

Newsletter issue
2020/2

UPCOMING EVENTS:

Stakeholder Forum meeting (all are welcome!)

- To be determined

Stakeholder Group meeting (members have been nominated)

- July 1, 2020
Teams meeting

UPCOMING CONSULTATION:

- None

MORE

INFORMATION:

Web: <https://nordic-rsc.net/related-projects/>

QUESTIONS?

Email: CCM@nordic-rsc.net

THE NORDIC CAPACITY CALCULATION METHODOLOGY PROJECT

During stakeholder meetings, via our email CCM@nordic-rsc.net, and through bilateral contacts, a variety of questions has been posed. An overview of the questions received and the answers provided can be found on the Nordic RSC website: <https://nordic-rsc.net/related-projects/questions-answers/>

In this newsletter we would like to present a selection of frequently-asked questions and the answers to them. If your question is not yet raised on the questions and answers section on the Nordic RSC website, you are more than welcome to raise your questions by sending an email to CCM@nordic-rsc.net.

Frequently-asked questions

Q: In the CACM guideline two options for a capacity calculation methodology are given for TSOs to implement: CNTC (coordinated NTC) and FB (Flow Based). Why has CNTC not been proposed in the Nordics?

A: Indeed, two options are provided for the coordinated capacity calculation in the CACM guideline: CNTC and FB – with FB being the legal default option. ACER – in its decision no 16/2019 of the European union agency for the cooperation of energy regulators of 30 October 2019 approving the Nordic CCR TSOs' proposal for the long-term capacity calculation methodology – states:

(35) According to the CACM Regulation, the CNTC approach was never meant to be applied in a meshed transmission network, because it is extremely difficult efficiently to define simultaneously feasible NTC values for highly interdependent borders as is the case for the Nordic CCR. Therefore, the Nordic CCR should ideally apply a flow-based approach, which would also ensure compatibility with the Nordic CCM of the

ACER decided on a FB capacity calculation methodology for the long-term (LT) capacity calculation in the Nordic CCR, even though the default methodology for the LT capacity calculation in the FCA guideline is the CNTC. This underlines that the CNTC is not an option in the Nordic CCR.

Q: In the amended DA/ID CCM that the Nordic TSOs submitted for approval to the NRAs on April 20, 2020, the one year of simulations (not to be confused with one year of external parallel run) has been removed from the conditional implementation timeline (Table 1). Why is that?

A: The amended DA/ID CCM is available on the website of the Nordic RSC: <https://nordic-rsc.net/wp-content/uploads/2020/04/CCM-legal-proposal-2nd-amendment-final.pdf>.

Indeed, the TSOs have removed the one year of simulation, by using the prototype tools and prototype CGM, before starting the external parallel

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run in this document. Main reason is that the prototype CGM – the common grid model created by the TSOs to test the FB methodology in absence of the industrial CGM – poses many challenges. With the parallel runs upcoming, it has been decided to dedicate the time and efforts to the preparation of the parallel runs, rather than trying to get prototype CGMs up and running. This does not mean that no simulations have been performed by the TSOs. Indeed, 17 weeks in 2016, and 11 weeks in 2017 have been simulated with the FB market coupling. The FB parameters and the results of those simulations can be downloaded from the Nordic SC website: <https://nordic-rsc.net/related-projects/simulation-results/>

Where in the simulations performed so far, the prototype CGM and prototype tooling has been used, during the external parallel run it is the industrial CGM that will be used, together with the industrial capacity calculation tooling. In addition, during external parallel run, it is the TSO operators and the Nordic RSC who will perform the capacity calculation. It is the external parallel run that is intended for the learning-by-doing of all involved stakeholders. The external parallel run will be operated for at least a one-year period.

Before starting the external parallel run, a period of internal market simulations will be performed by the RSC and the TSOs, using the industrial CGM and capacity calculation tooling, to improve data quality and processes.

Q: With the Nordic FB capacity calculation being implemented, will there be a different level of transparency in the Nordic countries than today in CWE?

A: ACER decided on the Core DA and ID CCM; the Core region is the capacity calculation region that contains amongst others the CWE region. With the Nordic LT CCM being referred to ACER, ACER copied in many elements from their decision on the Core DA/ID CCM, amongst others on the publication of data. As such, the transparency is fully aligned to that of Core. Please note that ACER added an additional paragraph to the “publication of data” Article in the Nordic LT CCM (that is not present in their decision on the Core DA/ID CCM):

5. If a TSO provides evidence to its national regulatory authority that the provision of anonymised stable identifiers is not sufficient to prevent the identification of network elements, and is therefore not compliant with its national legislation, they can be exempted from the requirements of stable identifiers pursuant to Paragraphs 3 and 4.

This additional paragraph has been added by ACER in order to respect the Swedish and Norwegian national security legislation, prohibiting the

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publication of the names / unique IDs of critical network elements, and puts a burden of proof on the TSOs. The Nordic TSOs copied this article on “publication of data” one-to-one into the amended DA/ID CCM as well, such to guarantee the alignment between the LT and DA/ID CCMs.

Q: The transitional ATC solution for intraday (as presented by the TSOs in their latest amended CCM proposal) needs to be further developed and studied. Do you intend to make the transitional solution part of the parallel run? Will you run a socio-economic analysis of the ID as well?

A: The parallel run is intended for all involved stakeholders to get acquainted to the FB methodology, in terms of capacity available and market results.

For the Intraday CCM, the TSOs follow the proposal that ACER made in the LT CCM as well: a transitional solution – where an ATC domain is computed from the FB domain – until the allocation mechanism is able to cope with the FB domain. It is foreseen to have the transitional solution applied in the last 6 months of parallel run to assess the left-over DA capacity, being the initial ID capacity that would be available at the ID gate opening. Given the continuous trading character of the ID market, a socio-economic analysis is not feasible.

Q: Will you analyse the so-called FB intuitive version during the parallel run as well?

A: It is the assessment of the Nordic TSOs that FB Intuitive (FBI) is not in line with legislation and decreases the welfare generated in the day-ahead market. We kindly refer you to the newsletter 2020/1, available on the Nordic RSC website, for more information on this topic:

https://nordic-rsc.net/wp-content/uploads/2020/04/20200403-Nordic-Flow-Based-newsletter_2020_1_V1.pdf

This view is supported by the ACER decision 04/2020, that removed the possibility of having an intuitive patch in the market coupling algorithm; as such, the application of FB intuitive is no longer an option.