



KEY RESULTS CONCERNING DAY- AHEAD MARKET COUPLING

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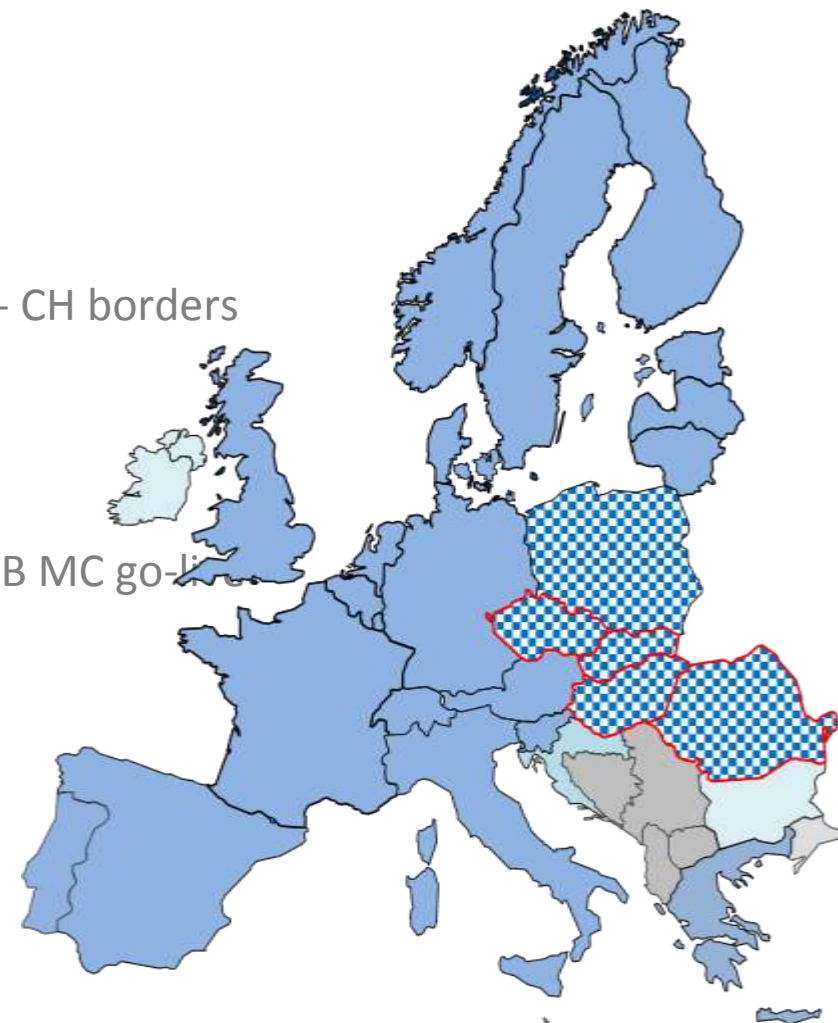
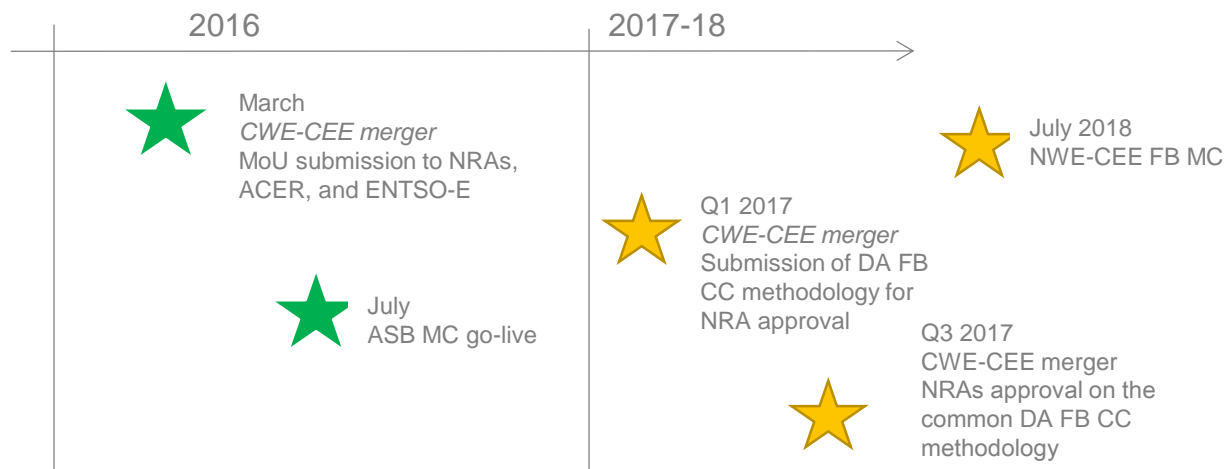
30th EU ELECTRICITY
REGULATORY FORUM

