



# Accession of 4M MC to MRC status and steps

03/02/2016

3rd Market European Stakeholder Committee

# 4M MC Project history and goals

## 4M Market Coupling (4M MC):

ATC based price coupling covering Czech, Slovak, Hungarian and Romanian day-ahead market areas on PCR solution

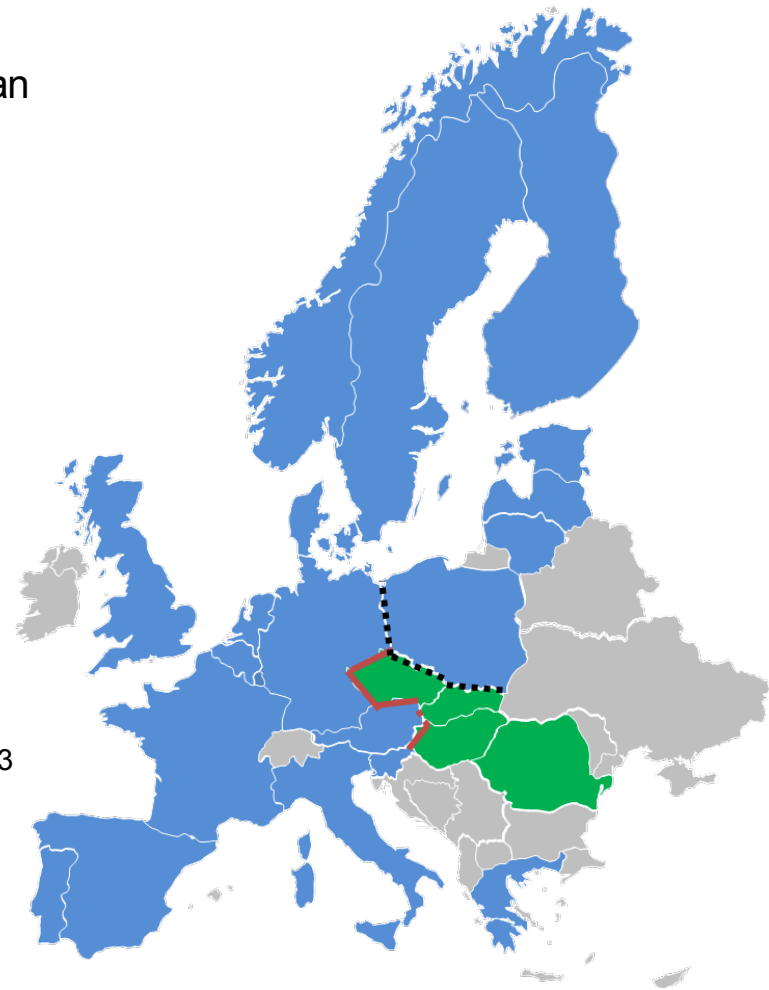
- 19 Nov 2014 Successful launch of 4M Market Coupling
- 04 June 2015 4M MC approached MRC JSC to start the discussion on coupling 4M MC with MRC
- Q3 2016 Original 4M MC plan (was) for go-live

4M MC goal towards the European Price Coupling (Target Model) is joining Multi-Regional Coupling via:

- short term: NTC-based coupling of 4M MC to MRC
- mid term: flow-based coupling of CEE to MRC\*

\* Planned go-live date of NWE-CEE Flow-Based Market Coupling Project set to 03 July 2018 in line with CACM Regulation

**We were looking for starting the pragmatic and efficient discussion with MRC parties.**



# Status

- 04 June 2015 ■ 4M MC TSOs and PXs sent a letter to MRC JSC to start the discussion on the possibility of coupling 4M MC with MRC
- 01 Sept 2015 ■ MRC JSC informed about 07 July decision on setting up an Extension Task Force (lead by Mr. Jens Mattausch, 50Hertz)
- 21 Sept 2015 Extension TF convener started mailing with 4M MC Parties
- 14 Oct 2015 **New information:** 4M MC Parties need to sign confidentiality declaration to have discussion with MRC
- 19 Nov 2015 All 4M MC Parties signed CD
- 11 Dec 2015 Extension TF kick-off confcall: all questions answered
- New information:** Extension TF cannot develop a solution for coupling between 4M MC and MRC as an additional local implementation project (4M-DE-AT) to be established as a first step
- 18 Jan 2016 4M MC Parties sent a letter to German and Austrian TSOs and NEMOs with a request for this local project on DE-CZ, AT-CZ and AT-HU borders
- 20 Jan 2016 Positive answer arrived: invited 4M Parties to kick off the establishment of such a design and implementation on a physical meeting

# Thank you for your attention.



# Back-up slide

## Considering:

- Planned go-live date of NWE-CEE Flow-Based Market Coupling Project set to 03 July 2018 in line with CACM Regulation;
- Requests from local market participants to further introduce implicit allocation on 4M MC external borders via market coupling with MRC;
- Preference of EU bodies and organizations (e.g. EC, ACER, EFET, EURELECTRIC) to proceed with European Internal Electricity Market as quick as possible;
- Significant loss of social welfare due to explicit allocation on non-coupled borders.

## Our main goals:

- 4M countries wish to introduce benefits of market integration to market participants as soon as possible (preferably before end of 2016); withholding of benefits of implicit allocation for next several years is hardly acceptable.
- Comply with legal requirements set also in CACM Regulation;
- Meanwhile not hindering, furthermore fully and actively supporting the regional development towards European Price Coupling.

## Proposal how to achieve:

- Launch NTC-based implicit allocation on DE-CZ, AT-CZ and AT-HU borders as an interim step before go-live of NWE-CEE Flow-Based Market Coupling