Decoupling training session with Market Participants

SDAC Information package

17/04/2023

Operations Committee (OPSCOM)

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1) Background & Goal

SDAC Operations

- Since the go-live of Multi Regional Coupling (MRC, jointly with 4M MC forming SDAC) in 2014, more than 3,300 successful market coupling sessions have been conducted.
- In the last 4 years, four major incidents have happened that led to a partial decoupling of the SDAC Market.
- As part of the SDAC evaluation of these incidents, recommendations have been made to perform training sessions involving all operational parties (Transmission System Operators [TSOs], Nominated Electricity Market Operators [NEMOs], Central Clearing Parties, Shadow Auction entities, etc.) including Market Participants.
- In addition, EFET & EURELECTRIC on behalf of the Market Participants have requested for realistic decoupling training sessions.

Goal

This training session is organized to give all parties involved the opportunity to validate that they are properly prepared to handle such a day-ahead market decoupling incident in real operations and real-life conditions.

2) Date and timeslot

Date

- 11/05/2023

Delivery day

- 12/05/2023

Timeslot

- 11:00-17:00 CEST (NEMO Order book Gate Closure Time at 13:00)

3) Scenario: Full decoupling of SDAC

Full vs partial decoupling

- Because of all the operational mitigating measures in place, a <u>partial decoupling is more likely to occur than a full decoupling</u>.
- However, in order to make the training session <u>interesting for all participating parties</u>, it has been decided to train for a full decoupling scenario.
- After the SDAC full decoupling is declared, <u>fallback mechanisms will be activated</u>, where applicable, such as: Shadow/Explicit Auctions, local auctions or regional coupled auctions run by NEMOs.

How it will be simulated

- There are various issues that can lead to a full decoupling of SDAC.
- Based on 8 years of DA Market Coupling operations, starting with NWE, subsequently MRC, and now SDAC, we have decided to simulate:
  - That there are technical issues with the central calculation process, meaning that no market coupling results will be available at SDAC level.
  - Issues resulting in a full decoupling will be triggered
- The TSOs, NEMOs and JAO will <u>handle everything in line with the procedures</u>.
- The <u>market participants are expected to respond/act</u>, based on the operational messages from their respective NEMOs and JAO, <u>exactly like in real operations</u>.
- The <u>complete process chain</u> will be addressed (incl. nomination and matching).
  - Except for Nordic market participants, which are not required to nominate towards eSett following the Nordic-Baltic regional coupling

4) Operational process and timings 1/1

Production	Testing	
09:00	11:00	Start of the Market Coupling Session
09:00	XX:XX	TSOs start computing and matching the CZC values
09:15	**-**	**Latest Time start an IC for issues in the Configuration Synchronization step**
09:45	-	Deadline to skip the Configuration Synchronization step
10:30	-	Target Time for submitting the Network Data in the PMB
11:00	**-**	**Latest time to start an IC for missing Network Data (TSOs can join the call)**
11:15	-	Risk of Partial Decoupling for one or more interconnectors (at regional level)
11:30	**-**	**Deadline to declare the Partial Decoupling for an interconnector** (at regional level)
12:00	13:00	NEMO Order book Gate Closure Time
12:10	13:10 **	PMB GCT // Reception of all Order Data files in PMBs → Start of Calculation
12:25	**-**	**Latest Time to start an IC for Order Data-related reasons (TSOs can join the call)**
12:40	-	Deadline to send the message for Risk of Partial Decoupling
12:27	-	End of Calculation
12:29	-	Reception of Results in NEMO Local systems + Start of 12 min Confirmation process
12:41	-	Deadline to send the Preliminary Confirmations → Generation of GPC
12:45	**-**	**Publication of Preliminary Results and sending to the TSOs →**
	-	Start of 12 min Final Confirmation process
	13:05	**Message ExC_02:** Delay in Market Coupling Results publication → MPs invited to update Shadow Auction bids* and UMM_01a
12:57	-	Deadline to send the Final Confirmations
12:57	-	Reception of all Final Confirmations in the PMB → Generation of GFC
12:57	-	Reception of Global Final Confirmation in local PMBs
12:58	**-**	**Publication of Final Results →** Start of Notification Process
13:15	**13:15**	**Latest time to Start an IC and invite TSOs**
13:50	13:50	Deadline to send the message for Risk of Full Decoupling to the TSOs/market
		Message ExC_03b: Further delay Market coupling session and risk of Full decoupling → MPs invited to update Shadow Auction bids*
14:10	14:10	Closure of shadow auction bidding process by JAO
14:20	**14:20**	**Deadline to declare the SDAC Full Decoupling**
		Message ExC_04b: Declaration of the Full decoupling

Pre-Coupling (rows 09:00–11:30)

Coupling (rows 12:00–14:20)

For borders where Shadow Auctions apply only

**** go to manual and leave the calculation not start (as it would be a general failure of everything)**

**** *In case of production issues, the test will be cancelled no later than 13:30*

5) Coordination

Registration process

- In case applicable, the respective NEMO(s) and/or JAO will contact the market participants regarding the process to follow.
- JAO: MPs should register for the test with JAO by sending the email to helpdesk@jao.eu. Deadline to register is 26/04.

