Bonn, Brussels, Den Haag, Luxembourg, Paris, 15 December 2014

CWE NRAs information to the market

NRAs of the Central West Europe Region (CWE), encompassing Belgium, France, Germany, Luxembourg and The Netherlands, have endorsed and / or approved an adaptation of the CWE capacity calculation methodology so that imports can contribute to the adequacy of the Belgian system to a wider extent and allows avoiding load-shedding in Belgium as much as possible. This methodology is only to be applied during the winter of 2014/2015. Introducing Flow Based Market Coupling in spring 2015 remains CWE NRAs' priority.

In the context of the winter of 2014/2015 where the balance between generation and demand can become challenging in Belgium and in order to avoid load-shedding as much as possible, ELIA, RTE and TenneT TSO B.V., in coordination with the German TSOs have developed an *ad hoc* adaptation of the current CWE coordinated capacity calculation.

As this adaptation consists of a deviation from the normal rules and may have a significant impact on the markets and on prices, CWE NRAs have organized a common public consultation between 5 December and 10 December 2014 in order to gather feedback from market players.

Nine market players have participated in this CWE consultation. The general message from respondents is that they expect a transparent application of the measure and that alternative possible measures are also taken into account. Respondents also refer to more structural answers such as *Flow Based* market coupling as a way forward. A detailed synthesis of respondents answers will be prepared by the CWE NRAs.

Each CWE NRA has now run the necessary endorsement and / or approval steps to adopt this adaptation.

The new capacity calculation methodology is thus applicable as of today. CWE NRAs stress:

- that the *ad hoc* procedure is only to be applied if Elia, after having taken all possible national measures, still requires more import in order to avoid load-shedding and if it is considered secure for the other CWE TSOs to increase the capacity towards Belgium; and
- that this methodology is only to be applied for the winter of 2014/2015, up to 31 March 2015.

Regarding the transparency, CWE NRAs request the TSOs to clearly communicate to the market about all the steps of the "adequacy flag" process.

Flow Based market coupling at the day-ahead timeframe remains the priority for the CWE region. CWE NRAs expect it to be available by the winter of 2015/2016. *Flow Based* market coupling, complemented by a patch to be developed by then to address possible adequacy issues linked to competition between all price orders, is indeed the permanent solution for capacity calculation at this timeframe. It is able to help alleviating possible imbalances between generation and demand. In order to give enough time to market players and operators to fully get used to *Flow Based* by the winter of 2015/2016, CWE NRAs expect it to go live in spring 2015 at the latest.

In order to better tackle emergency situations, CWE NRAs also ask TSOs to launch a progressive implementation of coordinated multi-lateral curative re-dispatching mechanism in the CWE region.