



# Training on Coordinated Capacity Calculation in Electricity



Energy Community Secretariat Vienna 13.02.2019





- Introduction and basic terms
- Requirements of related Guidelines regarding CCC
- Status of the CCC processes in WB6
- Main findings of EnCS & EKC project "Implementation of a Regional CCC in the WB6"
- Methodology of capacity calculation
- Examples

This course targets in-depth discussion of the coordinated capacity calculation methodology developed under the WB6 initiative as well as knowledge gaining from the developments on other CCRs and in particular in the 10th CCR regarding coordinated capacity calculation. Dwelling into the processes of TSOs in performing capacity calculation and national regulatory authorities in assessing, monitoring and understand the impact will be the key objective.

- Calculation and market based allocation of scarce cross-border transmission capacity in SEE region;
  - Activity in force for ≈15 years in SEE, upon unbundling of electricity sector
  - Driven by the obligation to allocate the transmission capacity to third parties in transparent and market based manner
- Strong cooperation is present, due to strong interdependency among national networks and the need to coordinate data, calculation and allocation
- Based on the Net Transfer Capacity (NTC) methodology
- So far organised on the basis of ENTSO-E recommendations and good practice
- After approving the relevant Guidelines (CACM, FCA), required to be further harmonised and improved
  - Directly applicable to EU TSOs
  - WB6: Non-EU TSOs (will) have the obligation to follow the Guidelines as well, through the Energy Community Treaty





### Methodologies: NTC-based/Flow-Based

#### NTC (ATC)-based capacity calculation:

Single constraint per each border, for commercial transactions; for the group of transmission elements between the two systems



#### Flow-based capacity calculation (PTDF/RAM):

- Set of physical constraints (RAM) at each observed transmission element.
- Influence of commercial transactions to the flows, given by sensitivity factors (PTDF)

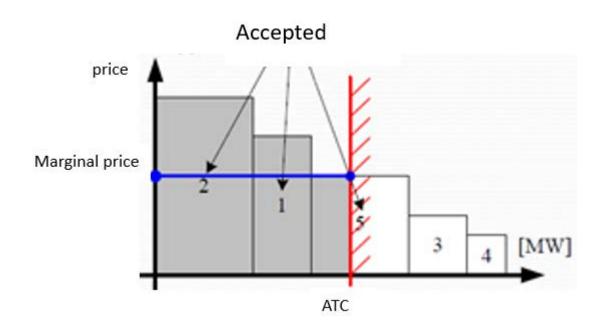






• Explicit auction of capacity: auctioning only capacity, electricity trade goes separately (afterwards)

ATC is the portion of NTC available at current auctions, remaining after Already Allocated Capacity (AAC) ATC=NTC-AAC



• Implicit auction (market coupling): capacity is implicitly allocated along with the electricity trade, over power exchange trading algorithm  $\rightarrow$ 





### Implicit auctions of capacity: Market Coupling

10

0

100

200

Q[MWh]

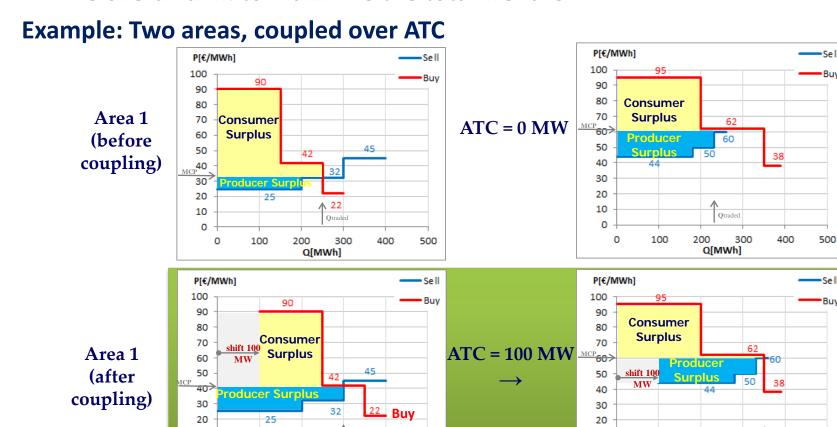
- Matching the buy and sell curves of coupled markets jointly, according to the overall merit order, with respecting the transmission constraints.
- Transmission constraints: ATC-based, or Flow-based (PTDF/RAM)
- The overall aim: to maximize the total welfare

10

0

0

Q[MWh]



Area 2 (after coupling)

Qtraded

400

500

300

Area 2

(before

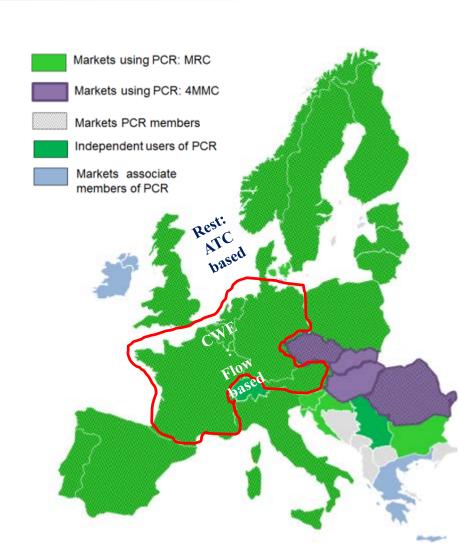
coupling)





