

3.2 Framing bidding zones and cross-border capacity allocation

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• Article 16(8) of Electricity Regulation (Recast):

TSOs shall not limit the volume of interconnection capacity in order to manage internal congestions

Total amount of **30%** on each critical network element can be used for the **reliability margins**, **loop flows** and **internal** flows

- The remaining 70% should be made available for crossborder trade:
 - ✓ trades through **borders inside CCC** (coordinated capacity calculation)
 - ✓ trades through **borders outside CCC** (only trades between EU CCRs or considering also third countries trades?)



- ACER/NRAs, in collaboration with TSOs, are developing two guidelines for a joint understanding of the calculation principles:
 - ✓ Guideline for fulfillment monitoring first step
 ✓ Guideline for compliance assessment second step
- Similar **CNEC approach**' applicable to different capacity calculation methodologies (CCMs):
 - ✓ CNTC with interdependent borders
 - ✓ CNTC with non-interdependent borders
 - ✓ Flow Based



- Day-ahead should be the most relevant timeframe for fulfillment monitoring
- Allocated (nominated) capacity in **previous timeframes** will count as part of the 70%
- Reserved capacity for **balancing**, according to EBGL TCMs, also counts as part of 70%.
- How to account for higher level of fulfillment in **intraday**?
- In *principle, a CNEC* not providing 70% of its capacity due to *allocation constraints* should be considered as non-fulfilling for monitoring purposes
 - NRAs may afterwards review their compliance

Fulfilment monitoring input:

of Energy Regulators

- ✓ For capacities inside CCR
 - CWE: hourly RAMs
 - non-CWE: hourly NTCs converted into RAMs with PTDFs from one CGM
- ✓ For capacities outside CCR: hourly exchanges outside CCR converted into RAMs using PTDFs from one CGM
- ✓ Improvements expected in future (more CGMs per year)

• Fulfillment monitoring output:

- ✓ Non-fulfilment hours (MTUS) per country
- ✓ Fulfilment at each CNECs (and not fulfilment due to allocation constraints)
- ✓ Available margins in those CNECs
- ✓ Shadow prices/price differentials

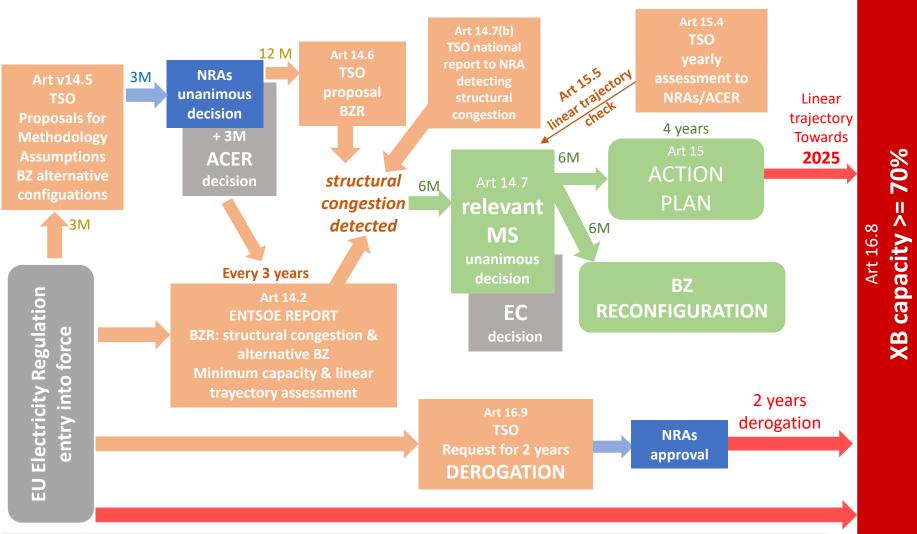


- Fulfillment monitoring of 70% cross border capacity will be the base for NRAs/MSs works on:
 - Compliance assessment where NRAs can consider efficiency, price differentials or exempted hours threshold when evaluating the overall year compliance
 - ✓ Enforcement decisions:
 - National action plans approved by MSs
 - **Derogations** or temporary exemptions approved by NRAs of CCR (or ACER if no agreement)
- ACER fulfilment monitoring methodology (July 2019)
- **Results** of fulfillment monitoring (September/Oct 2019)
- Guideline for **compliance assessment** (2nd half of 2019)
- Indications by MS/NRAs on action plan or derogation



ANNEX

Art 14.1 Bidding zones shall not contain structural congestions unless they have no impact on neighboring bidding zones



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contingencies)

(transmission capacity –