SEM committee

ETA Workshop 2.1

Fallback Procedures

The CACM Network Code

- Each TSO, in coordination with the other TSOs in their capacity calculation region, are required to develop fallback procedures to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.

- The deadline for when the fallback procedures apply are agreed between the TSOs.

- The NEMOs should notify the TSOs as soon as possible where there is a risk that part or all of the results may not be delivered within the timeframe

- The NEMOs shall immediately publish a notice to market participants that fallback procedures may be applied

Current SEM – Administered Settlement

Trigger

- The Market Scheduling and Pricing (MSP) software fails to produce a valid solution
- Electrical System Collapse where generation has ceased in part of the transmission system and there is no electricity supply

The Process

- Allows for a run of the MIP where there was not enough time as part of the Market Solver Policy.
- If still no solution then SEMO selects a previous day that most reasonably matches the day that the schedule is to apply to and, the Modified Interconnector Unit Nominations (MIUNs) are set to zero

NWE Fallback Procedures

Fallback Procedures are initiated for both partial and full decoupling scenarios.

Partial decoupling occurs when one or more bidding areas and/or interconnectors are temporarily not participating while remaining bidding areas are still participating.

Full decoupling occurs where the final Market Coupling Results are not available at 13.50 CET (but all participants are still coupled). In full decoupling all local processes and communications are initiated (different timings & information)

Partial Decoupling

Example where the Nordic Region is decoupled from Central Western Europe

Partial Decoupling

Partial decoupling can be triggered during pre-coupling at 11:45 CET

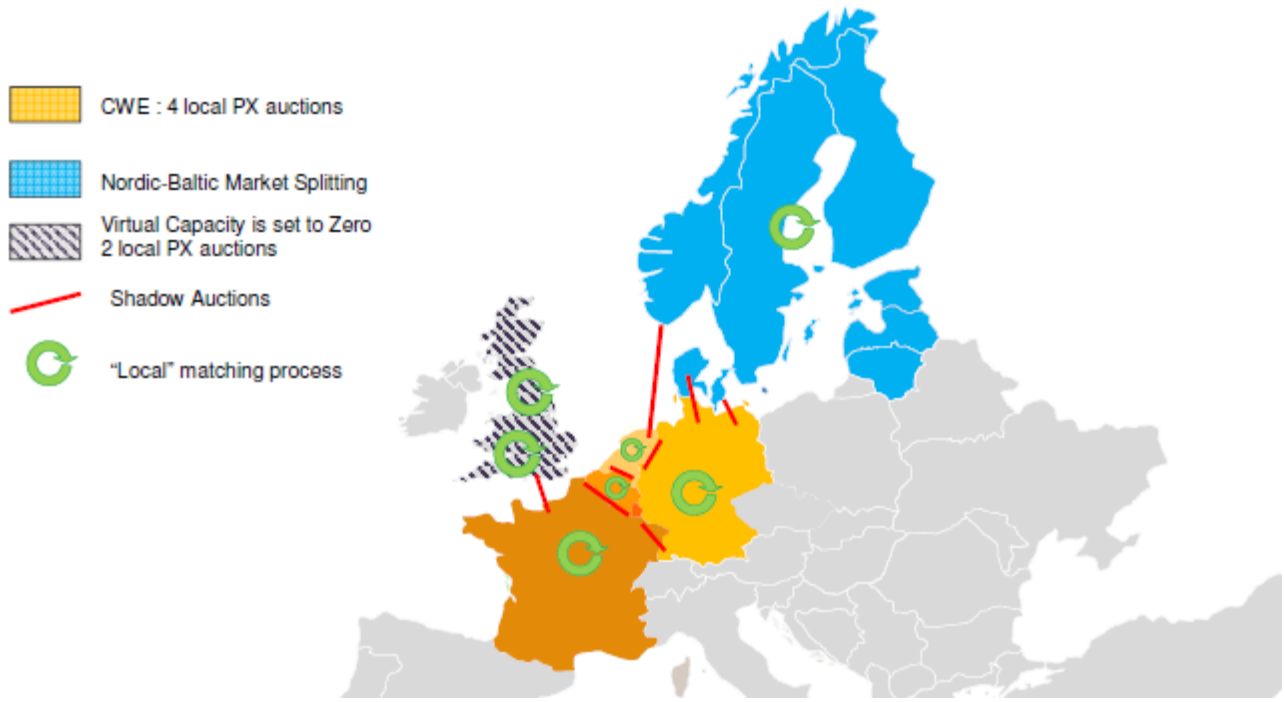
- Where some cross-zonal capacities are not available.
- The associated Interconnectors are removed
- The Cross Zonal Capacities for the decoupled borders/ interconnectors are allocated via the fall back solution (e.g. Shadow/Explicit Auctions)

Partial decoupling can be triggered during coupling at 12:40 CET

- Where a PX order book is missing or other technical/market issues related to a particular PX.
- The bidding areas and ICs related to that PX are removed
- Local Auctions are initiated for decoupled bidding areas

Market Coupling continues for remaining coupled parties with the publication of results delayed

Full Decoupling



Full decoupling occurs where the final Market Coupling Results are not available at 13.50 CET.

Full Decoupling

Prior to full decoupling the following can occur

1. Delay in Market Coupling Results

- Normally DAM results are published 12:40 CET
- Where still coupled but results not published, market participants are informed of delays & the potential for full decoupling up until 13:50 deadline
- Normal & Backup Procedures may still apply in this time to achieve a result

2. Results Exceed Thresholds

- If result exceed cap/floor thresholds a second auction is triggered.
- PXs order book reopens for 10 minutes
- If still exceeds thresholds, no further auctions run and full decoupling is initiated

Example - CWE Process in Full Decoupling

The central auction office for cross-border transmission capacity (CASC) hold shadow auctions and results published

- Market Participants have until 14:30 to notify if explicit capacity bought will be used.

The capacity of the Baltic cable goes back to the owner

The 3 PXs within CWE reopen order books for 20 minutes

- Local DA spot market with no cross border capacities
- Reopening time disclosed to participants, typically at 14:00

Example - GB Process in Full Decoupling

RTE/NGIC organise shadow auction for France/GB border (IFA Interconnector)

- Daily explicit auction
- Market Participants have until 14:30 to notify if explicit capacity bought will be used.

The BritNed capacity goes to intraday

Capacity of virtual interconnector set to zero

- Virtual interconnector for GB to GB flows between APX & N2EX
- Normally set to infinity

The 2 PXs reopen order books

- Local DA spot market with no cross border capacities
- APX opens for 15 minutes, N2EX for 10 minutes

Implementation in I-SEM

Local Day Ahead Auction

- DA Order Books are reopened for set time. Duration needs to be decided
- Cross Border Capacity is set to zero

Options for Allocating Cross Border Capacity

1. The Interconnector capacity goes to the IDM.
    - No capacity or congestion revenues allocated at day ahead stage
    - In XBID both interconnectors are given full availability in the Capacity Management Module by the TSOs
    - Capacity is allocated implicitly during the continuous intraday trading platform
2. Regional Day Ahead Auction
    - Capacity and congestion revenues allocated at day ahead stage
    - A DAM auction is held between GB and IRE in lieu of the NWE day ahead market
    - Merit orders available from the local auctions held in GB & IRE arising in event of full decoupling

Discussion

References

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