#### Market Coupling: Multi-Regional Coupling (MRC)

- Marked in red: CWE Flow-based participants (DE+LU, AT, FR, BE, NL)
  - Austria (AT) since Oct 2018 separate bidding zone
- MRC: single Day-ahead Market Coupling alogrithm (green area)
  - Hibrid Flow-based (CWE) and ATC-based (rest)
  - Plan to have Flow-based at entire CORE region (CWE+CEE)
- In perspective for D-1 level:
  - FB entire Continental Europe
  - FB Scandinavia (independently)



- In force in EU since September 2016
- Defines the requirements on calculation and allocation of transmission capacities on "forward" time horizons: year-ahead, day-ahead typically
- Allows the application of NTC-based or Flow-based capacity definitions
  - Recognises the need for defining "scenarios", coping with different forecasted network states
  - Still mostly relies on NTC-based principles
- Defines explicit auctions of transmission rights as the allocation method
- Requires single, pan-European allocation platform
- In most of the propositions (methodology, modelling, Bidding Zones...),
   FCA refers to CACM Guidelines →

- In force in EU since July 2015
- Defines the requirements on calculation and allocation of transmission capacities on day-ahead and intra-day time horizons
- Allows the application of NTC-based or Flow-based capacity definitions
  - Flow-based where network is strongly interdependent, and where the region is "mature enough" to apply flow-based market coupling
  - Defines Capacity Calculation Regions (CCR): network areas for which the common capacity calculation methodology is required
- Day ahead: Requires implicit capacity allocation, through Market Coupling
  - Target: in the single Market Coupling procedure for the whole Europe (MRC)
  - → Hybrid of NTC-based and Flow-based Market Coupling
- Requires 24-hours capacity calculation, at standardised Common Grid Models
- Requires periodical assessment of suitability of Bidding Zones
  - Bidding Zone: network area which it can be treated as copper plate for capacity allocation (without internal transmission constraints)



### **Capacity Calculation Regions (CCR)**

CACM GL defines Capacity Calculation Regions (CCR): network areas with the common capacity calculation methodology

CCR 1	Nordic
CCR 2	Hansa 6
CCR 3	Core (CWE+CEE)
CCR 4	Italy North (NBI)
CCR 5	Greece-Italy (GRIT)
CCR 6	South-West Europe (SWE)
CCR 7	Ireland and United Kingdom (IU)
CCR 8	Channel
CCR 9	Baltic
CCR 10	South-east Europe (SEE)



### SEE: CCR 10 shadow

- SEE: CCR 10 shadow under recognition, as an extension of CCR 10 (RO, BG, GR)
- Its definition and calculation methodology, subject to EnCS/EKC Study RCCC
- CCR 10 shadow supposed to include:
  - CCR 10,
  - WB6 TSOs
  - borders to HOPS, MAVIR, TERNA (hvdc)

#### Methodology:

keep on with NTC-based, until all EnC parties join the NTC-based Market Coupling.

#### Then, go for Flow-based.

CACM, Article 20.4 referred to above, indicates the following: "No later than six months after at least all South East Europe Energy Community Contracting Parties participate in the single day-ahead coupling, the TSOs from at least Croatia, Romania, Bulgaria and Greece shall jointly submit a proposal to introduce a common capacity calculation methodology using the flow-based approach for the day-ahead and intraday market time-frame. The proposal shall provide for an implementation date of the common capacity calculation methodology using the flow-based approach of no longer than two years after the participation of all SEE Energy Community Contracting Parties in the single day-ahead coupling. The TSOs from Member States which have borders with other regions are encouraged to join the initiatives to implement a common flow-based capacity calculation methodology with these regions."

The Article 20.4 of CACM refers to the flow-based methodology, nevertheless it infers that the EU Member States will couple the markets with the Energy Community Contracting Parties from the SEE region based on the NTC approach for capacity calculation. This is fully in line with the experience from the CWE experience and seem to be in line with the views of the stakeholders from the SEE region in general.



- Main goal: facilitating the application of Regional Coordinated Capacity Calculation in Shadow CCR 10 region on D-2 level
  - Assessment of the readiness of the TSOs
  - Assessment and development of the methodology
  - Governance process
    - + Recognizing the Bidding Zones
    - + Recognizing the Coordinated Capacity Calculator(s)
  - Capacity building

The main deliverable: Methodology for Coordinated Capacity Calculation in Shadow CCR 10 (NTC-based)



#### **NTC:** main definitions

#### **Base Case Exchange (BCE):**

Initial commercial exchange at the border, already inlcuded in the network model simulation

#### **Total Transfer Capacity (TTC):**

Maximum exchange program between two areas, compatible with operational security standards applicable at each system

$$TTC = BCE + \Delta Emax$$

#### Transmission Reliability Margin (TRM):

Security margin that deals with uncertainties on the computed TTC values (modelling&forecasting, load-frequency deviations)

