Methods and projects to reduce the *"foreseeable grounds impacting operational security*", listed in Article 3 of the derogation request for Core CCR of APG regarding the implementation of Article 16(8) (EU) 2019/943

February 2024

1. Introduction

Pursuant to Article 16 (9) of the Regulation (EU) 2019/943, APG filed a request for the grant of a derogation from the obligations laid down under Article 16 (8) of the Regulation (EU) 2019/943 in relation to the bidding zone borders within the Core CCR (AT/DE, AT/CZ, AT/HU, AT/SI)[1].

The request for derogation was submitted to the National Regulator E-Control on 31 October 2023 and has been granted by Austrian Regulatory Authority E-Control on 15.12.2023[2]. The derogation applies from 01 January 2024 to 31 December 2024, unless the methods and projects published by APG in this document (in accordance with obligation 1.1 of the E-Control decision) enable an earlier achievement of the requirements of Article 16 (8) of the Regulation (EU) 2019/943.

[1] https://markt.apg.at/dokumenten-hub/apg-request-for-derogation-for-core-region-2024-englische-version/ [2] https://www.e-control.at/documents/1785851/10641279/Bescheid%20vom%2011.01.2024,%20V%20ELBM%2002%252F23%20Austrian%20Power%20Grid%20AG,%20Freistellung%20gem%C3%A4%C3%9F%20Art.%2016%20Abs.%209%20Verordnung%20(EU)%202019%252F943/82140f20-80c2-0a64-5975-8b91e5500c04

2. Overview on Work Packages

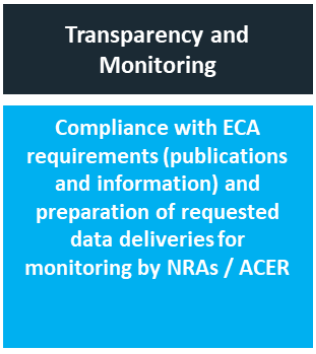
In June 2022, the Core flow-based day ahead capacity calculation went into operation, ending the flow-based capacity calculation in the Central Western Europe area (CWE, border AT-DE) and the coordinated NTC calculation on the Austrian borders AT-CZ, AT-HU and AT-SI.
The tools which were developed in the last years for the calculation of capacities according to the regulation 2019/943 (and consideration of the APG derogation), were adapted to the needs for the common Core capacity calculation. Therewith, APG is capable of taking into account the capacity criterion according to the linear trajectory of the Austrian action plan[3] (which was 39,0 % for 2023 and is 49,4 % for 2024).

By using these tools, APG is able to identify loop-flows above a certain threshold, take into account a margin for MNCC-uncertainty (resulting from the lack of a common forecasting process) and to include 3rd country trade flows in the MNCC. The listed three aspects (Loop Flow Threshold; MNCC Margin reflecting uncertainties in the MNCC calculation; MNCCs including third country flows) are mitigation measures stated in Article 4 of the granted derogation request of APG, targeting the foreseeable grounds laid down in Article 3 of that document.

With the successful go-live of the Core flow-based day ahead capacity calculation, and the successful transfer/adaption of developed tools to the Core process environment, no further tool development is foreseen on national level in the derogation for Core for the year 2024. Thus, the mitigation measures of the current derogation are again sole methodological, and the remaining underlaying foreseeable grounds have to be tackled by common initiatives on European level.

As a result, this report on methods and projects to reduce the foreseeable grounds impacting operational security is reduced to the work package “Transparency and monitoring”.

More information to this can be found in Article 4 of this document.



As mentioned above, it should be further noted that APG cannot mitigate all the foreseeable grounds endangering operational security related to the 70% CEP target on its own, as some of these are depending on coordinated processes and concepts that need to be developed within the CCR (Capacity Calculation Region) or beyond. For example, the currently ongoing implementation of a coordinated CT&RD (Countertrading & Redispatching) is heavily dependent on external factors. Also, the open points regarding the consideration of (market) flows from third countries or the expansion of multinational coordination with regard to net position forecasts and the use of PSTs, have to be resolved jointly by all relevant parties.

