</i>	X
LAZRAC Zineb	<i>Eurogroup</i>	<i>PMO</i>	X

## Agenda of the meeting:

1. **Presentation of the Terms of Reference of the CWE Consultative Group**
2. **Q&A Forum status and closure**
3. **Look back on first Flow-Based market outcomes**
4. **Market Parties' / NRAs' reaction and questions**
5. **Presentation of the Post Go-Live NRAs requests**
6. **Regional coupling situation**
7. **Update on upcoming changes within CWE region**
  - Interconnector BeDeLux project
  - APG integration
  - Implementation within PCR of Euphemia patch for adequacy mitigation
  - Implementation of Financial Transmission Rights on Belgium borders
  - Planning and status of intraday capacity calculation improvements
  - LTA violation measures investigation

## 1 Presentation of the Terms of Reference of the CWE Consultative Group

- CWE project presents to Market Parties the expected objectives and scope of the CWE Consultative Group. Market Parties are invited to provide their feedback on the proposal in order to confirm the Terms of Reference of the CWE Consultative Group.
- Question from MPs: What will be the relationship between the CWE Consultative Group and other European bodies (example: ENTSO-E meetings, European Stakeholder Committee)?
- Project Answer: the coordination and exchanges between the different bodies have to be further aligned based their own scope. Unlike other bodies, the CWE Consultative Group main focus is on the Flow-Based methodology and its future improvements in the region. Some reporting might be needed between these bodies and will be defined. As a first step, CWE project partners suggest communicating the meeting minutes of this group to the European Stakeholder Committee members.
- CWE project partners remind that the CWE Consultative Group is meant as a consultative forum and not to be a « decision-making » body. Market Parties' feedback (questions, expectations, and concerns) shared with CWE partners and NRAs during these meetings will be discussed and taken into account at JSC level. Only the CWE JSC is entitled to make decisions on the evolution of capacity allocation method provided acceptance by NRAs.
- The CWE Consultative Group meetings will be held at least twice a year and on an ad hoc basis if deemed necessary. CWE Partners suggest always organizing it at Brussels Airport. The list of participants will be included in the minutes, but the explicit names will not be mentioned in the detailed content of the discussions.
- CWE project partners and Market Parties agree to have two Chairmen for the CWE Consultative Group, one from CWE partners and one from the stakeholders.

**Market Parties Platform (MPP) volunteers to be the future CWE Consultative Group co-chairman on behalf of Market Parties stakeholders. The nominated person from MPP will be in charge of the coordination within MPs.**

**Action Market Parties Platform (Ruud OTTER): inform the CWE project as soon as the co-chairmen is nominated at MPP.**

**Project Parties will come back to MPs as soon as the co-chairmen on CWE project side will be nominated to be the co-chairmen for the following CWE Consultative group meetings. For this meeting, Jean Verseille and Andrew Claxton co-chaired the CCG.**

## 2 Q&A Forum status and closure

- CWE project partners provide a general feedback on the Q&A Forum activity for the two past years. Over this period, 148 topics were posted, mainly on the parallel run results, but also on the Utility Tool and the Flow-Based methodology.
- The two open questions on the Q&A Forum are discussed during the meeting:
  - LTA inclusion check and domain adjustment (Initial question: "Could you please explain in detail what happens between 08:00 and 10:30?"): the answer has been published on 29<sup>th</sup> June on the Q&A Forum. The determination of the most limiting branches is mathematically done based on the PTDFs and the RAM. Pre-solved branches are determined at every computational step. Due to the selected precision for RAM (zero digits) and PTDFs (five digits), rounding may cause a CB - which is very near the limit of being presolved - to appear or disappear in the list of

presolved branches. Due to the finite precision of computers, this behaviour cannot be prevented. For CBs that are very near to each other, the set of pre-solved CBs can change following a domain translation (which is done towards ZeroBalance for the pre-final computation (8:00) and LT nominations for the final computation (10:30)). To conclude: even if different CBCOs are shown, the results of the FB domain are identical (mathematically speaking) between Pre-Final and Final, within the chosen precision. As a reminder: as described in the document, the 8AM computation is for information and analysing purposes, so it is always possible that the FB domain can change between these two computations.

