



## CWE Flow-Based Market Coupling

01 June 2018

**Subject:** Update of CWE approval documents for the inclusion of the German-Austrian bidding zone border and the 20% minimum RAM rule

Dear CWE NRAs,

CWE project partners are pleased to provide you with the attached updated CWE approval documents, as requested by CWE NRAs and agreed during the past CWE NRA expert meetings. The main purpose of these updated approval documents is the inclusion of the German-Austrian bidding zone border into the CWE flow-based market coupling framework, and the inclusion of the 20% minimum RAM rule in the flow-based capacity domain calculation, for which approval is requested.

### Background

With their email dated 16 January 2018, CWE NRAs notified CWE TSOs about their expectation to implement a 20% minimum RAM approach on short notice, and their common agreement to follow CWE TSOs recommendation to include the German-Austrian border in the CWE flow-based market coupling by 01 October 2018.

### Updates of the CWE approval documents:

CWE TSOs are submitting three separate approval documents to CWE NRAs.

*Documentation of the CWE FB MC solution:* CWE TSOs have updated the documentation (main document) of the day ahead flow-based market coupling solution in order to reflect mainly the integration of the German-Austrian border into CWE FB MC, and the application of the 20% minimum RAM rule. This update is based on version 2.1 of the documentation, dated 25 September 2017.

*Methodology for capacity calculation for ID timeframe:* CWE TSOs have updated the documentation of the intraday capacity calculation methodology solution in order to reflect the integration of the German-Austrian border into the CWE region. This update is based on version 1.1 of the document, dated 05 April 2016.

*Congestion income allocation under flow-based market coupling:* CWE TSOs have updated the documentation of the allocation of congestion income in the CWE region, in order to reflect the additional bidding zone border between Germany and Austria. This update is based on version 1.01 of the document, dated 19 August 2014.



For all unchanged parts of the document, CWE project partners consider that the initial approval of the CWE NRAs on the implementation of the CWE FB MC methodology remains valid. These parts are therefore not presented for approval, but are included in the document for the sake of providing complete information regarding CWE FB MC. For ease of reference, a compared version of this updated text with the text of the initial approval document is attached in Annex to this letter.

DE-AT Bidding Zone Border Split – External SPAIC report:

The technical and economic impact of the inclusion of the upcoming German-Austrian bidding zone border into CWE Flow Based Market Coupling has been analysed via the standard process to communicate on and assess the impact of significant changes (SPAIC). The results of this investigation are laid out in detail in an Annex to the update of the documentation of the CWE FB MC solution.

Best Regards,

**CWE project partners**