#### **Net Transfer Capacity (NTC):**

Maximum exchange program between two areas compatible with security standards applicable at each system, taking into account the technical uncertainties on future network conditions

$$NTC = TTC - TRM$$

**Already Allocated Capacity (AAC):** Already allocated transmission rights (at previous auctions)

**Available Transmission Capacity (ATC):** part of NTC that remains available, after previous auctions, for present auction round

$$ATC = NTC - AAC$$

Direction A $\rightarrow$ B

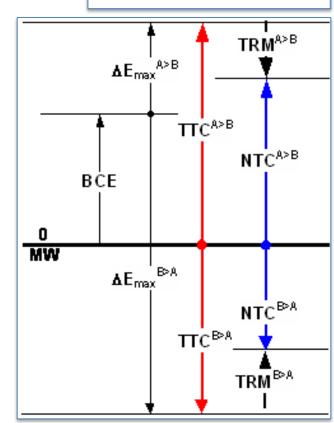
TTC<sup>A $\rightarrow$ B</sup> = BCE<sup>A $\rightarrow$ B</sup> +  $\Delta$ E<sup>A $\rightarrow$ B</sup>

NTC<sup>A $\rightarrow$ B</sup> = TTC<sup>A $\rightarrow$ B</sup> - TRM<sup>A $\rightarrow$ B</sup>

Direction B $\rightarrow$ A

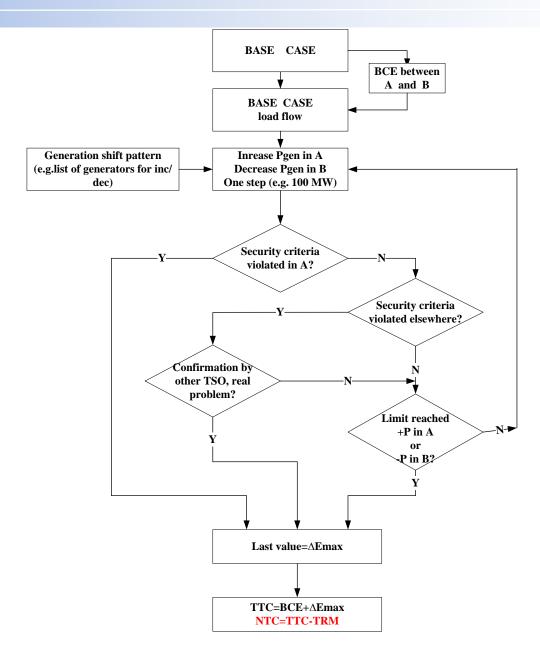
TTC<sup>B $\rightarrow$ A</sup> = BCE<sup>B $\rightarrow$ A</sup> +  $\Delta$ E<sup>B $\rightarrow$ A</sup>

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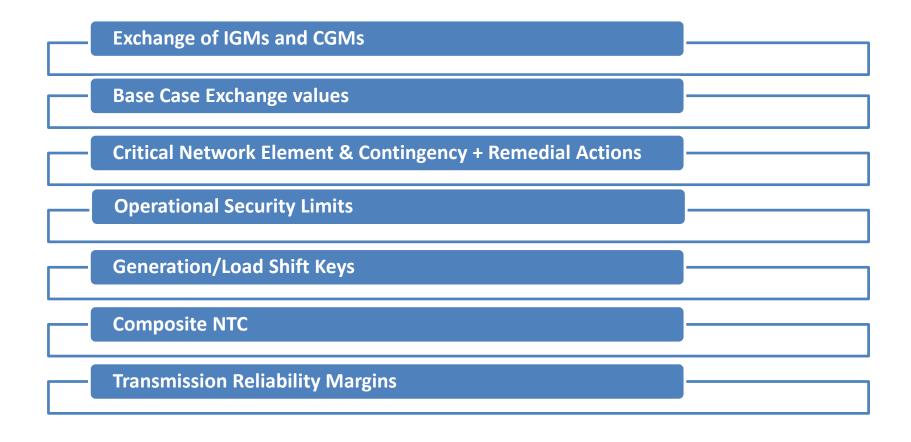




### NTC (TTC): calculation methodology



- CCC Methodology for Shadow CCR 10 is based on NTC approach.
- Following main aspects are specified:





### **Exchange of IGMs and CGMs**

- Two-days-ahead Individual Grid Models (<u>D-2 IGMs</u>) are the main input for day ahead capacity calculation.
- TSOs are obliged to create <u>their D-2 IGMs on daily basis</u> for all 24 hours using the best available forecasts of production and consumption, as well as their net positions.
- In order to produce IGMs with net positions that sum to zero on Continental Europe level, TSOs should use *balanced net positions*.
- Common Grid Model Alignment (CGMA) is a process used for alignment of net positions of modelled areas, and HVDC flows on the level of Continental Europe.
- CGMA process: referring to the scenarios for which market schedules are not available (D-2, ... month-ahead, year ahead).