- Question about Flow-Based results (Initial question: “we had several internal discussion about this topic: many think that from a theoretical perspective the LTN shouldn’t affect the price formation, in reality we see that with or without LTN the results that the full FB gives are significantly different: is this interpretation correct? Could you explain us why a LTN might affect the price formation?”): Under very theoretical assumptions the level of LT nominations should not affect price formation. If much more energy is exchanged explicitly it should have a neutralization effect in DAM. However, this reasoning makes an underlying assumption that whether or not rights are nominated, all flexibility of MPs is reflected in orders in the DA markets, where the nominations offset one’s position, and the difference is bought or sold in DA. The CWE partners’ view is that this assumption most likely does not hold for 100% of the transactions. Finally recall that in the report on intuitiveness that in section 5.1 the interaction between the intuitive patch and the LT nominations is explained (i.e. the intuitive patch applies to the day-ahead net positions, possibly resulting in counter intuitive flows on the total net positions)
- CWE project partners foresee to progressively close the Q&A Forum starting mid-July. A document with an extract of the Q&A content including all topics/posts will be published on the CASC website in the “Q&A Forum” section. For further questions from Market Parties, CWE project partners would recommend to address it directly to the PMO so that it could be answered for the next CWE Consultative Group or towards your specific contacts on TSOs or PXs side.
- Request from MPs: Market Parties consider that the Q&A Forum is still very useful during the post Go-Live period and remains the most efficient public channel to tackle questions concerning the Flow-Based methodology outcomes. It is a good way to keep confidence of the market.
- Project Answer: CWE project partners understand the need of Market Parties to have continuous exchanges between stakeholders and FB experts about the Flow-Based methodology. In this context, the project will consider the possibility to extend the Q&A Forum activity and provide feedback to Market Parties on the solution proposed.

### 3 Look back on first Flow-Based market outcomes

- The first Flow-Based market results demonstrate that there has been a stable operation of CWE FB MC in the first month after Go live, without any operational issues. The first weeks of operation of the Flow-Based methodology confirm the positive results demonstrated under the parallel run during two years:
  - Increased trades in the most valuable directions
  - Increased price convergence (significant reduction of the price spreads)
- Furthermore, the first market results after Go-Live show no major difference in terms of Long-Term nominations volume.
- Request from MPs: In order to improve market forecasts, could CWE project partners provide additional information to Market Parties? For instance, CWE project partners could provide a weekly/monthly report illustrating social welfare level, for each hour and per bidding areas. Market Parties would also like to have a better view on future PTDFs (typical PTDF) to get more visibility on price formation, in particular for Belgium and Netherlands.
- Project Answer: CWE project partners will investigate measures to improve transparency towards Market Parties and will propose corresponding solutions in next Consultative Group. However, the CWE project partners stress the fact that Market Parties need to be very careful when looking at the commercial flows. These are completely arbitrarily derived ex-post from the net positions for administrative/technical purposes (i.e. nomination processes), whereas the meaningful information are the net positions for each hub.
- Request from MPs: Market Parties consider that the complexity of the calculation leads to reduced confidence in the market results. In particular, Market Parties have difficulties to explain the market results, especially regarding PRBs behavior.
- Project Answer: PRBs issues recently identified are linked to Euphemia and are currently discussed at PCR level. CWE project partners understand the point of view of market parties that PRBs and price formation under Flow-based are two significant issues, but would like to point out that there are little direct links between PRBs performance of Euphemia and the price formation mechanism under Flow-Based MC. MPs will be informed through PCR about the Euphemia performance related matters.

- CWE NRAs and CWE project partners agreed to monitor Flow-Based results on a monthly basis through a PX and a TSO report including several KPIs. These monthly reports form the basis for a bi-annual report, which analyses the functioning of the Flow-Based Market Coupling. Therefore, Project partners propose to share and discuss the bi-annual report with Consultative group members.
- Request from MPs: Would it be possible for CWE project partners to also communicate or publish these monthly reports to Market Parties?
- Project Answer: Since some information included in the reports may be confidential, CWE project partners will first discuss this request internally and with CWE NRAs and then provide feedback to Market Parties for the next CWE Consultative Group. Nevertheless, CWE Project partners already see the possibility to share some information from the PX report.
- Request from MPs: Would it be possible to have more grid forecasts/information? Would it be possible to get the matching of CBs with the lines?
- Project Answer: Grid forecasts will be based on energy forecasts and grid elements. Project parties will investigate this request and will come back to MPs. However, project parties also emphasize that there is confidential information related to the grid and this is why some information for instance the matching between CBs with the lines is not communicated.

