



# Common position paper of CWE NRAs on the update of the day-ahead Flow-Based Market Coupling methodology and on the update of the methodology for intraday capacity calculation submitted in April 2019

30 April 2019

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## Context

In March 2015, the NRAs of the Central West Europe region (hereafter CWE) approved the CWE day-ahead Flow-Based Market Coupling (hereafter FBMC) methodology, whose principles and details had been developed since 2007 by the project partners (TSOs and PXs) under the supervision of CWE NRAs. The CWE FBMC went live for the day-ahead time frame on 20 May 2015.

As part of their decision process on the CWE FBMC methodology, CWE NRAs had endorsed a common position paper that contained 15 requirements for further improvements of the CWE FBMC methodology. One of the requirements concerned the development of a flow-based capacity calculation methodology for the intraday timeframe, possibly via a stepwise implementation through an initial proposal for a coordinated ATC approach. Following this requirement, CWE TSOs submitted a proposal for a coordinated intraday ATC calculation, covering the process of a coordinated capacity increase of 100 to 200 MW when the original ATC value extracted from the day-ahead flow based domain (i.e. the day-ahead left-over ATC capacity) is below a certain threshold. This proposal, confirmed by CWE NRAs in Q1 2016 and added as an annex to the CWE FBMC methodology, was implemented on 30 March 2016 by CWE TSOs.

In September 2018, CWE NRAs approved an updated version of the CWE FBMC methodology reflecting the inclusion of the DE/LU-AT-border as of 1 October 2018 and the introduction of the 20% minRAM requirement.

Following the inclusion of the DE/LU-AT border, CWE TSOs have proposed to extend the coordinated intraday ATC calculation to this border by June 2019. The corresponding updated annex was submitted for approval to CWE NRAs in April 2019.

In compliance with Articles 45 and 57 of the Commission regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (hereafter CACM regulation), CWE TSOs and NEMOs operating in the CWE bidding zones developed a proposal for multiple NEMO arrangement (hereafter MNA) that was first approved by each NRA between 2016 and

early 2017<sup>1</sup>. As the CWE MNA is currently foreseen to go live by 18 June 2019<sup>2</sup>, CWE TSOs have updated the CWE day-ahead FBMC methodology by adapting all references related to the coupling solution and processes. The updated methodology was submitted for approval to CWE NRAs in April 2019.

## Legal basis

The legal basis under which the CWE FBMC methodology was developed and submitted for approval is Regulation 714/2009 and its Annex 1 as well as Directive 2009/72/EC<sup>3</sup>. This legal basis remains unchanged for the proposed changes to the CWE FBMC methodology.

## Description of the proposal

The main changes discussed in the Context section above are incorporated in the CWE FBMC approval package that consists of two parts as submitted in April 2019:

- the CWE day-ahead FBMC methodology; and
- the updated annex on the methodology for capacity calculation for intraday timeframe (Annex 15.22).

More specifically, references to specific entities (such as local PXs or Euphemia) in the CWE day-ahead FBMC methodology have been replaced by generic terms. Updated processes arising from the CACM regulation have also been introduced (such as fallback allocation procedures or scheduled exchanges). Furthermore, the reference to the French external constraint, which had been introduced for the purpose of addressing potential grid security issues in Switzerland for the winter 2018-2019 (until 30 April 2019), has been deleted.

As regards the updated annex on the methodology for capacity calculation for intraday timeframe, details of the local implementation by the Austrian TSO APG have been added.

## Analysis of the proposal

CWE NRAs welcome the update of the CWE day-ahead FBMC methodology. The changes implemented allow properly reflecting the coupling solution and processes that will arise from the implementation

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<sup>1</sup> The MNA for the bidding zone DE/LU-AT was notably amended and approved in 2018 to take into account the German-Austrian split.

<sup>2</sup> The go-live of CWE MNA has been subject to several delays. The mentioned deadline is accurate at the date of this position paper.

<sup>3</sup> Article 37(6) of Directive 2009/72 of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity provides that regulatory authorities shall be responsible for fixing or approving sufficiently in advance of their entry into force the methodologies used to calculate or establish the terms and conditions for access to cross-border infrastructures, including the procedures for the allocation of capacity and congestion management.

of the CWE MNA, thus contributing to the objectives of non-discrimination, fair treatment and transparency among NEMOs as well as the creation of a level-playing field.

CWE NRAs welcome the extension of the coordinated intraday ATC calculation to the DE/LU-AT border. It is expected to lead to short-term improvements for the region by increasing the capacity available for CWE market participants in the intraday market.

## Conclusion

CWE NRAs agree with the updated CWE FBMC methodology.

CWE NRAs urge CWE TSOs to ensure that the CWE MNA go-live (in cooperation with the other project parties) and the extension of the coordinated intraday ATC calculation to the DE/LU-AT border will be implemented in due time and as planned at the date of this position paper.