### **Base Case Exchange values**

- BCE values are related to the best forecast of commercial exchanges at the time frame considered (as a "starting" modelled cross-border exchange).
- In meshed system, BCE values are regularly different from base case <u>physical</u> cross-border flow (NTF), due to loop flows.
- BCE, many options to define it. Finally adopted:
  - BCE≡NTF (in transition process)
  - BCE taken from Common Grid Model Alignment (CGMA) process (if/when considered credible)



### Critical Network Elements&Contingency, Remedial Actions

- Critical Network Element (CNE), "Critical Branch":
   network element (either within a bidding zone or between bidding zones) <u>impacted</u>
   <u>by cross-border trades</u>.
- Critical Network Element and Contingency (CNEC), "Critical Branch/Outage" represents a set of CNE and specific operational situation for which CNE shall be monitored during capacity calculation. Operational situation can be "N" state, or contingency case (N-1, N-2...).
- Remedial Actions (RA): Preventive/Curative/Special protection Scheme (SPS) all measures applied in due time by TSOs (individually within their biding zone or coordinated if they impact multiple grids) to relieve overloads on certain CNEs, i.e. to keep system in secure state and to maximize cross-border capacities.
  - Non-costly measures (topological actions, PST taps, controlling reactive flows...)
  - Costly measures (redispatching, counter trading, curtaliments...)

Non-costly RA typically to be used in NTC calculation



### **Operational security limits**

- Line rating Permanent Admissible Transmission Loading (PATL) or
- > Transformer rating

$$I_{max} = \frac{S_{nom}}{\sqrt{3} \cdot V_1}$$

- For IGMs described through CGMES format PATL and TATL (Temporary Admissible Transmission Loading) can be defined
- Since thermal current limits are dependent on weather conditions, Imax is usually changed on the seasonal level or more often.

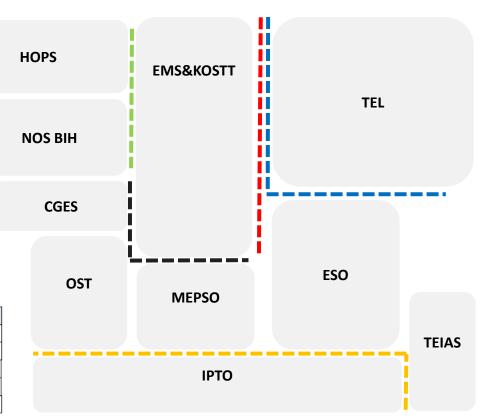
### **Generation&load shift keys**

- Generation/load shift keys (GLSKs): method of altering net position of a given bidding zone by estimated specific injection increases or decreases
- According to the current NTC calculation practice in SEE region, the most common generation/load shift key methods are:
  - Proportionally to generation reserve (respecting Pmin-Pmax)
  - Proportionally to base case engagement of plants
  - Using fixed coefficients per plants
  - Merit Order List
- Default method for CCR 10 Shadow is: <u>proportionally to generation reserve</u>, <u>using all generation units</u>

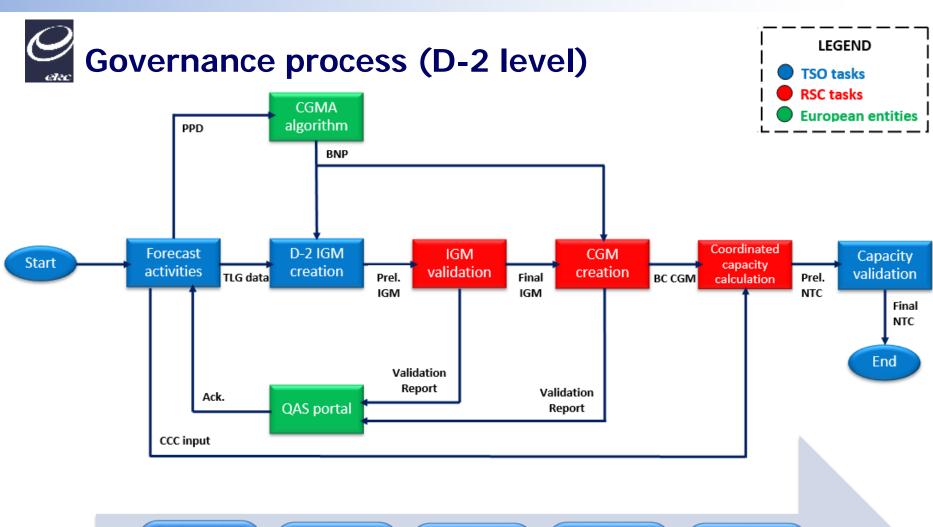
#### **Composite NTC**

- For each border/direction, composite or bilateral calculation is to be done, based on its <u>network interdependence</u>
- Initial borders with composite NTC:

No.	Area	Area 2								
1*	EMS&KOSTT ==			NOS BiH			HOPS			
2*	TRANSELECTRICA	ESO		EMS&KOSTT						
3*	EMS&k	- CGES		MEPSO OST			ST			
4**	ADMIE			ost		MEPSO		ESO	TEIAS	
5**	TRANSELECTRICA			- ESO				EMS&KOSTT		



- Splitting of composite NTC per bilateral borders:
  - Static coefficient: proportionally to Imax of tie lines;
  - Dynamic coefficient: proportionally to  $\Delta$ (border flow) during NTC calculation;
  - Fixed ratio: common agreement on a ratio, by all involved TSOs