## 4 Market Parties' / NRAs' reaction and questions

- *Market feedback and suggestions for the next steps within CWE region are outlined in the PowerPoint document "Market Parties Platform – Flow Based coupling is alive, 30 June 2015".*
- Market Parties congratulate CWE Project Partners for the successful launch of the Flow-Based Go-Live. However, many Market Parties feel insecure about their bidding strategy and have identified XBID capacity reduction on some borders.
- The next main priorities for Market Parties are:
  - Improvement of transparency measures: Market Parties request more information (planning, publication) and exchanges with project partners on the future improvements in the CWE region. In particular, Market Parties request to have a better view on "typical PTDF" (different scenarios of monthly PTDF for the next 2 years) and get feedback on the impact of new projects on PTDFs values.
  - Interaction with the overall day-ahead coupling algorithm: beyond the scope of the CWE project activities, Market Parties underline that the complexity of the calculation leads to reduced confidence in the market results that cannot understand some of the results anymore. Market Parties suggest running Euphemia longer than 10 minutes on the background and publish results to increase confidence of the market.

CWE project partners precise that the rejections of block orders are arbitrary, and not discriminatory.
  - Recalculation of the capacity after Day-Ahead results: Since CWE Flow-Based Market Coupling Go-Live, Market Parties have notably observed more price volatility on day-ahead markets, and more volatility in balancing prices (especially for NL) due to the absence of cross border capacities in Intraday. Therefore, Market Parties recommend recalculating the Flow-Based domain before calculating intraday capacities in order to take into account the better forecasts available after day-ahead.
- Market Parties also request as much as possible to be informed in advance on upcoming changes in the CWE region.
- Request from MPs: Market Parties would like to have the block orders information published for Belgium and Netherlands markets
- Project answer: PXs note the point. However, this is a discussion that should be picked up in the member boards of the respective PXs.
- Request from MPs: On top of the suggestions mentioned in the document, Market Parties would like to get the prorata of clearing prices for each hour.
- Project answer: Clearing prices for each hour can be deduced from the curves published on the PX website. Though, here again the point should rather be discussed at PX member boards as this doesn't depend on the CWE project.

## 5 Presentation of the Post Go-Live NRAs requests

- Due to another meeting, CWE national regulators (NRAs) were not able to find one representative to attend the CWE Consultative Group. Therefore, Dietmar Beck, on behalf of NRAs, has been appointed to present to Market Parties the post Go-Live NRAs requests.
- All of these requests are summarized in a document entitled “Position Paper of CWE NRAs on Flow-Based Market Coupling” provided to CWE project partners after approval of the CWE Flow-Based Market Coupling Go-Live.
- NRAs explained that they have included some of the CACM obligations in their position paper to highlight these requests and remind CWE project partners that they need to demonstrate that they are compliant with CACM guidelines (Inclusion should not be misinterpreted as signal for non-compliance). From point of view of the NRAs, CWE Flow-Based Market Coupling was the pilot project for FB-calculation, therefore the Project should be already today in line with most CACM-obligations
- The current status of the main NRAs post Go-Live requests are detailed below:
  - Completion of agreed transparency requirements: given the recent publication of TSOs static grid model and the implementation of aggregated D2CF data in CASC publication handbook (Utility Tool), this request is now completed by CWE project partners.
  - Belgium-Luxembourg interconnection (see agenda point 7): CWE NRAs requested TSOs to study the impact of the interconnection and to provide a formal proposal by end of August 2015.
  - Adequacy issue (mitigation of curtailment of price taking orders – see agenda point 7): CWE NRAs have identified a theoretical issue known as “adequacy issue” and have asked the project partners to assess the phenomenon and to find solutions. A solution has been identified and presented in February 2015 to the CWE NRAs. It will be implemented in November 2015 in the next release of Euphemia.
  - Intraday capacity calculation (see agenda point 7): CWE project partners proposed a stepwise approach to implement Flow-Based calculation at intraday timeframe. As a first objective, CWE NRAs asked for intraday capacity recalculation to be properly implemented in ATC by beginning of November 2015.
  - Implementation of FTRs on BE-FR and BE-NL borders (see agenda point 7): CWE NRAs requested TSOs to prepare FTRs design so that they can be implemented for the 2016 delivery period on Belgium-France and Belgium-Netherlands borders.
  - Flow factor competition (study and solution): CWE NRAs plan to monitor the “flow factor competition” issue and will require, if needed, appropriate improvements to the current design of the Flow-Based Market Coupling.
  - External constraints study: The CWE NRAs require that a justification of the external constraints - maximum import or export position of TSOs systems due to other aspects of secure system operation such as voltage stability - is provided by each TSO to its NRA. Based on the results of these studies, it could be decided to adapt or remove these external constraints in the frame of the Flow-Based Market Coupling methodology.
  - Flow Reliability Margins (FRM) study: CWE NRAs asked CWE project to investigate all possible aspects which may reduce the values of the applied security margins while respecting the security criteria and propose modifications if appropriate. FRMs are changed every year by TSOs.

