July 19th, 2016

Response to the ACER consultation on capacity calculation regions (CCRs)

Dear Sir or Madam,

We are writing in response to the ACER consultation on capacity calculation regions (CCRs). Being one of the TSOs actively engaged Central Western European (CWE) region, the future definition and evolution of CCRs directly affects our core business processes. Against this background, we are very grateful for the opportunity to contribute the following considerations to the consultation:

- The All TSO proposal of defining the CCRs based on current, operationally functioning regions represents a solid baseline. Day Ahead Flow Based capacity calculation has been successfully introduced in the CWE region. The CEE region where valuable conceptual ideas have been developed will follow suit.

- In order to achieve such a more overarching flow based system, the TSOs of both regions - CWE and CEE - have signed a Memorandum of Understanding. We are firmly committed to developing a common Flow Based Day Ahead capacity calculation framework already by 2017. The positive feedback this approach has received in the last Florence Forum affirms our intention to pursue the concept further. Upon accomplishment of this initial step a full merger of both regions is envisaged for 2019.

- The CACM guideline obliges TSOs of such a fully merged CEE and CWE region to develop further concepts and methodologies
beyond the Flow Based Day Ahead capacity calculation. In particular, fully harmonized remedial actions and Flow Based Intraday capacity calculation arrangements will have to be introduced. Due to the complexity of these tasks, their immediate implementation in a large, merged CWE and CEE region would to our view not succeed. One particular reason for this are the short time targets of the CACM guideline which in comparison to the original ENTSO-E Network code have been reduced significantly. These time targets are not achievable in an immediately merged, complex CWE and CEE region and neither ACER nor National Regulatory Authorities are entitled to extend them. An extension of the relevant time targets would require a revision of the CACM guideline which is currently not envisaged. Nevertheless, third parties such as Market Participants may request a fulfillment of our legal duty to meet all current CACM obligations on time.

For the above reasons, we kindly ask for support and regulatory approval of the all TSO proposal with regard to the initial definition of CCRs based on the currently separated CWE and CEE regions. This step-wise approach constitutes to our view a pragmatic, efficient and implementable way of reaching the ultimate goal of a fully harmonized Capacity Calculation and Allocation in Central Europe. An immediate merger of both regions would by contrast increase our difficulties in implementing this target arrangement, in particular within the timeframes specified in the CACM guideline. Moreover, our current achievements and the envisaged future measures in the CWE region, in particular related to the Intraday capacity calculation, would be endangered. Therefore, we strongly recommend avoiding any request for a direct and immediate merger of CWE and CEE.

Again we would like to thank you for the opportunity to participate in the consultation and remain at your disposal for any further questions or clarifications.

Kind regards,

Amprion GmbH

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