ENTSO-E CACM Network Code – Stakeholder Group

2nd Meeting – 26 September 2011

Participants

Name	Organisation	Name	Organisation
Martin Povh	ACER	Clotilde Levillain	ENTSO-E
Alain Marien	CEER	Frank Vandenberghe	ENTSO-E
Sven Kaiser	CEER	Mark Copley	ENTSO-E
Chris Wood	CEFIC	Oliver John	ENTSO-E
Paul Giesbertz	EFET	Marcel Cailliau	Eurelectric
William Webster	EFET	Matti Supponen	European Commission
Alexander Mondovic	ENTSO-E	David Assaad	Europex
Antonio Lopez-Nicolas	ENTSO-E	Rickard Nilsson	Europex
Carolina Tengqvist	ENTSO-E	Paul Wilczek	EWEA
Cecilia Hellner	ENTSO-E	Peter Claes	IFIEC
Christian Dobelke (Chair)	ENTSO-E		

Minutes

ENTSO-E (Cecilia) welcomed all participants to the second stakeholder meeting.

1 – Agenda and minutes of last meeting

Agenda was approved. Minutes from last meeting was agreed with an amendment to attach the discussion on change management.

2 – Issues & expectations from a stakeholder perspective

IFIEC (Peter) outlines that:

- IFIEC support any capacity calculations method that improves efficiency. FB is a way, maybe not the only one.
- Pricing zones to be as large as possible constituted if necessary by smaller bidding zones.

- IFIEC are not in favor of an intraday platform solution that is allowing OTC within the continuous process.

EFET (Paul) asked if he could comment their feedback sent to ENTSO-E on 9th of September. He summarized the feedback that mostly focused on capacity calculation and zones:

- It is not only social welfare, but also the overall market efficiency, with criteria like liquidity and competitiveness. That means for EFET not only a static optimization/evaluation.
- Constraints: treat equally internal and X-Border congestions; no ramping constraints for DC links.
- In favor more in EU-code and less room for national codes which may diverge.

Europex complemented EFET comments on two aspects:
- (David) Indicating the possibility to indeed use standard indicators (HHI, market share of biggest players, size of spreads) to measure the degree of competition and liquidity in a given market area;
- (Rickard) Asking whether ramping and also for ex. losses on (DC) links, shall be considered as ancillary services to be covered via grid tariffs or imposed on energy markets; PXs respect these technical constraints if workable and approved by NRAs, however as imposed today they have negative impacts on market outcomes (e.g. increased price differences).

3 – Final Framework Guideline (FW GL)

ENTSO-E (Cecilia) mentioned that ENTSO-E received the letter from EC 19th of September. CEER (Alain) commented (see slides) the changes between the versions of FW GL in April and July. EFET (William) stressed that if ramping constraints are implemented ENTSO-E must evaluate impacts on the market and make sure that another way of doing it is impossible. (EC) Matti reminded that there is a balancing question to be solved. Eurelectric proposed to move into 15mn timestamp for X-Border schedules, balancing calculation/settlement, generation schedule etc.

4 – Draft terms of reference (ToR) for the group

Mark (see slides) summarized the ToR for the stakeholder group. He stressed that these meetings are informal and stakeholder can update their views.

Europex (David) commented that he wants to add: that in a consistent way with regulation, feedback is given to stakeholders if their comments are not taken into account into the Network Codes. The ToR was approved with this amendment.

5 – Network code development process

ENTSOE (Mark) (see slides) said that the absolute deadline for submitting the network code on CACM is 30th of September 2012 which gives ENTSO-E about 12 months to develop the CACM code. Mark briefed about the process and stressed that the time line is not yet confirmed but it seems like the public consultation will be ~ April & May 2012.

The role of stakeholders within the CACM process were discussed. The stakeholders in general want to see draft code material as early as possible. CEER (Alain) was curious about the length of the CACM code in order to understand the level of detail in the code.

6 – Network code structure – outline of proposal

ENTSO-E (Mark) presented (see slides) the draft CACM code structure, the CACM code structure compared to FW GL and how the CACM code interacts with the other network codes. Most of the questions were raised about the interactions between the codes under development and the way ENTSO-E will manage them. One solution is that ENTSO-E has started to create a list of common topics in different codes.

7 – Status update drafting teams (ENTSO-E Drafting team conveners)

Capacity Calculation

ENTSO-E (Clotilde) summarized the work done about capacity calculation so far. She said that the draft network code will mainly be built on: the work done in the framework of AHAG, the technical workshops and the stakeholders view. After last technical workshop held on 7th of July drafting team capacity calculation received comments from stakeholders. The comments are under analysis and further discussions will be scheduled at next technical workshop on 21st of October.

Europex (David) raised a question about level of firmness in the CACM code and got the answer that in CACM code there will be definitions, tools for physical firmness, firmness for DA and ID transmission rights and schedules. Long term firmness will be tackled in Forward Market Code.

Day-ahead & Intraday

ENTSO-E (Oliver and Frank) explained (see slides) the overview of DA and ID structure; what issues to be dealt with in which chapter and Oliver also explained how the ID algorithm is expected to work.

A discussion followed regarding if revenue sharing and cost sharing are going to be part of the CACM or if them will be part of the Government Guideline (GG). EC (Matti) advised ENTSO-E to tackle revenue sharing within the code while he indicated that some parts of cost sharing between countries will be part of the GG. CEER (Sven) was more cautious on the revenue sharing approach emphasizing that some principles should be mentioned in GG. Another question raised by stakeholders were if the network code on CACM should be robust for any GG and how to deal if GG is not agreed before CACM code is drafted. EC (Matti) reminds the present 4 options for GG and states that CACM code can not be robust to any choice. However, Europex (David) asked whether it would be possible to precisely identify those areas of the Network Codes which could not be made robust to the different GG options. As the GG drafting and the CACM code development will be parallel processes a close coordination between the two initiatives gained broad support.

Stakeholders also expressed their surprise to see that some clearing issues were planned to be included in the Network Codes, as these seem to be out of the scope of the capacity allocation and congestion management area.

Finally, Europex reminded that (in their opinion) it was crucial not to put constraints on market and products development, by limiting the requirements of the matching algorithm in the Network to the high-level rules related to capacity allocation.

8 – Discussion and questions

EFET (William) raised the question how this group and the associations are acting towards representatives in each countries. ENTSO-E (Mark) mentioned the setting up of a dedicated part of ENTSOE website for Code development. The website can be a good way for national associations to get information. Furthermore, the international associations which form part of the stakeholder group should feedback the information they receive to their members.

9 – Next steps and next meeting
Next meeting end November

10 – Actions
- ENTSO-E to circulate a date for next meeting
- ENTSO-E to produce a short meeting minute and circulate for approval
- ENTSO-E to amend ToR according to David's suggestion and then circulate the approved version
- ENTSO-E to develop and circulate a more detailed time line
- ENTSO-E to circulate the structure of CACM
- ENTSO-E to publish information from the meeting on the ENTSO-E website
- All parties to updates their members on the CACM code development and to seek views from their members
- All parties to give input on agenda for next meeting