Request from MPs: Would it be possible to inform Market Parties for any future FRMs changes?

Project Answer: CWE project partners take into account their request and will determine whether it will be possible to inform Market Parties on the scheduled future FRMs changes.

- Closer cooperation with other regions and extensions to other borders – potentially advanced hybrid coupling - feasibility study and the design of the hybrid solution: CWE NRAs requested CWE project to closely cooperate with neighboring regions and be open to contribute to their projects. Advanced hybrid coupling is considered as a first, and easier, step into the direction of a new border into the Flow-Based area and of a wider optimization. Therefore, CWE project partners foresee to start the feasibility study for hybrid coupling in September 2015 and finalize the design on relevant borders in May 2016. The study will allow identifying at which specific border(s) implementation could be feasible.
- Allocation of congestion rents: CWE TSOs are requested to develop a proposal for a methodology for sharing congestion incomes, aligned with CACM obligations. CWE NRAs ask CWE TSOs to show the impact of the new EU proposal on the CWE sharing rule.
- CBCO selection: CWE project has proposed the rule of 5% to identify a critical branch (the 5% criterion means that a CBCO, to be selected, has to have at least one zone-to-zone PTDF which exceeds 5%).CWE NRAs asked CWE project to demonstrate whether the 5% rule is optimal, or what other rule could lead to such optimality.
- GSK evolution: NRAs would like TSOs to provide a formal proposal explaining the methods investigated to improve GSK evolutions and the results obtained. At this stage, CWE TSOs cannot see any significant improvements for the time being, without having more recent and better information from producers to improve GSK determination. Moreover,

the harmonization of GSK methodologies has limitations as each grid has its own specificities and therefore tailoring the methodology could be seen as beneficial.

- Common Grid Model and base-case: CWE NRAs requested the development of the Common Grid Model and harmonization of the base-case to be implemented at the latest when applying for a capacity calculation methodology in the frame of the CACM Regulation.
- D2CF composition improvements: in line with CACM obligations, CWE TSOs are requested to monitor the D2CF quality in a dedicated report. However, it is worth noticing that the D2CF files of 50Hz and APG are already taken into account in the daily CWE process.
- Flow-Based intuitive or plain reports: CWE NRAs have requested CWE project to keep running and simulating the Flow-Based Plain methodology in parallel and provide CWE NRAs with a comprehensive comparison report of the differences between the two methodologies. After 12 months, CWE NRAs will consider if a change towards the other version of the methodology is relevant and justified.

Request from MPs: Would it be possible to communicate these monitoring reports to Market Parties?

Project Answer: CWE project partners will assess with NRAs either or not this information can be published and will provide a feedback to Market Parties. If possible, the publication of this information will be on a monthly basis ex-post.

