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UFE response to CORE TSOs' proposal on the Balancing Timeframe Capacity Calculation Methodology

FOREWORD

UFE believes that the elaboration of coordinated capacity calculation (CC) methodologies by Capacity Calculation Regions is an essential step to ensure the optimal use of transmission infrastructure. A truly coordinated capacity calculation process aimed at optimizing the capacity made available to the market, while ensuring operational security, is fundamental to improve the efficiency of wholesale electricity markets.

For these reasons, UFE welcomes this consultation of the TSOs of the CORE region, since considering the feedback of market participants will enhance the benefits of the coordinated capacity calculation methodologies. Given the innovative nature of capacity calculation within the balancing timeframe (BT), UFE welcomes the explanatory document. UFE welcomes the TSOs efforts to explain the interrelations between the BT CC process with the previous processes (ROSC CROSAs, DA CC, ID CC and balancing processes). However, the general quality of both explanatory notes and draft methodology could be enhanced, notably in terms of redaction. This complexifies the comprehension of the whole process.

In view of the importance of the topic, UFE would have nevertheless appreciated a public workshop to give market participants the opportunity to ask clarification questions. An ill-designed BT CC would compromise the efficient functioning of EU balancing platforms as cross-border capacity is the cornerstone of EU integration of national balancing markets.

GENERAL COMMENTS REGARDING THE BT CCM PROPOSAL

Regarding the flow reliability margin (FRM) methodology:

EBGL (art. 37) states that the BTCC *"shall be consistent with the cross-zonal capacity calculation methodology applied in the intraday timeframe"*. Consequently, all processes of the BT CCM should be at least as optimized as the one used for the ID CCM. In that context, UFE would like to challenge TSO's following statement: "*the Core TSOs shall use FRM values not higher than the FRM values used in the Core Intraday capacity calculation".*

In a general manner, since BT CC is realized closer to the real-time, consequently using more accurate hypothesis, the probability distribution function of potential deviations should eventually be tighter. Therefore, UFE asks TSOs to describe the methodology behind the (logical) reduction of the FRM set in the BT CC in comparison to the one used for the DA/ID CC FRM reduction is indeed one of the BT CC's main interests.

Also, UFE proposes to review the wording as following*: "the Core TSOs shall use FRM values lower than the FRM values used in the Core Intraday capacity calculation".*

Regarding the ATC extraction:

TSOs proposal for the BTCC process consists in re-using the latest IDCC outputs (ID FB domain) as the main input for BTCC (instead of initiating a new FB computation in the BT due to timing constraints).

TSOs explanatory document mentions that the increased number of ATC extractions enables a better use of the FB Domains and "achieve more optimal capacities within the balancing timeframe". UFE is wondering whether TSOs could share analysis or at least statistics which lead TSOs to prefer this approach over the use of SIDC leftovers.

Also, UFE would like clarification on the method used to extract ATC from the last calculated ID FB domain. It is currently not clear whether the so called "iterative extraction" will be used instead of the extraction based on the optimization mentioned in the 1st IDCC amendment proposal (being a trade-off between maximizing the sum of ATCs average across all CORE borders vs. maximizing the lowest ATC across all borders through the Wsum parameter).