

Minutes MCCG

Date / Place 01/12/2022, 9:00 – 15:00 CET, GoToWebinar call

Author MCCG convenors

Status	Version	Date	Comment
Draft	1	09/12/2022	Draft minutes circulated to MCCG convenors

Final

Present staff (chairs, speakers, experts, convenors)

Helene Robaye, Javier Barrantes, Pierre Milon – MCCG Co-convenors
Cosimo Campidoglio, André Estermann – MCSC Co-chairs
Mario Pession – SDAC OPSCOM Chair
Timo Suhonen, Marja Eronen – SDAC MSD Co-leader
Fabian Heus – 15 min MTU Implementation Coordination Group leader
Hilde Rosenblad – NEMO Technical TF Co-leader
Jaime Ponz Garcia – SIDC OPSCOM Chair
David Myska – SIDC MSD leader
Vladimir Satek – SIDC QARM leader
Kata Fehér – MCSC Communication TF leader

Number of the register participants: 276

Number of attendees : 164



0. Meeting agenda

TOPICS		SPEAKERS, EXPERTS
MORNING SESSION (09:00 – 11:45)		
09:00 – 09:10	Welcome Recap of the Terms of Reference Presenting the co-convenors	MCCG Co-Convenors: Hélène Robaye, ENGIE Javier Barrantes, REE Pierre Milon, EPEX Spot
09:10 – 09:30	MCO organization: year 2022 and 2023	MCSC Co-Chairs: André Estermann, 50Hertz Cosimo Campidoglio, GME
09:30 – 10:00	SDAC: impact analysis for calculation time extension	SDAC and ANDOA OPSCOM Chair, Mario Pession, GME
10:00 – 10:15	SDAC: publication of aggregated curves, publication of execution status of blocks	SDAC MSD Co-Convenor: Timo Suhonen, NordPool
10:15 – 10:45	SDAC & SIDC: 15 minutes Market Time Unit (MTU) roadmap overview	5min MTU ICG Leader: Fabian Heus, E-Bridge SDAC MSD Co-Convenor: Timo Suhonen, NordPool SIDC OPSCOM Chair: Jaime Ponz García Comendador, EPEX Spot
10:45 – 11:45	SDAC: Non Uniform Pricing (NUP) concept	SDAC MSD Co-Convenor: Timo Suhonen, NordPool
LUNCH BREAK (11:45 – 12:45)		
AFTERNOON SESSION (12:45 – 15:00)		
12:45 – 13:30	SDAC: curtailment management in EUPHEMIA algorithm	SDAC MSD Co-Convenor: Marja Eronen, Fingrid
13:30 – 14:15	SIDC IDAs: progress on implementation	SIDC MSD Leader: David Myska, E-Bridge
14:15 – 14:45	Regulatory: Progress on the review of Harmonised Maximum and Minimum Clearing Prices (HMMCP) Methodology for SDAC and SIDC	NEMO Technical Task Force co-convenor: Hilde Rosenblad, NordPool
CLOSURE (14:45 – 15:00)		MCCG co-convenors: Hélène Robaye, ENGIE Javier Barrantes, REE Pierre Milon, EPEX Spot



List of action points

No	Date	Responsible	Description	Deadline/Status
	07/06/2022	MCCG speakers and experts	The answers to all the questions raised in written mode during the workshop (via GoToWebinar) will be answered in a written mode to all participants and will be published on NEMOs Committee and ENTSOE websites.	DONE
1	07/06/2022	Members	Contribute to the open consultation HMMCP methodology : https://www.nemo-committee.eu/public-consultations/open-public-consultation-on-harmonized-maximum-and-minimum-clearing-prices-for-sdac-and-for-sidc	DONE
2	07/06/2022	NEMOs and TSOs	NEMOs and TSOs to come back with completed Q/A documents	DONE
3	01/12/2022	NEMOs and TSOs	NEMOs and TSOs to come back on the potential measures selected in order to extend the calculation time of SDAC algorithm beyond 17 mins. Discussion will take place during next MCCG #3	May 2023
4	01/12/2022	NEMOs	NEMOs to modify the map published on NEMO Committee website in order to include the description of what is being published (curves, blocks, execution status etc). A detailed map per BZ and per NEMO is needed.	Q1 2023
5	01/12/2022	NEMOs and TSOs	With regards to SDAC product setup in 15 MTU implementation context, NEMOs and TSOs to come back in a written form on: <ul style="list-style-type: none"> - the different possible options and their respective impacts - the indicators that can be monitored (example : PRBs, price volatility) - how Market Participants will be involved in the discussions <p>To be discussed latest in MCCG #3</p>	May 2023
6	01/12/2022	NEMOs and TSOs	With regards to NUP, prepare quantitative estimates of key indicators (PABs, magnitude and frequency of side-payment, impact on market price, etc). Next discussion is planned for MCCG #3	May 2023
7	01/12/2022	NEMOs and TSOs	With regards to curtailment management in SDAC, NEMOs and TSOs will answer to market participants on the questions listed in section 8 and prepare a map of which countries do not have a merit order curtailment	January 2023
8	01/12/2022	NEMOs and TSOs	With regards to the products offered in SIDC IDAs, NEMOs and TSOs to inform market participants on the results of the study #3 in order to discuss the NEMOs and TSOs recommendation	When study #3 results are available