Florence, 03-04 March 2016

Integrating DA markets in Europe – extending the MRC

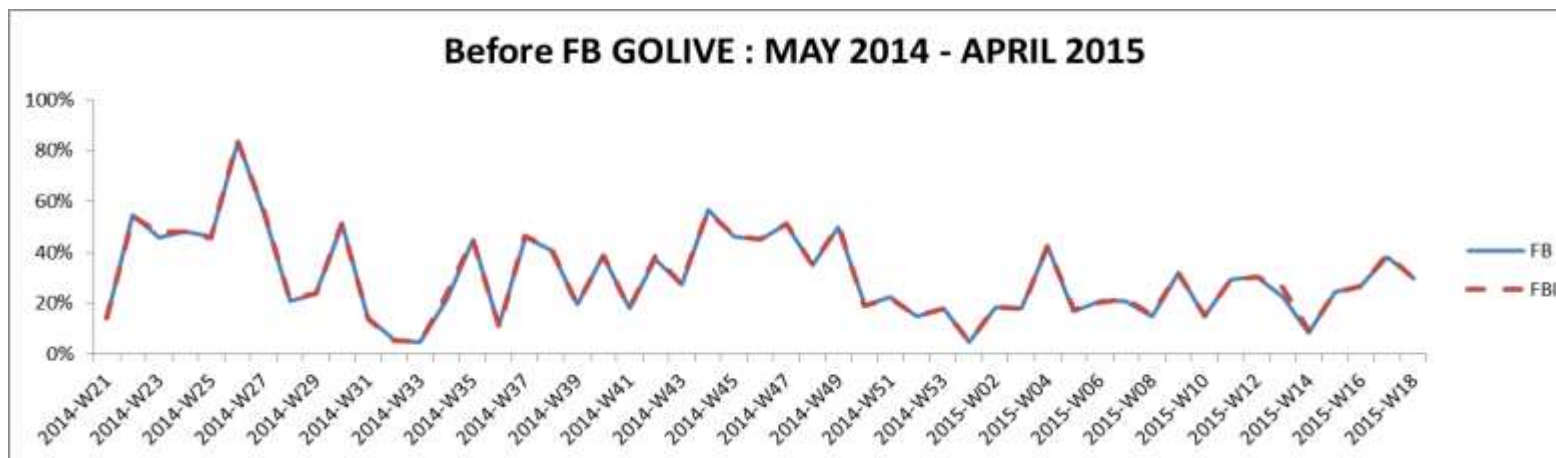
Outlook 2016-2019

- **CWE CEE Capacity Calculation Region merger**
 - March 2016 – signed MoU to NRAs
 - 2017 – submission and approval of common DA FB CC methodology
 - Q2 2019 – DA FB CC methodology is implemented
- **Italian Borders Working Table (IBWT):** Project covering BRNN - GR and NORD - CH borders
- **NWE-CEE Flow-Based Market coupling** –go-live foreseen for July 2018
- **Austrian – Slovenian border Market Coupling**– go-live 07/2016
- **Belgian – Luxembourg – Germany Interconnector (BeDeLux)** – 2016
- **Slovenian – Croatian border Market Coupling:** interim period until NWE-CEE FB MC go-live
- **4M MC** – Regional project + Extension TF within MRC already triggered

