



Capacity Calculation Regions - Consultation answers from the Confederation of Industry of the Czech Republic

The Agency invites interested stakeholders to express their views on the five questions below and to provide reasons for their comments. When doing so, stakeholders are asked to take into account that, according to the Agency, the CCRs Proposal should be compliant with the requirements of the CACM Regulation, as well as of Regulation (EC) No 714/2009 and, in particular, point 3.1 of its Annex I.

1. Do you consider both the commitment from the CWE and the CEE TSOs to cooperate towards a merger of the CWE and CEE CCRs and the MoU signed on 3 March 2016 as sufficient to ensure that the CWE and CEE regions will develop and implement a common congestion management procedure compliant with the requirements of the CACM Regulation, as well as of Regulation (EC) No 714/2009? Or should the definition of the CCRs provide for a CCR already merging the proposed CWE and CEE regions to ensure compliance with the required common congestion management procedure?

We don't expect that commitment from the CWE and the CEE TSOs to cooperate towards a merger of the CWE and CEE CCRs as well as the MoU signed on 3 March 2016 will ensure real development and implementation of a common flow based congestion management procedure. One of major obstacles is an unsolved procedure of the splitting Austria-Germany bidding zone. Market coupling between CWE and CEE regions should start on the current capacity calculation base (CEE on NTC/ATC) and further continue with the development of common flow based capacity calculation. This two-step approach is very important for the testing phase of the flow based methodology implementation and a final acceptance by all stakeholders.

2. Do you have comments on the description of the geographical evolution of the CCRs over time, as proposed by all TSOs in Annex 3 to the Explanatory document to the CCRs Proposal?

First, this is to emphasise the importance of swift coupling CWE – CEE regions as a solid ground for further integration of the European market.

We would also like to stress the importance and appropriateness of inclusion of the Serbian bidding zone border with rest of CEE as the integral part of CEE. It would have a positive impact on overall interconnectivity in the region. The Serbian profiles (Serbia – Hungary, Serbia – Romania) are frequently used for trading within CEE. Furthermore, thanks to the compatibility of the trading system used by Serbian PX and neighbouring CEE's PXs, the integration of Serbia doesn't present any technical problem and can be easily achieved.

3. Should the CEE region (or a merged region) include the bidding zone borders between Croatia and Slovenia, between Croatia and Hungary, and between Romania and Hungary?

Yes, it is essential. Mainly Romania - Hungary border should be included to be in line with the business reality and level of market integration (4M). Regarding the inclusion of Croatia – Slovenia and Croatia – Hungary bidding zone borders, we support the inclusion these borders since the beginning in the CEE region as well as the Romania - Hungary bidding zone border.

4. Should the CEE region (or a merged region) include a bidding zone border between Germany/Luxembourg and Austria?

Yes, we agree with CCR 6 as it was proposed, including bidding zone border between Germany/Luxembourg and Austria. We very welcome the ACER Opinion No. 19/2015 and consider it an essential step towards setting equal conditions when dealing with electricity trade in Central Europe. Current situation discriminates some market participants and it is a significant obstacle for further interconnection of energy markets.

It has been proved that cross-border exchanges on the DE-AT border have a significant impact on the congestions within the CEE region as the capacity on the DE-AT is insufficient and congestions exist there and because of that unscheduled flows from DE/Luxembourg-AT bidding zone limit the capacities on the borders within the CEE region. This is why DE-AT profile is important for capacity calculation in the whole region and it has to be the part of CEE CCR. Application of a correct allocation of capacity at the German-Austrian border and the splitting of the bidding DE/Luxembourg-AT zone would significantly improve the situation, set up equal conditions for all market participants and remove one of the barriers in the market integration process.

5. Do you have comments on any other new element or development concerning the CCRs Proposal which occurred after the public consultation held by ENTSO-E from 24 August to 24 September 2015?

General observation is that implementation of CACM Regulation requirements has a significant delay and several implementation projects are frozen. This fact should be taken into account at the finalisation of Electricity Balancing NC.