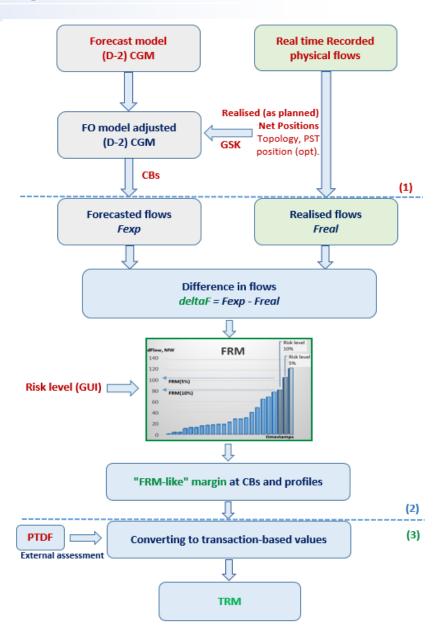


#### Transmission Reliability Margin

- Reliability Margin covers uncertainties in the period between the capacity calculation and real time and flow deviations due to load-frequency control
  - TRM at NTC-based
  - FRM at flow-based
- TRM assessment still empirical in many TSOs
- CACM requires clear RM methodology; also a task within RCCC project
  - offline process; to be reviewed on at least yearly basis
  - to be based on historical data
  - with statistical analysis

#### Methodology proposed for CCR Shadow 10:

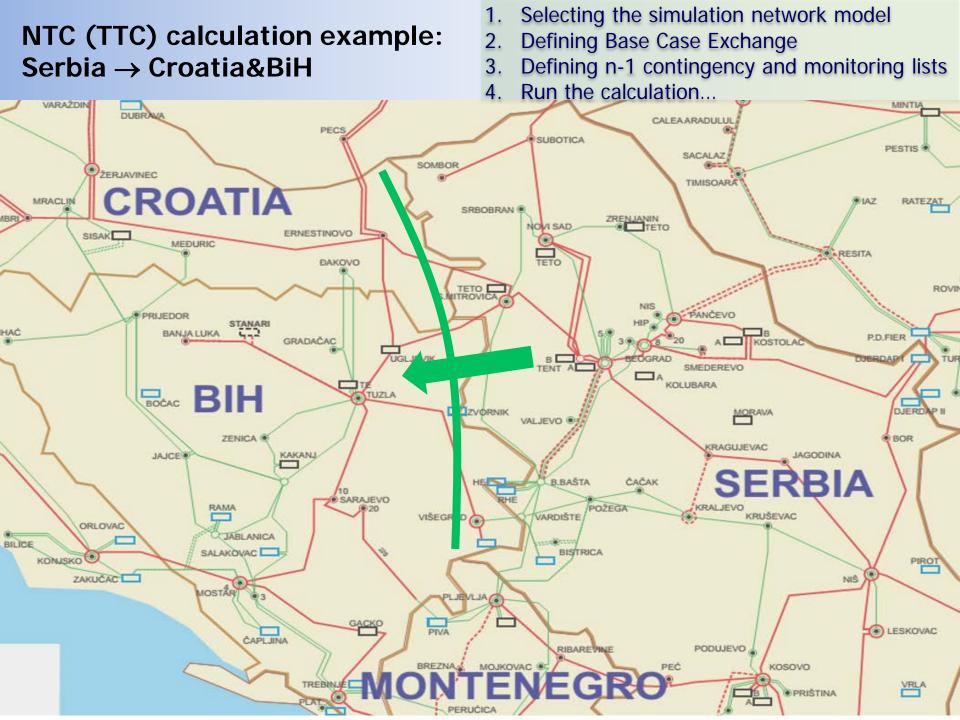
- Comparison of realized flows and D-2 forecasted flows (from adjusted D-2 models)
- Statistical analysis (risk level 5%)
- ➤ Obtaining border-wise flow deviation (≈FRM)
- Converting to TRM, by sensitivity factor (PTDF)