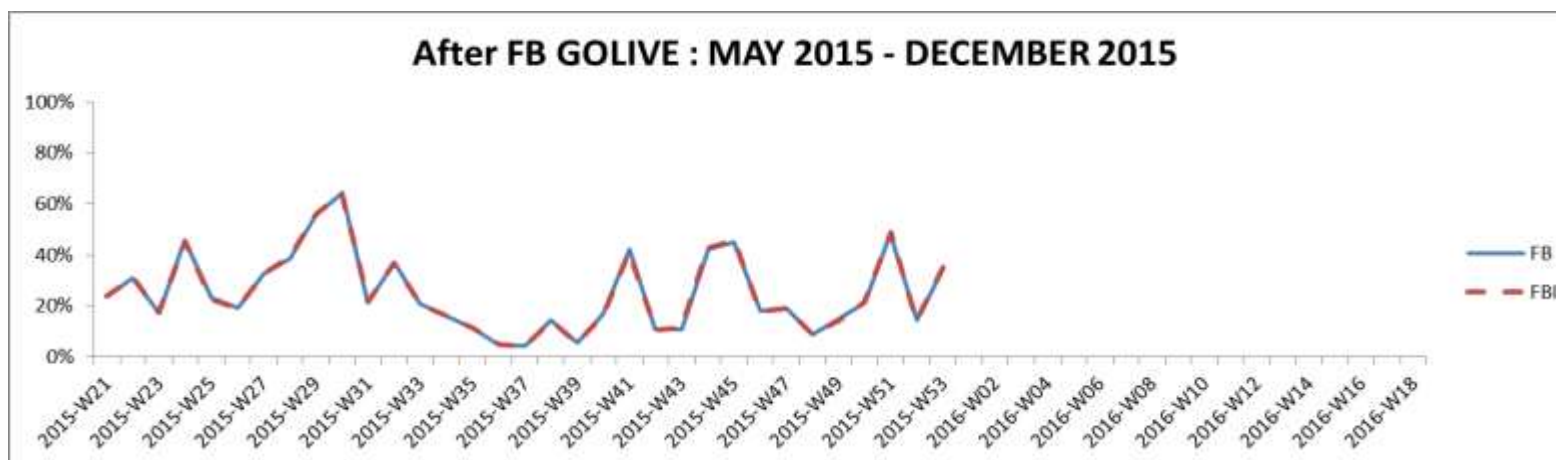


CWE FB parallel run vs FB operational market results

Weekly Price convergence (Until December 2015)