[3] https://www.bmk.gv.at/dam/jcr:bb4181fc-41cd-4c96-9f68-26350c69f712/Action_Plan_Austria.pdf

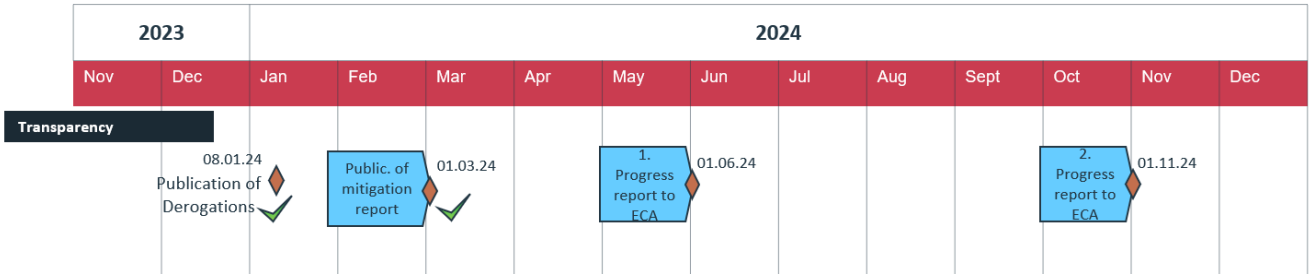
Beyond the immediate requirements of this document, chapter 3 also provides a brief general update on the above-mentioned developments in the CCR Core as well as other related topics. More information on the relevant projects in the Core region and their status is published on the ENTSO-E webpage[4].

[4] https://www.entsoe.eu/network_codes/ccr-regions/

3. Implementation Plan and general update

Implementation plan

The figure below shows the schedule regarding transparency including respective milestones.



General Update (as of February 2024)

CCR Italy North:
The implementation of the export corner capacity calculation method made significant progress and went live in November 2023 for Intraday capacity calculation and will be finalized in Q1 2024 for DA capacity calculation.

CCR Core:
In day ahead, the development and implementation of the post go-live studies (esp. coordinated validation and Advanced Hybrid Coupling (AHC)), the consideration of Switzerland in the capacity calculation process and general robustness improvements of the DA capacity calculation process are foreseen for 2024.

The go-live of the first dedicated intraday capacity calculations was postponed due to unapproved amendments of the ID CCM, which were necessary as a legal basis for the go-live with the tested process design (external // run design) in June 2023. The NRAs escalated the decision process to ACER and this decision will now, after a long period of negotiations, most likely be taken early March 2024. A go live of the IDCC(b), respectively the capacity calculation for the future IDA2 (22:00 D-1) is foreseen with 15th of May 2024 for business day 16th of May 2024.
Also the IDCC(a), respectively the capacity calculation for the future IDA1 (15:00 D-1), should go live with this date, but zero capacities shall be kept until IDA1 go-live. For APG, centrally located in Core/Europe, zero capacities will be kept until the implementation of common DACFs, taking into account allocations in the IDA1. Otherwiese, system security would be endangered. APG is a major driver for this implementation in line with article 22 of the Common Grid Model Methodology (CGMM).

The start of the Regional Operation Security Coordination (ROSC) and Cost-sharing (CS) process in Core CCR is going to be delayed, and not as planned with 2025. The background of this delay is mainly based on an underestimation of development efforts and limited vendor capacity. From current perspective, a delay of 1 – 3 years is expected. NRAs were informed in the Core IG meeting on 16.02.2024.

Description of Work Packages

WORK PACKAGE	TRANSPARENCY	PLANNED COMPLETION	31.12.2024

Description
In accordance with the positive decision of E-Control on the derogation request of APG, the following steps will be taken to ensure transparency:

Milestones	Planned Completion
Publication of derogations	Completed on 08.01.2024
Publication of projects and methods	Completed on 01.03.2024
First progress report to E-Control	01.06.2024
Second progress report to E-Control	01.11.2024