Environments to connect to

- JAO: For MPs, the JAO eCAT test platform.

Connectivity establishment

- JAO: Connectivity will be made available for the JAO eCAT test platform a few days before the training.

Nomination: all TSOs agree to follow production timeline.

6) Evaluation and reporting

Evaluation

In order to jointly learn and profit as much as possible from this joint training session, it is foreseen to evaluate the session and to address the following questions

- What went well?
- What needs more attention?
- Need for more training sessions?
- Ideas for the future?

Reporting

The findings will be captured in a report that will be shared in due time.

Backup slide 1: Fallback solution per Interconnector

Options

Depending on the Interconnector/border, the following
Fallback solutions may be used:

- Capacity goes to Intraday;

- Day Ahead Explicit auction;

- Shadow auction via JAO;

- Capacity goes back to the interconnector owner.

- Regional Coupling (implicit allocation)

Interconnector	Fallback solution
SEM interconnectors:	
NI – ROI	NI-ROI always remains coupled
Nordic-Baltic interconnectors:	
Nordic internal borders	Always remain coupled through Nordic internal coupling
Baltic internal borders	Always remain coupled through Nordic internal coupling
NO2-NL (NorNed)*	Shadow Auctions via JAO
NO2-DE (NordLink)*	Shadow Auctions via JAO
DK1-DE	Shadow Auctions via JAO
DK1-NL (COBRA cable)	Shadow Auctions via JAO
DK2-DE (KonteK)	Shadow Auctions via JAO
SE4-DE (Baltic Cable)	Capacity goes back to the interconnector owner
PL-SE4 (SwePol Link)	Capacity goes back to the interconnector owner
PL-LT (LitPol Link)	Capacity goes back to the interconnector owner
SE4-LT (NordBalt)	Always remains coupled through Nordic internal coupling
EE-FI (EstLink)	Always remains coupled through Nordic internal coupling
CORE internal borders:	
AT – DE	Shadow Auctions via JAO
NL – BE	Shadow Auctions via JAO
BE – FR	Shadow Auctions via JAO
FR – DE	Shadow Auctions via JAO
NL – DE	Shadow Auctions via JAO
BE – DE (ALEGrO) (BE-ALBE, DE-ALDE)	Shadow Auctions via JAO
CZ-AT	Shadow Auctions via JAO
CZ-DE	Shadow Auctions via JAO
CZ-DE	Shadow Auctions via JAO
CZ-PL	Shadow Auctions via JAO
SK-PL	Shadow Auctions via JAO
HU-AT	Shadow Auctions via JAO
CZ-SK	Shadow Auctions via JAO
SK-HU	Shadow Auctions via JAO
HU-RO	Shadow Auctions via JAO
RO-BG	Shadow Auctions via JAO
DE-PL	Shadow Auctions via JAO
AT-SI	Shadow Auctions via JAO
HR-SI	Shadow Auctions via JAO
HU-HR	Shadow Auctions via JAO
SWE interconnectors:	
FR-ES	Shadow Auctions via JAO
IBWT internal borders:	
IT – FR	Shadow Auctions via JAO
IT – AT	Shadow Auctions via JAO
IT-SI	Shadow Auctions via JAO
GR – IT	Shadow Auctions via JAO
BG – GR	Shadow Auctions via JAO

In the Fallback Allocation Mechanism, the NO2 bidding zone will be used (i.e. not the NO2A virtual bidding zone)

SDAC **Single Day-Ahead Coupling**

SDAC

Backup slide 2: Fallback solution per Bidding Zone

Options

Depending on the local/regional procedures, the following Fallback solutions may be used:

- Local auctions run by the relevant NEMOs
- Regional Coupling (implicit allocation)

Bidding Zone	Fallback solution
Core Bidding Zones (FR, DE/LU, NL, BE, AT, CZ, HU, RO, and SK)	Local auction run by the relevant NEMOs
SEM (ROI and NI)	Local auction run by the relevant NEMO
Nordic Bidding Zones (DK, NO, SE and FI)	Nordic-Baltic regional coupling between the relevant NEMOs