## 6 Regional coupling situation

- Currently, a technical issue of a PX outside CWE may lead to a full decoupling of CWE. The geographic extension of PCR/MRC tends to increase the risk of technical problems resulting in MRC decoupling. Therefore, CWE Parties propose to introduce a regional coupling solution for CWE markets (plus BritNed) in case of a MRC full decoupling. The main objective of this proposal is to keep the CWE region coupled in case such situations occur:
  - Following MRC decoupling (after the partial coupling deadline of 12:40 has passed, but no later than 13:50), shadow auctions will be applied on CWE external borders
  - CWE (plus APX UK) markets reopen then close by 14:08, with preliminary results by 14:25 (final by 14:31)
  - CWE remains coupled under flow-based (and APX UK remains coupled to CWE via Britned)
- CWE project partners also explained the fallback scenarios of this fallback MRC decoupling procedure, possibly leading to reduced time for nominations, but highlighting that such cases are extremely unlikely.
- After final assessment of these scenarios, the next steps would be to update the procedures, MPs messages and test them.
- Question from MPs: Is there any impact of the fallback scenarios on the timings of the 15 min intraday auction in Germany?
- Project Answer: There is no direct impact identified at this stage, but CWE PXs will investigate the possible impact on the 15 min intraday auction in Germany and revert to the CWE Consultative Group.

## 7 Update on upcoming changes within CWE region

### Interconnector BeDeLux project

- The IC BeDeLux project parties are working on the implementation and commercialisation of a new interconnector (400 MW as the upper limit capacity) between Belgium and Luxembourg with a target go-live date by the end of 2015. The main objectives of this project are to ensure security of supply in the area and improve market integration between Belgium and German/Luxembourg bidding zones.
- In a first step, the interconnector shall be commercialised at day-ahead stage only. Long term capacity allocation (monthly, yearly) and intraday allocation is expected to start in a later phase, after gaining experiences with the BE-LU interconnection.
- CWE NRAs request TSOs to study the impact of the interconnection and to provide a formal proposal by end of August 2015. Based on this study, the regulators will decide either or not a formal re-approval of the complete CWE FB package is needed.
- The results of this study will be considered as an annex of the approval package and will be therefore published on the CASC website and available to all Market Parties.

Request from MPs: Did the BeDeLux project parties perform a return on investment (ROI) study to assess the profitability of the project?

Project Answer: The Project was initially launched in order to increase the security of supply of the grid and at the same time promote the further integration of the EU internal electricity market (as requested by EC Regulation 714/2009).

Request from MPs: If an impact assessment can only be based on a limited number of days, could these days be selected with care? I.e. create a representative set, covering many typical market situations? Could this be developed into a standard set for assessment of future changes too?

Project Answer: We will consider the request.

Request from MPs: Could Project Parties guarantee that the capacity will be not reduced with the implementation of this new interconnector? Moreover, do you foresee to provide Market Parties and regulators with simulation analysis (similar to the parallel run) to compare the situation with and without the interconnector?

Project Answer: The impact assessment study is ongoing and will determine what will be the precise capacity delivered by the interconnector. Nevertheless, based on a first analysis, BeDeLux project parties do not expect any reduction of capacity. The impact assessment study will also include some simulations, but it will be limited to a specific time period (not a daily monitoring as the parallel run). The objective of this study is to show that this PST does not create any new congestion.

**For future changes in the grid requiring similar impact assessment studies, Market Parties will be solicited to propose to CWE project partners a standard set of typical days that could be used to perform analysis.**

### **APG integration**

- GSK-integration has been identified as the second step of the integration of APG in the operational activities of the CWE scope. Therefore, APG in coordination with the CWE-TSOs is currently working to take the Austrian GSK into account and create a German / Austrian GSK for the common bidding zone (DE / AT).
- APG and CWE partners are currently performing a technical analysis in order to assess the impact of the APG GSK on the CWE PTFD and the market coupling results. The impact assessment study will also include some simulations to determine the impact on the market.
- Request from MPs: Will the technical analysis and simulations realized for the impact assessment of the APG GSK be based on the same data set than the BeDeLux market impact assessment?
- Project Answer (post-meeting): CWE project partners have checked internally and confirmed that the two impact assessment studies are based on a different data set
- Request from MPs: With a view to new changes in the CWE region, Market Parties ask CWE project partners to inform them when there might be a significant market impact in order to ensure a better efficiency of the market.
- Project Answer: Following the recent Go-Live of the Flow-Based methodology, CWE project partners are willing to progressively develop some standard process to provide regular information on ongoing projects to Market Parties and more generally improve transparency towards the market.