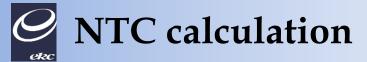


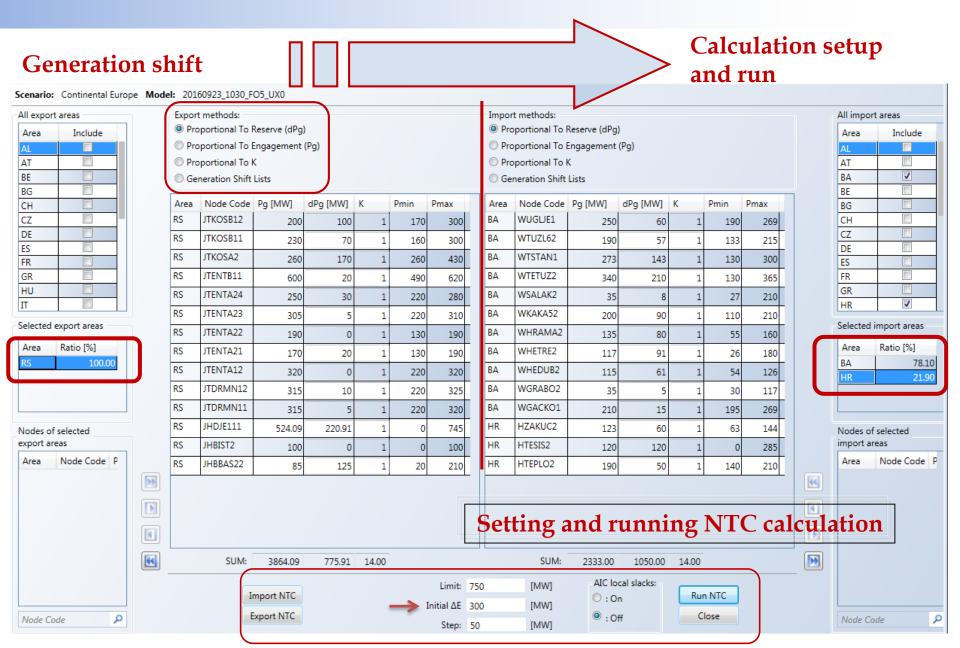
	Ar	ea 1->Area 2												
time-	Pexp	Preal						∆flow						
stamp	Expected	Realised		∆flow				(≥0)	TRM calculation example					
	flow	flow	Δflow	(≥0)		No.	timestamp	ascending	Titivi calculation example					
t1_	598	610	12	12		n1	t6	0						
t2_ t3	596	621 614	10 18	10 18		n2 n3	t24 t40	3						
t4	603	528	-75	10		n4	t2	10						
t5	598	518	-80			n5	t1	12	<ul> <li>Observing expected and realised flows</li> </ul>					
t6	651	651	0	0		n6	t30	12	over come harder/direction, can be					
t7	646	626	-20			n7	t10	15	over some border/direction; can be					
t8	653	683	30	30		n8	t19	16	composite profile as well.					
t9_	648	697	49	49		n9	t29	17	composite profile as well.					
t10_	651	666	15	15		n10	t3	18	<ul> <li>E.g. 40 timestamps, with flow in</li> </ul>					
t11_	628	613 622	-15 -9			n11 n12	t39	18 22						
t12_ t13	631 596	701	105	105		n13	t25 t16	28	"positive" direction					
t13_	603	725	122	122		n14	t17	28	Out of those 40 the 22 hours "positive"					
t15	598	531	-67			n15	t8	30	<ul> <li>Out of those 40, the 23 have "positive"</li> </ul>					
t16	648	676	28	28		n16	t18	40	flow deviation (contributing to cross					
t17	651	679	28	28		n17	t9	49	now deviation (continuating to cross					
t18_	636	676	40	40		n18	t20	65	border flow ⇒ potentially endangering					
t19_	653	669	16	16		n19	t33	69	border now - potentially endangering					
t20_	598	663	65	65	90%	n20	t22	78	security)					
t21_	611	595	-16	70	95%		t23	82						
t22_ t23	616 613	694 695	78 82	78 82	100%	n22 n23	t13 t14	105 122	<ul> <li>They are sorted in ascending order</li> </ul>					
t24	608	611	3	3	10070	1123	114	122	• If a g OEO/ of parcoptiles is to be taken					
t25	611	633	22	22					• If e.g. 95% of percentiles is to be taken					
t26	656	629	-27						into account ("Risk level 5%")					
t27	663	616	-47						The account ( Nisk level 570 )					
t28	661	649	-12						<ul> <li>Resulting border-wise FRM value</li> </ul>					
t29_	658	675	17	17										
t30_	661	673	12	12					is 82 MW					
t31_ t32	591 593	568 552	-23 -41											
t33	596	665	69	69					. " PTPF !!					
t34	591	566	-25	- 03	• It	typica	ıl "sensit	livity fac	ctor" PTDF on lines between TSOs A and B					
t35	593	567	-26		for transaction A.D.ia. 750/									
t36	576	539	-37		for transaction A-B is 75%									
t37	571	557	-14		• TRM = FRM/PTDF = 82/0.75 = 109 MW									
t38	543	481	-62		$\frac{1}{1} \frac{1}{1} \frac{1}$									
t39	543	561	18	18 3	<ul> <li>Resulting TRM value is 109 MW</li> </ul>									
t40	546	549	3	3	Resulting This value is 107 WW									

# TRM calculation example

- order flow ⇒ potentially endangering ecurity)
- hey are sorted in ascending order
- e.g. 95% of percentiles is to be taken nto account ("Risk level 5%")
  - esulting border-wise FRM value 82 MW
- - $5 = 109 \, MW$
  - **09 MW**