9	01/12/2022	NEMOs	Nemo to come back with more information on the decision taken to increase the price threshold for book reopening	Q1 2023
10	01/12/2022	MCCG speakers and experts	The answers to all the questions of MCCG#2 raised in written mode during the workshop (via GoToWebinar) will be answered in a written mode to all participants and will be published on NEMOs Committee and ENTSOE websites.	

1. Welcome and Introduction

The session file was published on NEMO Committee website (<https://www.nemo-committee.eu/assets/files/mccg-presentation.pdf>) as well as on the ENTSOE website (<https://www.entsoe.eu/events/2022/12/01/second-market-coupling-consultative-group-meeting-live-workshop/>)

The Terms of References of the permanent body MCCG were approved by NEMOs and TSOs, and will be shared shortly after the meeting to Members associations convenor for a final review.

It is reminded that MCCG must be well prepared and shall be interactive sessions. Market participants convenor will make members expectation clear at the beginning of each section.

2. MCO organization improvements

The main achievements of 2022 and the next steps planned in 2023 were presented to member associations. This includes the new organizational chart, that formalizes the new way to cooperate amongst NEMOs and TSOs in order to gain in efficiency, ensure timely delivery of projects, and capture market participants expectations. It will increase the ability to deliver initiatives in parallel.

The establishment of the Quality Assurance and Release Management in SDAC is a measure that duplicates the success of SIDC continuous framework, and will ensure that activities around the implementation of technical releases of MCO assets are streamlined. Level of firmness of implementation plannings will be increased.

The roadmap of SIDC is presented and the fresh and successful SIDC continuous extension to Slovakia and Greece is acknowledged.

3. SDAC OPSCOM : calculation time extension

The high level considerations were presented, the aim remains to both make SDAC process safer and to extend the calculation time of SDAC algorithm. The current 17mins dedicated to algorithm calculation will not be sufficient to allow 15 MTU implemented in SDAC by Q1 2025.

Market parties acknowledged the ongoing work and ask NEMOs and TSOs to present the options and recommendations so that market participants can provide input before any decision is made. NEMOs and TSOs intend to present the result of the analysis in next MCCG #3 (May of June 2023).

Action point #3 was logged for the NEMOs and the TSOs.

Market participants took note of the implementation by the NEMOs of modified price threshold to trigger second auction (where it is applicable). They ask to be consulted via MCCG channel before such operational changes are made. They also ask to receive more information on the reasons for the change (e.g. how the increased risk of decoupling and the expected risk of "fat finger" errors have been assessed). Action point #9 was logged for NEMOs.



4. SDAC – Aggregated curves publication

The shift of the implementation of the centralized block execution status publication to Q1 2023 is acknowledged. It is reminded that many NEMOs do already publish this information today, and that despite the central calculation of curves, each NEMO publishes the information in different ways:

- Format
- Public or only published to registered clients

The all-NRAs position paper on the matter and dated June 2020 granted more room to monopoly NEMOs is available under the following link : https://eepublicdownloads.azureedge.net/clean-documents/Net-work%20codes%20documents/Implementation/stakeholder_committees/MESC/2020-09-23/All_NRAs_Publication_of_Aggregated_Anonymized_Market_Data_final2.pdf

Market participants would like the NEMOs to publish a map with a granularity at bidding zone level, containing the following information:

- What are the files being published? (Aggregated curves plus block execution status)
- Are they public or made available to registered clients?

Action point #4 was created for the NEMOs, and NEMOs replied that it could very well be an enhancement of the following existing map : https://www.nemo-committee.eu/aggregated_curves

Market participants call for a publication of aggregated curves as well as block files containing all relevant infos (such as type of block order, execution status, etc) in all bidding zones.

