

Interim Coupling project webinar

21/04/2021

Questions & Answers

1. Q: Switzerland seems currently to be excluded of SDAC. Are there plans to integrate the Swiss market as well?

A: Swiss market is not foreseen for integration in SDAC. Further details on the status of the discussion between Switzerland and EU can be provided by European Commission.

2. Q: Can you provide more information why virtual BZs are needed? And what the actual effect of capacity calculation will be?

A: The Interim Coupling Project is solely focused on market coupling / capacity allocation, and current capacity calculation methodologies (under explicit allocation) remain until the introduction of Core Flow-based Market Coupling (Core FB MC). A virtual BZ (VBZ) is an instrument available within the market coupling algorithm EUPHEMIA to implement different local specificities. At the moment, PSE and 50Hertz apply virtual bidding zones. 50Hertz' VBZ models technical profile of 50Hertz as one common capacity towards borders with CZ and PL. ([see publication here](#)) The VBZ applied by PSE constitutes a technical tool for handling "allocation constrains" in the allocation process (please also see the answer to question 11). These virtual BZs do not have any effect on the offered transmission capacity (NTC or ATC) or the capacity calculation process itself.

3. Q: Can we expect to see realistic simulation of CZC in new topology vs. existing cross-border capacities as offered in current explicit auctions?

A: In principle there is no change in capacity calculation with the introduction of the Interim Coupling project. The same NTC capacity calculation approach as today will be applied by respective TSOs. Therefore, capacities offered to the implicit auction should not significantly change compared to the values provided to the explicit auction today i.e. the process of capacity calculation will stay as today.

Please also see the answer to question 11 on the way of handling "allocation constrains" in the allocation process.

4. Q: There were many UMM communication process mentioned. Just to check: are these published on JAO and send through their RSS-feed?

A: JAO will publish the market messages on their website and send an email to all the registered participants. If the user has RSS feed turned on, they will be notified as well.

5. Q: Do we have external dry run data available, e.g. new expected market outcomes and grid flows?

A: Specific simulations were performed for the validation of resulting market flows with Interim Coupling project topology under SDAC, outcomes of the simulation confirmed expectations on the distribution of market flows. No specific "dry run" was performed to simulate exact development of the market prices.

6. Q: When will it be possible to register for the shadow auctions on JAO?

A: JAO plans to start the registration in the first full week of May 2021 (between 3rd and 7th May).

7. Q: When will the day ahead cross NEMO aggregated curves published? (Regarding to an initiative at the European level that is currently being carried out.)

A: This deliverable is provided at European level and forms part of the next NEMOs' common system release. The publication will then be handled and developed individually by each NEMO.

8. Q: Are other borders than AT-HU and AT-CZ will move to FTRs after?

A: In line with the 3rd amendment of the Core LTTR design, the change of the long-term transmission right type, i.e. from physical transmission rights pursuant to UIOSI principle to FTR Options, on the AT-SI, CZ-DE/LU, CZ-SK, HU-SK, HU-RO, HR-HU, PL-CZ, PL-DE/LU, PL-SK and SI-HU (excluding SI-HR) bidding zone borders shall be effective at the date on which the first provisional auction specifications for long-term transmission rights auction, following the implementation of the Core Flow-Based Day-Ahead Market Coupling Project, are published. The change of the type of the long-term transmission rights shall not apply to already allocated transmission rights.

9. Q: If the shadow auction is triggered, will participants have to confirm the use of the default bids or will they apply automatically without any necessary confirmation by participant?

A: A default bid, once identified as such by the registered participant, shall apply automatically to each subsequent relevant shadow auction for a specific bidding zone border, time period and direction.

10. Q: Upon the coupling, will there be any limitation of the intelligent bids? ("family orders", exclusive orders?)

A: The Interim Coupling go-live will have no impact on range of bids offered from project perspective. Consequently, as far as the performance of the joint algorithm is concerned, no corrective measures on the offered product range need to be applied by the Interim Coupling Project. Any possible further changes at NEMO level will be communicated individually.

11. Q: What is the difference between "PLC" and "PL" and why Poland has two options to put constraint into capacity calculation? No other countries have this virtual zone.

Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM) introduces a mechanism of "allocation constraints". This constraints shall reflect the conditions for the cross-border capacity allocation, which on the one hand must be kept during allocation process to ensure safe operation of transmission systems, and on the other hand cannot be in an efficient way directly reflected in cross-border transmission capacities. CACM particularly assumes the use of allocation constraints to increase the efficiency of capacity allocation. Allocation constrains are bidirectional, with independent values for import to Poland and export from Poland directions. "PL" is the Polish bidding zone while "PLC" is a virtual bidding zone which constitutes a technical tool for handling "allocation constrains" in the allocation process.

The ICP configuration with the PLC virtual bidding zone will improve capabilities of using network infrastructure for the transit of electricity through Poland. Currently, due to the

generation conditions in Poland there are cases of limited possibilities of exchanging electricity between the Polish bidding zone and German, Czech and Slovakian bidding zones. In such cases, the possibility of energy transit through Poland is also limited. This will be changed by the new way of application of allocation constraints i.e. by introducing the PLC virtual area in the ICP. This will bring possibilities to realize the transit of electricity between Swedish, Lithuanian, German, Czech and Slovak bidding zones through Poland in accordance with cross-border transmission capacities (NTC values), irrespectively from the allocation constraints values.

12. Q: Is any change in customer interface is expected for any market?

A: Please refer directly to your NEMO since this is an individual decision of the respected marketplace and not treated at project level. Possible changes in customer interface will be communicated individually by each NEMO prior the testing with Market participants.

13. Q: What are the border capacity volumes that the PL side plan to offer for this Interim Coupling project?

PSE calculates cross-border transmission capacity for synchronous technical profile which contains three borders (Germany, Czech Republic, Slovakia). Capacity for this technical profile is calculated as a single NTC value for all the three borders (separately for export and import direction). The capacity of the Polish technical profile vary hour to hour, depending on the conditions in the interconnected power grid on each day. The ICP project does not change current capacity calculation process.

Please also see the answer to question 11 on the way of handling "allocation constraints" in the allocation process.

14. Q: Can we expect anytime soon publication of the data on JAO through API as soon as the results are available? Basically more advanced and real time data communication.

A: API will be available for the Market Participants to retrieve data.

15. Q: Will the market coupling capacities be published also on NEMOs websites or only on JAO?

A: Market coupling capacities will be primarily published on JAO and ENTSO-E transparency platform. Publication by NEMOs is optional and will be managed individually.

16. Q: Will the capacity allocated implicitly be published on JAO on each border in the same way as it happens for CWE border? And the ID capacity available will be published by JAO?

A: JAO will publish the scheduled exchanges per border indeed. JAO will not publish the ID capacity as part of the Interim Coupling project.