

Agency for Cooperation of Energy Regulators

Trg republike 3

1000 Lubiana

Slovenia

Email: consultation2016E02@acer.europa.eu

Warsaw 2016 July 20th

Dear Sirs,

In response to the ACER's public consultation process PC-2016-E-02 we would like to submit in the name of Polenergia Obrót SA, our view on matters collectively called under the title "The definition of capacity calculation region".

In case of any questions to statements made below please contact Mr. Arkadiusz Zielezny

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- 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?*

Considering the aim to increase the level of developments in CEE and CWE markets we are of the opinion that the regions should be merged without any delay.

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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?*

TOE would appreciate ACER defining indicative timeline for merging CCRs Hansa, Channel and Baltic with one of their neighbouring CCRs taking into account evolution of other coordination projects within Europe (e.g. merger of CEE and CWE CCRs or construction of new interconnectors). That will set timeframes for all most probable mergers of CCRs in the future and will also provide market participants with information on time horizon of establishing flow based capacity calculation methodology in all CCRs.

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.

We are of the opinion that the level of complexity of different steps planned in the CCR formation process is too high (first CEE implements FB model and then merges with CWE, then borders mentioned in above question are moved to CEE, etc.).

Therefore where it is possible we strongly advocate to simplify and reduce the number of steps. As Romania is already part of M4 market coupling initiative, it clearly indicated its commitment to CEE and therefore the border RO-HU should be included in the CEE region from the beginning and not after implementation of FB method.

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

Yes.

The CCR methodology is crucial for the effective, non-discriminatory and transparent access and management of the interconnectors.

The interconnectors forming German-Austria border are in fact congested. Unlimited commercial flows executed currently are facilitated through other countries' grids diminishing liquidity and market convergence due to artificial limitation of available cross-border capacities.

As natural result, there is a need to establish capacity allocation method at German-Austria border.

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?*

No.

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