5. SDAC 15 MTU implementation

The NEMOs and TSOs present the planning corresponding to the big bang approach (Q1 2025).
What is known:

- Last member testing are scheduled in Q4 2024. It is up to each NEMO to make sure that members are trained well upfront this date if it is necessary
- Big bang approach is scheduled for Q1 2025, all BZs switch to 15 MTU except Ireland (30mins)
- Some must-have measures have been defined in order to guarantee a satisfactory level of MCO SDAC algorithm performance:
 - o NEMOs Products modification:
 - Transition from Complex Orders (MIC) to Scalable Complex order (scalable MIC)
 - Removal of PUN product from SDAC
 - o Operational constraint relaxation : Additional time will be granted to the algorithm
 - o Hardware : Distributed Computed and more powerful machines will be implemented by the NEMOs

What is still to be discussed with market participants, and decided second half of 2023:

- Final product setup and the choice to go with multiple time-resolution

Market participants request to be actively participating into the decision on the SDAC product setup in H1 2023, before the decision is made second half of 2023. Overall, 15 MTU is more valuable in ID than DA. The discussion shall resume based on assessment of several options, at latest during MCCG #3. The following expectations were made clear:

- Besides the quantitative aspects (performance), qualitative indicators shall be selected and monitored, such as amounts of Paradoxically Blocks and price volatility



- NEMOs shall describe how the matching and price calculation will work in case several time resolutions will be proposed within a Bidding Zone.
- In case the 15' will be the single time resolution proposed within the Bidding zones (except Ireland), the anticipated increased usage of blocks shall be considered
- The transition from Complex order to scalable complex order shall be elaborated : *“Can you expand on the transition from complex order to scalable complex order? Scalable MIC orders do not allow to properly reflect market participant constraints, flexibility and costs, and risk impacting price formation and price clearing”*
- Usage of exclusive and linked families of blocks shall not be impacted, they shall still be proposed where applicable in SDAC after implementation of 15 MTU

6. SIDC 15 MTU in SIDC continuous

The map is being presented. The main takeaways from H2 2022 are the following:

- The NEMOs and TSOs introduced the 15 MTU on Bulgaria-Romania border and in Slovakia
- No changes in 2023
- The Nordic BZs and border will only see 15 MTU introduced earliest H1 2024

7. Non-Uniform Pricing (NUP)

The R&D work continued in H2 2022 ; It is being pointed out by the NEMOs and TSOs that NUP :

- Will bring 10-15% performance gain
- Will not be a prerequisite for Q1 2025 and 15 MTU introduction in SDAC.
- Is still in R&D stage and its implementation is not confirmed yet (the regulatory framework would not allow it anyway)

The market participants requested to take part into the decision making of NUP, and have the same consideration as for 15 MTU : some quantified indicators (number of PABs, magnitude and frequency of side-payments, etc) need to be monitored.

Action point #6 was logged for NEMOs and TSOs

8. SDAC – curtailment management

Two questions were logged for NEMOs and TSOs respectively :

- *“at what level the price is formed in a BZ exporting to a BZ in curtailment if this export brings it to the end of its supply curve (indeed, in this case there is price indetermination: it could be cleared either at the ceiling or at the marginal cost of the last asset in the exporting zone)”*
- *“Capacity curtailment in tense situation are applied by TSOs via bilateral last resource contracts between them. Those are not public. We would like to have more information and publication on them since it has an impact on market functioning.”*

Action point #7 was logged for NEMOs and TSOs in order to answer those questions

Market Participants thank for the information about the public description but mention that they need to have more info than those general principle. NEMOs inform that they will come back with a more detailed documentation.

9. SIDC IDAs

The progress made by the NEMOs and TSOs on this project is acknowledged, and the go-live is still planned for Q1 2024.



Member testing will be organized in the weeks preceding the go-live. However it is reminded that each NEMO is free to organize the training with its clients months before the go-live.

The focus is made on the product setup that will be proposed by the NEMOs to the market participants at go-live of IDAs:

- Only one time resolution will be implemented per bidding zone (the finest that is allowed technically and from a regulatory point of views)
- Simple curves orders are supported
- Simple blocks , including curtailable blocks, will be allowed

The study #2 showed that either Linked blocks, Exclusive blocks and scalable complex orders will be proposed at go-live. The NEMOs still intend to propose a combination of those, and a study #3 is ongoing to hopefully confirm this. Market Participants highlight that should it be confirmed that only one product can be accommodated, they want to be involved in the decision to select this product.

Market participants also repeated how important it is to have and Exclusive and Linked families of blocks proposed to members.

Action point #8 was logged on NEMOs and TSOs in order to have market participants informed on the conclusions of the study #3

10. HMMCP

The proposal put forward by the NEMOs in collaboration with TSOs was repeated, and the overall process leading to the expected decision by NRAs mid-December 2022 was presented.

ACER presented high level consideration on the content of the text that will be proposed to NRAs for voting on the 14th December.

11. Closure

The TSOs nominated Thomas Van Den Broucke (Elia) as TSO co-convenors in replacement of Javier Bar-rantes.

