



**ENERGITILSYNET**

Danish Energy Regulatory Authority

# **NordREG consultation on CCM proposal**

**CCM Stakeholder WS  
11 December 2017**

**Søren Søndergaard, DERA**



**ENERGITILSYNET**

Danish Energy Regulatory Authority

# **6 consultation responses received**

- **Vattenfall**
- **NordEnergi** (from Dansk Energi)
- **Euroelectric**, Nordenergi, EFET, MPP
- **Finnish Energy**
- **Energi Företagen**
- **Nord Pool**



ENERGITILSYNET

Danish Energy Regulatory Authority

# Overall content of responses

- Large parts of the responses are **the exact same** word by word.
- Large parts of the responses are **the same** as were given to the **TSO consultation on the legal document**.
- The responses are overall **negative** towards the proposal.



ENERGITILSYNET

Danish Energy Regulatory Authority

# Overall content of responses

- **A comparison between CNTC and FB is necessary (6 of 6)**
- **The CCM must work before it goes live (6 of 6)**
- **The proposed CCM discriminates between internal and cross-zonal exchanges (5 of 6)**
- **Transparency must be ensured (5 of 6)**
- **Mistakes in CWE FB CCM should not be repeated (4 of 6)**

## Other responses:

- Non-intuitive flows can lead to unfair treatment of market parties
- Negative RAM values should be set to 0.



ENERGITILSYNET

Danish Energy Regulatory Authority

# Examples of responses

## - **A comparison between CNTC and FB is necessary**

*“During the process so far, the stakeholders have repeatedly asked for an evaluation of the difference between a CNTC and FB methodology, with real actual outcomes/flows as a reference. However, such a calculation has not been provided. Thus, since we miss an objective reference point, it has not been possible to fully assess the CNTC method in relation to the now proposed flow based methodology.”*

*“During the stakeholder process, Vattenfall has repeatedly asked for an evaluation of the difference between the CNTC and FB methodology, with real actual outcomes/flows as a reference. Such a calculation has however not been provided.”*

## - **The CCM must work before it goes live**

*“Capacity calculation must work. A new methodology needs to be a proven solution, which improves efficiency and social economic welfare compared to current methodology and alternative solutions. Further, it must be ensured that the needed components are in place, such as the Common Grid Model.”*

*“With reference to the limited estimated socioeconomic gain for the day-ahead market, Nordenergi advises to postpone the implementation until adequate analysis and parallel runs are performed, and consider for a parallel implementation in the intraday market would be ready.”*



# Examples of responses

## - **Mistakes in CWE FB CCM should not be repeated**

*“We also would like to underline that the CWE flow based project was accepted by the CWE regulators under the condition that several open issues still need to be resolved (see “Position Paper of CWE NRAs on Flow-Based Market Coupling of March 2015”). Several of these open issues are still not resolved. For example the efficiency of the critical branch selection rule still has to be demonstrated or improved. The current state of CWE flow based market coupling can therefore not be considered as a standard for the Nordic market.”*

## - **Transparency must be ensured**

*“Transparency needs to be ensured both in the current development process and if/when the flow based methodology is put into operation. During operation, the transparency requirements in CWE-area should be taken as a minimum requirement. Also, the transparency with respect to future development of Capacity Calculation Methodology must be ensured.”*

*“NORDENERGI, EFET, EURELECTRIC, MPP would like to encourage NordREG to facilitate a transparent discussion on the pros and cons of both sides, publicly disclosing the distributive effects among stakeholders. We would like to see an open and transparent argumentation that takes system benefits and costs as starting point and includes assessments of the risk factors going forward.”*



ENERGITILSYNET

Danish Energy Regulatory Authority

# Examples of responses

## - **The CCM proposal discriminates between internal and cross-zonal exchanges**

*“The CACM guidelines refer to »rules for avoiding undue discrimination between internal and cross-zonal exchanges to ensure compliance with point 1.7 of Annex I to Regulation (EC) No 714/2009«. It remains unclear to us, how it is ensured that the proposed methodology does not discriminate between internal and cross zonal exchanges or involve the moving of internal congestions to the border. Nordenergi welcomes the Nordic NRAs assessment and recommendations on this issue. ACER has re-stated this issue in their Recommendation 02/2016 and they repeated it again in their 6th annual report on the monitoring of the internal electricity market released in October 2017.“*

*“There is no consistent methodology to prevent that inclusion of bidding areas’ internal congestion is accepted as default. Moving internal congestion to the border should only be possible as a limited exception. This is a clear requirement in European legislation. There needs to be a methodology for approving exceptions, if exceptions are to be considered.”*