### **Implementation within PCR of Euphemia patch for adequacy mitigation**

- Based on the CWE regulators request, an algorithm patch is currently being developed to mitigate the situation where “flow factor competition” could trigger curtailment situations. This patch is described in detailed in annex 16.20 of the approval package.
- CWE project partners are confident to implement this change in the next release of Euphemia in November 2015.

### **Implementation of Financial Transmission Rights on Belgium borders**

- During the ENTSO-E public consultation of the “Draft Allocation Rules for Forward Capacity Allocation” (March 2015), several traders and generators indicated that they were not in favor of implementing Financial Transmission Rights (FTRs) options in CWE region for 2016.
- However, CWE regulators and project partners see the need to introduce FTRs options on the Belgian borders to guarantee enough capacities in the day-ahead timeframe. The explanation on the solution that will be implemented is detailed in the Annex 16.21 of the approval document.
- Request from MPs: Could you provide to Market Parties concrete examples illustrating the fact that long term nominations can impact market clearing price? Some Market Parties do not expect a strong impact of FTRs on the market outcomes, except in curtailment situations.
- Project Answer: analysis and observations on parallel run has shown the Flow-Based could trigger such undesirable situations that can be prevented with implementation of FTRs. CWE project partners foresee that the implementation of FTRs on the Belgian borders should have a limited impact on prices. Nevertheless, FTRs implementation will secure price formation in BE as it guarantees that sufficient capacity is made available for Day-Ahead allocation.

**Planning and status of intraday capacity calculation improvements**

- The first step of the CWE TSO roadmap for intraday (i.e. bilateral capacity increase/decrease on BE-NL & DE-NL borders) is already operational.
- The main objective of the second step for intraday improvements is to coordinate decrease / increase on all CWE borders (therefore also FR-borders) and apply it as a daily process. This step does not include a complete re-computation based on the new and coordinated forecasts and grid topologies. The implementation of this new process is foreseen by this winter.
- The third step is to start with a first version of Flow-Based Intraday capacity calculation, to be implemented within a two year period. In case the XBID system do not allow for FB allocation, ATCs will temporarily be derived from the FB domain.
- Request from MPs: Regarding the step 2 of the intraday roadmap, would it be possible to perform the D-2 process on D-1 in order to have a complete re-computation as soon as possible?
- Project Answer: Given the current FB approach and procedures, CWE partners consider that it will be very challenging to enlarge the scope of the step 2 and to accelerate the planning for the step 3 as the current FB methodology is very specific to D-2 information and processes.

**LTA violation measures investigation**

- CWE project partners have defined a two-steps action plan to provide more transparency on the origin of LTA violations occurrences. The first step consists to elaborate a few examples of worst overloads recently observed. The second step objective is to implement a set of measures to avoid LTA violations.
- The action plan proposed by CWE TSOs includes 5 main measures
  - Measures following the network code FCA: This general measure consists in determining the obliged measure in the process after FCA assessment.
  - Flow based reliability margin: the objective is to implement possible improvements to lower FRM values (investigation on applied security margins, assessment of possible seasonal trends). See above.
  - Improvements of D2CF quality: TSOs mainly expect to work on the improvement of outage planning and generation distribution. For instance, a dashboard has been put in place to monitor the quality of the D2CF.
  - Analysis for optimized usage of Remedial actions: improvements are foreseen for future implementation in Day-Ahead and Intraday processes.
  - Optimization of the Flow-Based domain: TSOs are completing a study to highlight that a trade-off is required in optimization between focus on specific markets tendencies or reduce the FB domain if all RA are computed for LTA coverage in unlikely corners.
- Request from MPs: In order to improve their market analysis and forecasts, Market Parties would like to know which assumptions are implemented and to what extent they can influence the market prices.

Project Answer: Lots of these measures are manual operations performed by operators, based on consistent and reasoned approaches. CWE TSOs are implementing these measures in order to continuously improve the general welfare in the CWE region.

**With further experimentation of the Flow-Based methodology and implementation of various measures, CWE project partners are committed to progressively improve transparency towards market parties and therefore strengthen market confidence.**

**The next CWE Consultative Group is foreseen for this autumn. CWE project partners will inform Market Parties as soon as the meeting date is set.**