

**Comments of CEZ, a. s.
ERGEG's Public Consultation Paper
on E10-PC-56: Draft Framework Guidelines
on Capacity Allocation and Congestion
Management for Electricity**

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I. Introduction

CEZ, a. s. (hereinafter referred to as “CEZ”) welcomes the opportunity given by ERGEG to all interested parties to comment the text containing Draft Framework Guidelines on Capacity Allocation and Congestion Management for Electricity within the Public Consultation process.

In this paper CEZ has expressed several comments to the problem.

II. Specific comments of CEZ

The problem area under consideration is primarily the problem of TSOs. In our country the transmission system operator is completely (ownership) unbundled. Our company acts as an important stakeholder on the electricity (and gas) market and its activity is strongly affected by existing arrangement of CACM. Our position can thus be formulated on a general level only.

In our awaitings we prefer such a target model that would be as transparent and non-discriminatory as possible allowing us the widest possible range of our market activities.

We understand that existing CACM methods in general could hardly enable desirable market liquidity and formation of reliable prices neither in day-ahead nor - consequently - in forward electricity markets, even when many Member States will have to substantially increase their generation of renewable electricity.

Existing legislation and regulatory environment (both european and national) strongly affects the overall situation on the market. In longterm perspective there should be developed the tight accordance between the legislation (both national and european) and best practice criteria for functioning the market. Were there not the case, modification of the legislation and regulatory environment should be necessary.

There are other obstacles in existing practice as well, e.g. various IT systems, different auction rules and platforms, non-satisfactory financial firmness, long and difficult construction of infrastructure in the new sites. If the implementation of Draft Guidelines brings some progress in the aspects mentioned above it will be the real step ahead.