Overview assumptions & limitations of published Core FB DA Results

As communicated during Core CG Oct 7, 2020 Core project parties decided to transition progressively to the EXT//Run, meaning that a selection of business days will be published that are deemed sufficiently representative and progressively increase this to 7 business days per week. This means that Core TSOs will perform daily computations of the transmission capacity. Resulting market outcomes will be computed weekly by Core project parties and will be made available on the JAO website (a few weeks after the actual BDs). Furthermore, the Core TSOs have agreed with Core NRAs on a set of KPIs to facilitate data analysis. These KPIs will also be shared with Core MPs during the EXT//run.

To enable an adequate interpretation of the published data, it is important to list the underlying assumptions and limitations with which the Core DA capacity calculations are performed. This document provides such overview.

minRAM assumptions

The minimum value of 20% capacity for Core exchanges will be applied as written in the CCM. In light of the implementation of the 70% rule from CEP and related action plans and derogations, the following table shows the minRAM percentages (rAMR factors) which are currently being applied by Core TSOs for the year 2020. Mind the difference between rAMR and absolute minRAM for Core:

- The rAMR constitutes the total of all market exchanges, both Core exchanges and non-Core exchanges (Fuaf)
- The minRAM for Core = max (20%*Fmax, rAMR*Fmax – Fuaf, 0)

Some TSOs apply static values, while others have a derogation that allows for flexibility. Note that these values can evolve over time, in which case Core TSOs will update this document accordingly.

TSOs	r_{AMR}	Comments
German TSOs	12%	Same as CWE settings, according to action plan (rounding required in CWE, true value would be 11,5%)
Transelectrica	20%	Static value
PSE	5%-40%	Loopflows define value
Elia	70% minus excessive LF	In line with its derogation on loopflows, Elia defines the minRAM per CNEC per MTU taking 70% as a starting point and reducing in case of excessive loopflows
Eles	70%	Static value
CEPS	70%	Static value
TenneT NL	20-70%	In line with action plan which defines minRAM per CNE in range 20-70%. In addition, minRAM values per CNEC per MTU are updated to consider derogation on loopflows.
APG	20%	Applied for all CNECs in the beginning, however as soon as more details per CNEC are available, this information will be updated to match reality.
RTE	70%	Static value
SEPS	30%	Some CNECs can have higher minRAM value than 30%. Further updates towards the higher minRAM values are expected based on the derogation process.
MAVIR	70%	70% for the majority of the CNECs while 30%, 50% as well as 60% for a certain set of CNECs based on analysis. In parallel, a set of CNECs being close to high concentration of generation nodes have been set to MNECs as well
HOPS	70%	For majority of CNECs in the beginning, while for specific CNECs identified based on internal analysis (per ACER recommendation) will be defined differently (20% - 70%)

LTA inclusion approach

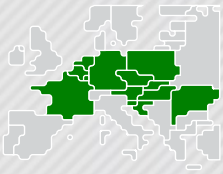
In line with the currently applicable Core DA CCM, Core TSOs apply the LTA margin approach for the inclusion of LTAs. A process is ongoing to amend the Core DA CCM to -amongst other - allow for the application of the so-called extended LTA inclusion approach. Core TSOs will keep stakeholders informed if a decision to apply this approach will be made and subsequently about the timing of switching from the LTA margin approach to the extended LTA inclusion approach.

ALEGrO

Conditional on the successful commissioning of the cable the first day of commercial operation (in CWE) will be business day 18/11/2020 (allocation day 17/11/2020). This comes along with a ramp-up approach i.e. from 18/11/2020 to 05/12/2020 the maximum capacity that can be allocated to ALEGrO is gradually increased up to 1000 MW. For the Core // run the same capacities are used.

Result Computation

As currently the markets of 4M MC and MRC are not coupled, the order books of 4M MC and MRC are not modified in any way in order to simulate behaviour of Market Participants on coupled market. The only modification performed is extension of supply/demand curve on the Min/Max price based on explicitly nominated capacity in daily timeframe, which won't be allocated explicitly any more in coupled markets



Other limitations

Core TSOs evaluate the quality of the results of BDs. Some known limitations may affect the quality but will however not prevent the publication. These limitations are detailed hereunder:

Description of issue / limitation	FROM BD	TO BD
Merging tool uses an incorrect net position for DE/LU. This incorrect net position is distributed throughout the CGM, thus leading to unintended deviations of generation between Core IGMs and CGM.	16/11/2020	30/11/2020
Around 1MW difference can be observed due to rounding problem in Flow-Based Parameter Computation Module, responsible for calculating the FB domains.	16/11/2020	07/01/2021
NRAO is not implemented yet and therefore results are without this optimization	16/11/2020	TBD
As TSOs are in a learning phase in terms of process and tools, the outcome of the local validation might temporarily lead to limited application of IVA and/or incomplete information on its justification	16/11/2020	TBD

Aside from known limitations, unknown issues could be present and could be discovered in the future. This might lead to the ex-post conclusion that results for certain BDs are invalid.