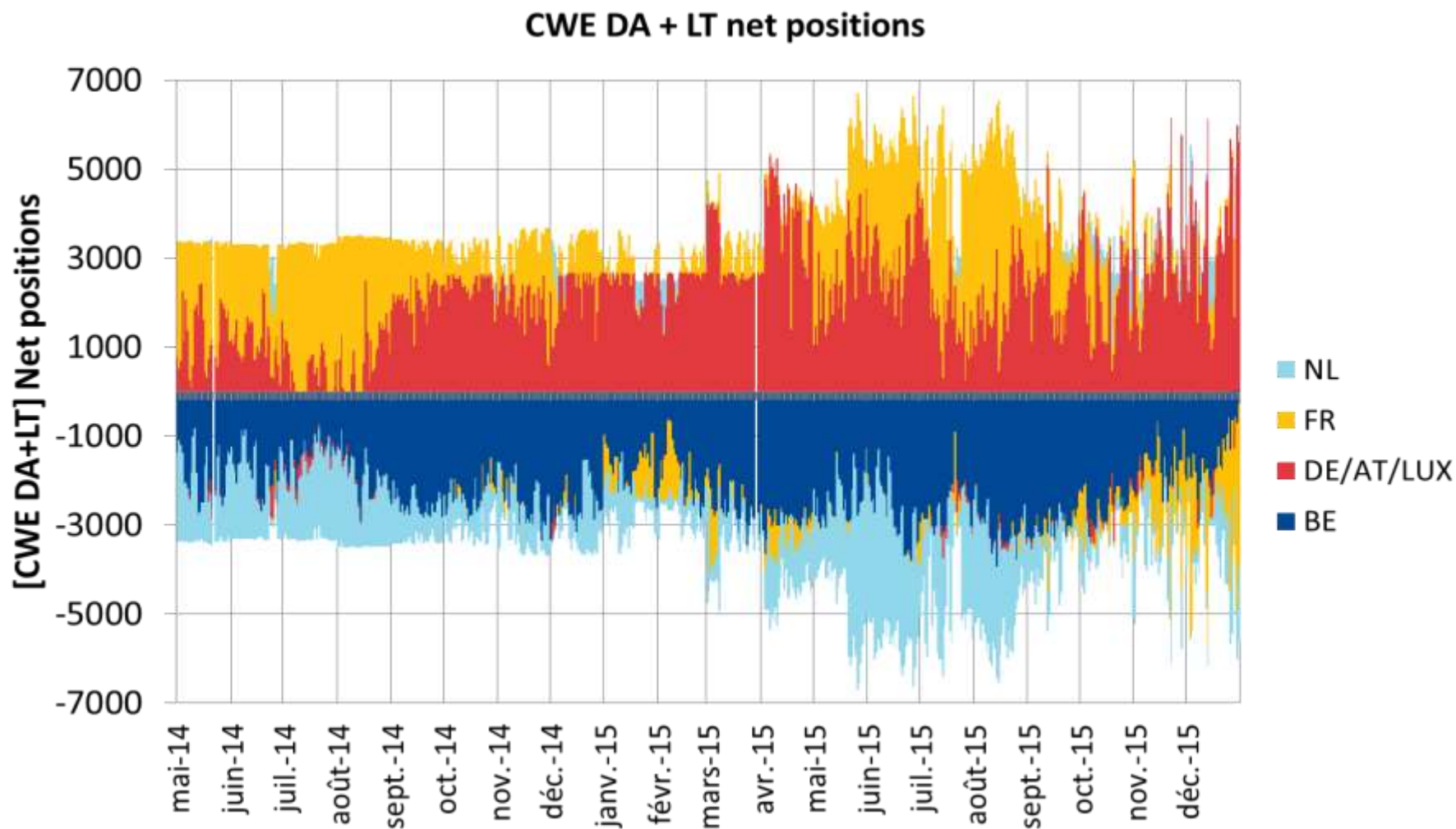
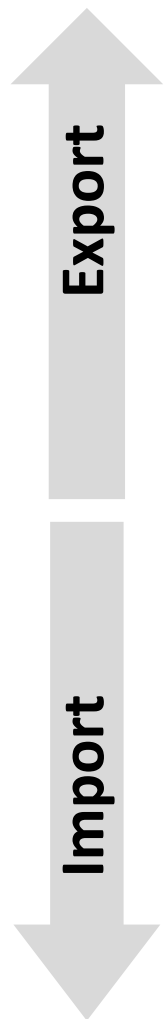


Parallel run



Operational run

- Full price convergence pattern since FB go-live changed compared to the parallel run period
- Decrease during summer and autumn 2015 due to combination of grid and unit maintenances
- Increase in December 2015
- On weekly average, price convergence under Plain FB and Intuitive FB are comparable



- CWE DA and LT nominations pattern changed under CWE FB MC compared CWE ATC MC
- Exchanges in relevant market directions have higher magnitude under FB MC
- Seasonal effect observation under both MC models



CWE Project partners now continue its efforts on the main following activities, in line with NRAs post Go-Live requirements and CACM obligations:

- A permanent technical solution to solve the **Adequacy issue** will be implemented in the Euphemia Market Coupling algorithm in spring 2016.
- The CWE FB project has presented a stepwise approach to develop a **capacity calculation at intraday timeframe**. CWE experts are defining the Flow-Based Intraday concept and high-level process.
- **CWE and CEE parties** foresee to agree by Q1 2016 on a common project plan for a joint FB DA project for CEE and CWE FB DA concept design and implementation
- CWE TSOs started to create a **first concept** for improved **Long-term capacity calculation** and involved market parties in a very earlier stage to taking into account the feedback for developing the concept
- **Flow-Based methodology** will be continuously improved, notably through the following changes:
 - Full integration of APG and 50 HERTZ in Flow based process
 - Investigations to possibly improve FRM and GSK method and review of applied external constraints and CBCO selection
 - Possible evolution towards advanced hybrid coupling for closer cooperation with other regions

Thank you for your attention



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