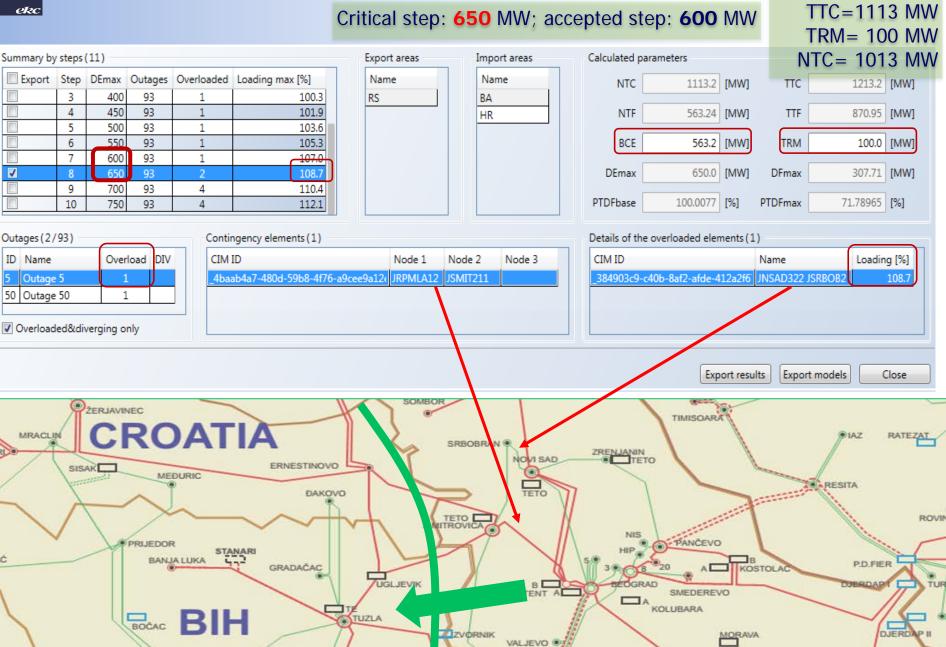








#### NTC calculation results



BCE = 563 MW

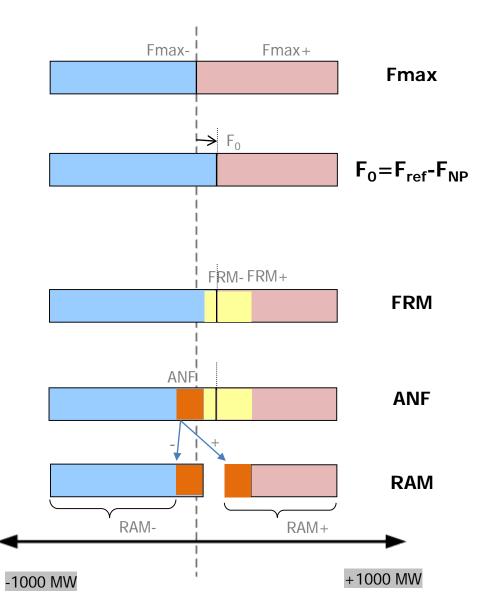
 $\Delta Emax = 600 MW$ 

Flow-Based capacity calculation



#### Flow-based calculation: definitions

Simplified calculation example, for one CNEC (Critical Branch/Critical Outage)



Maximum Flow: Full capacity of element Fmax =  $\sqrt{3}$ \*U\*Imax\*cosΦ (MW)

**F**<sub>0</sub>: Base Flow (loop & outside flows).

 $\mathbf{F}_{ref}$ : Load flow (calculated AC or DC) on the CB, for certain CO:

NP (i.e. BCE): exchanges among participating areas, in network model ( $\mathbf{F}_{NP}$ =BCE\*PTDF)

**Flow Reliability Margin**: margin, containing modelling mismatches, uncertainties of flows by outside areas, influence of LF Control

**Already Nominated Flow**: flow due to Longterm nominations

ANF= YMnominations \* PTDF;  $F_{ref}'=F_0+ANF$ 

**Remaining Available Margin** 



#### Flow-based capacity calculation: example

# PTDF/RAM, hour 01				R.A	M	PTDF					
critical_branch	critical_outage	from	to	RAM+	RAM-	AL>BA	AL>BE	AL>BG	RO>HU	BA>AL	BA>BE
XWI_GY21 OWIEN 21 1	(base case)	HU	AT	296	150	0.1%	2.1%	-0.2%	0.6%	-0.1%	2.0%
XWI_GY21 OWIEN 21 1	OSARA 11 OZURND11 1	HU	AT	293	153	0.1%	2.5%	-0.3%	0.8%	-0.1%	2.4%
XBE_NA11 MBEKO 11 1	(base case)	RO	HU	1333	1444	3.3%	8.3%	-4.6%	. <b>16.0</b> %	-3.3%	5.0%
XBE_NA11 MBEKO 11 1	XSA_AR11 MSAFA 11 1	RO	HU	1372	1398	5.5%	10.1%	-8.1%	25.5%	-5.5%	4.7%
XBE_NA11 MBEKO 11 1	MBEKO 11 MSAFA 11 1	RO	HU	1231	1539	2.7%	10.6%	-3.3%	. 14.2%	-2.7%	7.9%
XBE_NA11 MBEKO 11 1	MAISA 11 MSZOL 11 1	RO	HU	1222	1448	2.5%	4.8%	-3.8%	. 12.9%	-2.5%	2.3%
XSA_AR11 MSAFA 11 1	(base case)	RO	HU	1184	1033	3.0%	2.5%	-4.9%	13.3%	-3.0%	-0.5%
XSA_AR11 MSAFA 11 1	MBEKO 11 MSAFA 11 1	RO	HU	1258	959	3.6%	0.6%	-6.0%	14.8%	-3.6%	-3.0%
XSA_AR11 MSAFA 11 1	XBE_NA11 MBEKO 11 1	RO	HU	1135	1082	5.4%	8.5%	-8.2%	24.8%	-5.4%	3.1%
XSA_AR11 MSAFA 11 1	XPF_DJ11 JHDJE111 1	RO	HU	1158	1059	3.2%	1.6%	-7.6%	17.9%	-3.2%	-1.6%
LBERIC2 LKLECE2 1	(base case)	SI	SI	399	399	0.1%	0.5%	-0.3%	0.4%	-0.1%	0.4%
•••				(dummy fi	gures)						
af _	Date	/									



#### PTDF example:

- For the 100 MW commercial transaction between RO->HU,
- 16% of it would flow over CB Nadab-Bekescaba (in base case),
- i.e. 25.5%, in case of Outage of CO CO Arad-Sandorfalva

#### **RAM** example:

Available physical capacity at CB Nadab-Bekescaba, in base case:

- 1333 MW in forward direction
  - 1444 MW in reverse direction ...



