Public Consultation Report to the third amendment of the Intraday Capacity Calculation Methodology of the Core Capacity Calculation Region

in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management

19-02-2023

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GLOSSARY

All definitions and abbreviations of the third amendment of Core ID CCM apply accordingly.

1. INTRODUCTION

This document is the consultation report for the Core TSOs proposal for the Core CCR TSOs' third amendment of the Core Intraday Capacity Calculation Methodology (Core ID CCM) in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management (CACM).

Core TSOs would like to thank all parties involved in the public consultation for their interest in the third amendment of the Core ID CCM. Core TSOs welcome the feedback received as it is valuable for the further development and detailing of the third amendment of the Core ID CCM.

1.1. Public consultation on third amendment of Core ID CCM

Via the ENTSO-E Consultation Platform, the public consultation document for the third amendment of the Core ID CCM was available to Core stakeholders from 30 November 2022 until 30 December 2022. In total, two stakeholders submitted its response.

Since the public consultation results should be processed in an anonymised manner, the identity of the respondent is not disclosed in this consultation report.

The Core TSOs wish to clarify that the content of this document is intended to summarise the results obtained in the public consultation. The Core TSOs did their best to reply to all comments and concerns.

2. CORE TSOS THIRD AMENDMENT OF THE CORE ID CCM – CONSULTATION FEEDBACK

2.1. Introduction

In this chapter, a summary is provided of the stakeholder response received via the ENTSO-E Consultation Platform. The response is structured in a table showing the stakeholder response, the action taken by Core TSOs and in addition a Core TSOs' answer to the stakeholder response.

2.2. Proposal for amendment – Stakeholder feedback

Stakeholder response		Action taken	TSOs answer
S1	The stakeholder welcomes this consultation on the third amendment of the Intraday Capacity Calculation Methodology of the Core CCR. The stakeholder understands that the main goal of the ATC validation step is to define the upper limit which cannot be exceeded by ATC, computed accordingly to the ID CC methodology. The stakeholder wonders how Core TSOs have identified or what has triggered the need to validate the outcome of the IDCC process during an ATC based validation step, in addition to the CNEC based validation. Indeed, if the stakeholder agrees that the Intraday process is subject to constrained timings, these were already known in the earlier versions of the methodology. Moreover, more information on how TSOs set the ATC upper limit would be highly appreciated. Indeed, Annex 6 describes the minimum items published regarding the ATC based validation process but no reference on the threshold itself is listed. The stakeholder wonders why the FB validation process (IVA) does not mitigate all risks. More generally, the stakeholder strongly advises TSOs to guarantee the use of the ATC upper limit as a last resort for optimizing the cross-zonal capacity available. The stakeholder fully supports the publication required for each change in ATC following the ATC validation, in order to ensure transparency of the ATC validation process.	N/A	Core TSOs welcome the feedback provided by the stakeholder. Core TSOs have been evaluating measures to cope with constrained ID CC timings and the impact of ID capacities on grid security and identified the need to validate the outcome of the IDCC process during an ATC based validation step, in addition to the IVA-based validation at CNEC level. Core TSOs consider both approaches as complementary. The validation step could identify ATCs which are too high and jeopardize grid security based on local assessment at TSO level. Then TSOs can compute locally what is the maximum value admissible for the grid. Generally, ATC based validation enables some more simple forms of capacity validation as long as capacity must be provided in form of ATC to SIDC until SIDC can take into account Flow Based parameters. It helps handling the challenge of the 40-minutes deadline to perform Individual validation within the context of timing constraints of ID CC business process. Additionally, an ATC based validation only impacts specific borders whereas an IVA based validation could impact the full Flow-Based domain and therefore ATCs on the Core borders to which the CNEC has a positive z2z PTDF. Core TSOs agree that ATC limitation during validation is a measure only to be used when grid security cannot be guaranteed with all available remedial actions.

S2	The stakeholders welcome the opportunity to provide comments regarding the Core TSOs' amendment of the Intraday Capacity Calculation Methodology (ID CC) related to the Available Transferable Capacity (ATC). As part of the ID CC, the TSOs are entitled to validate (reduce) the RAMs of the ID FB domain before extracting the ATCs for the auctions. This is known as the Individual Validation Adjustment (IVA) phase. However, due to timing constraints, they may not be in a position to perform a full FB validation and therefore propose the introduction of an ATC validation step ex-post, i.e capping the values after extraction. This change would give the TSOs the ability to overwrite any ID ATC exceeding pre-calculated limits. In our view, it is critical to ensure that the ATC validation is not performed ex-post but rather internalized as new constraints to the extraction algorithm itself because this can otherwise result in suboptimal allocations. This could worsen existing issues of border isolations (no import/export ATC left for IDM) observed quite frequently in Core. More broadly, although we acknowledge that grid security can justify TSO interventions, we would also like to voice concerns about the risk of overutilization of such measures. We already observe such occurrences with the IVA on the DAM where bulk reductions are often applied, often leading to no capacity remaining on some CNECs/borders and causing the 20% minRAM requirement to be breached. Comments on proposed TSO amendments: The extraction of an ATC domain from a FB one can have several solutions, i.e. various sets of ATCs can satisfy the FB constraints. In the transition period, such ATCs are calculated through a mathematical optimisation process that aims at maximizing both the sum of ATCs averaged across all borders and the lowest ATC across all borders (annex 4). If the extraction selects a particular ATC domain which is then shrunk ex-post, this represents in our view a sub-optimal capacity allocation because another solution, which could satisfy both the ATC validation and the FB constraints could have been found instead.	Core TSOs have updated the CCM as described.	Core TSOs welcome the feedback and concrete proposal provided by the stakeholder. After investigation by the TSOs it is concluded that this request will be accepted and the algorithm will be modified such that the limitation from a potential ATC validation will be included directly in the ATC extraction. Thus, the final ATC extraction process will be exactly executed as described proposed by the stakeholders comment. Core TSOs take note of the stakeholder's concern regarding the overutilization of ATCs based capacity limitations. To give as much transparency as possible the same level of detail as for the IVA approach will be required for the applied limitation. Thus, including the breached security limit and the assessed circumstance, in case a limitation is required due to process issues, e.g., because of tooling failure or erroneous inputs, it should also be explicitly mentioned in the capacity limitation, such that market participants can take note of its occurrence and frequency.

	Thus, we argue that the validation step should not be done ex-post to the extraction. Rather, the possible upper ATC limits should be directly integrated and introduced in the FB constraints after being properly calculated (e.g. with the finest level of granularity, taking into account the actual and situational security constraints). This would allow the capacity calculation to always provide larger ATC box. Our recommendations for the ATC validation step 1. The new ID Flow-Based domain is calculated by TSOs before the auction from the capacity leftover 2. Each TSO may compute a set of upper ATC limits while ensuring full transparency to the market participant of the level of these limits 3. The ID ATC extraction is performed while considering such limits 4. No ex-post processing is applied because the ATCs are already validation-compliant 5. The final ATCs are sent out to market coupling & clearing		