#### Thank you for your attention!





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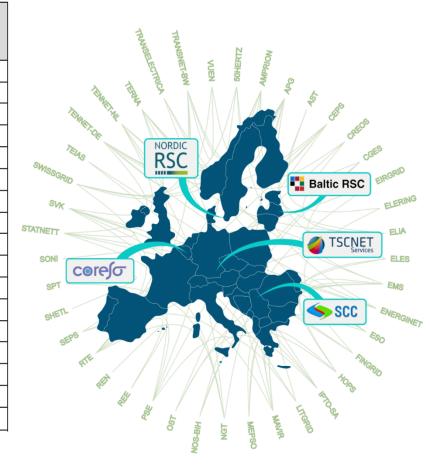
E-mail: <u>zoran.vujasinovic@ekc-ltd.com</u>

Web: <u>www.ekc-ltd.com</u>

Backup slides...

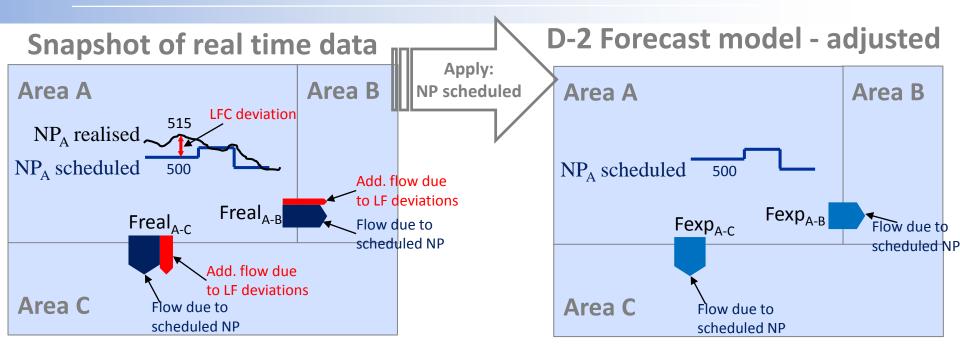
### Coordinated Capacity Calculator, in perspective

No.	Bidding Zone 1	RSC 1	Bidding Zone 2	RSC 2	Expected Capacity Calculator
1	EMS&KOSTT	SCC	ESO	SCC	SCC
2	EMS&KOSTT	SCC	MEPSO	SCC	SCC
3	EMS&KOSTT	SCC	OST	SCC	SCC
4	EMS&KOSTT	SCC	CGES	SCC	SCC
5	EMS&KOSTT	SCC	NOS BIH	SCC	SCC
6	MEPSO	SCC	ESO	SCC	SCC
8	CGES	SCC	NOS BIH	SCC	SCC
9	CGES	SCC	OST	SCC	SCC
10	ESO	SCC	IPTO	SCC	SCC
11	IPTO	SCC	OST	SCC	SCC
12	MEPSO	SCC	IPTO	SCC	SCC
13	EMS&KOSTT	SCC	Transelectrica	TSCNET	SCC/TSCNET?
14	EMS&KOSTT	SCC	HOPS	TSCNET	SCC/TSCNET?
15	EMS&KOSTT	SCC	MAVIR	TSCNET	SCC/TSCNET?
16	NOS BIH	SCC	HOPS	TSCNET	SCC/TSCNET?
17	Transelectrica	TSCNET	ESO	SCC	SCC/TSCNET?
18	CGES	SCC	TERNA	CORESO	SCC/CORESO?



- Required to designate coordinated capacity calculator, per each border
- Borders between service users of different RSCs require further coordination and sharing of tasks among RSCs

## TRM: How flow deviations due to LFControl are considered?



By applying scheduled and not realised Net Position from D to D-2, intentionally the difference among resulting cross-border flows is increased for the influence of LFC deviation.

Comparison of Frealise vs Fexpected

Intentionally the "LFC component" of Fexpected is omitted, and thus it is included in difference, and in Reliability Margin

E.g. Country A for the timestamp hh:30, has:

planned Net Position = 500 MW, and realised Net Position = 515 MW (this 15 MW difference is due to the operation of LFC)

Real time recorded CB flows (Freal) actually correspond to the "515 MW" situation

- ⇒ if adjustment of Net Position of D2CF model would be done:
  - ⇒ to exact 515 MW, then comparison Freal vs. Fexpected, inlcudes only inaccuracies component
  - ⇒ to 500 MW ("before" LFC), then comparisons Freal vs Fexpected includes both inaccuracies and deviations