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Prague, 24 January 2018

To: consultation2018E01@acer.europa.eu  
By email only

Subject: Consultation document on ALL TSOs' proposal for intraday cross-zonal gate opening and gate closure times

Dear Sir or Madam,

OTE, a.s., (OTE) is a joint stock company established in 2001, a holder of the license for market operator's activities, which includes activities in the electricity and gas market in the Czech Republic and is also designated as the Nominated Electricity Market Operator according to CACM Regulation. OTE truly appreciates the possibility to participate in the consultation process. Please find below OTE's opinion as one of the interested stakeholders on the "All TSOs' proposal for intraday cross-zonal gate opening and gate closure times in accordance with *Article 59 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management*".

- 1. Do you find it reasonable to apply transitional GOTs which can be after 15:00 D-1 in order to give TSOs sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation?**

Yes, OTE finds it reasonable only for a transitional period (see also answer to question 4). We are of opinion that it is desirable to have the harmonized GOT implemented on all bidding zone borders that bring to market participants opportunities to trade as soon as the day-ahead trading is closed and settled. In the same time, difference in complexity of the CCR network model and, consequently, of the TSOs needed time for capacity calculation, should be also considered so this transition period gives relevant TSOs sufficient time to gain

operational experience with congestion management procedures and intraday capacity calculation and allow subsequent harmonization in the future. In this respect, we understand that, before full harmonization takes place, GOTs can be already allowed to be at 15:00 D-1 or very soon after 15:00 D-1 on some relevant cross zonal borders, on some other cross-zonal borders at later time in the day but not later than 22:00 D-1 and preferably significantly earlier – see answer to question 3.

Nevertheless it is highly recommended that such differences in GOTs' would only apply for transitional period and the future goal should be to harmonize GOTs all over Europe. These differences shall be kept to an absolute minimum needed to guarantee the security of the grid.

- 2. Do you consider the proposed GOT in the Baltic, Channel and Hansa CCRs ambitious enough or could TSOs on both sides of the bidding zone borders in those CCRs implement internal GOTs at 15:00 D-1?**

Given that GOT for Channel (and some other borders as well) is proposed at 22:00 D-1 one hour only will be available for trading the first interval in D and we consider GOT in these CCRs as well as in other CCRs at 22:00 D-1 as not ambitious enough. The reason is that allocation of cross zonal ID capacity for several borders today opens even before 15:00 D-1.

- 3. Do you consider that TSOs could further optimize their planned capacity calculation and congestion management processes to enable a transitional GOT in some CCRs to be set to 21:00 or even earlier?**

As stated in our reply to answer 2, we consider GOT at 22:00 D-1 as not ambitious enough. OTE considers that there should be set the reasonable ratio of time available for TSOs to calculate cross zonal capacity to time available for market participants to allocate the calculated capacity. For instance with GOT 22:00 D-1: TSOs do have a possibility to recalculate the capacities from approx. 15:30 (current deadline for cross-border scheduling of Day-Ahead MC exchanges in some regions) to 22:00 (6,5 hours) and market participants then have only limited time from 22:00 to 23:00 (1 hour available) to utilize the result of the calculation. OTE considers it as disproportionate and putting further negative burden on market participants.

As an objective of the SIDC is to improve trading opportunities at European level both NEMOs and TSOs are challenged to make their process more efficient and establish improvement targets. We are confident that possibilities of earlier GOT (20:00 or ideally even earlier) should be fully explored by TSOs in order to provide market participants with sufficient time. As we already indicated, we fully understand the complexness of the process on TSO side, therefore in case TSOs need more time to determine the final capacity value, OTE can imagine that sufficient and safe capacity values are released earlier (before 20:00

D-1) and at 22:00 D-1 (or even later) such values can be updated and additional capacity can be released. In theory any remaining capacity from DA process can be released to market participants close after finalization of DA processes.

We would like also to recall the target of currently discussed draft of Winter Package, which put importance on the targets like among others:

- to maximize the efficiency and effectiveness of Union electricity day-ahead and intraday trading,
- to maximize the ability of all market participants to manage their imbalances,
- to maximize the opportunities for all market participants to participate in cross-zonal trade as close as possible to real time across all bidding zones and, last but not least,
- to make no distinction between trades made within a bidding zone and across bidding zones.

Therefore, taking into account also targets set by draft of Winter Package, we find the GOT late in the evening (currently proposed at 22:00 D-1) disadvantageous and potentially discriminatory for small market participants, utilities, generation, storage and demand resources which do not trade/fully operate in 24/7 mode.

**4. Which option for the harmonization of GOT do you prefer? Please, explain thoroughly why or, alternatively, propose a new concrete timing and add the reasoning for such a choice.**

OTE prefers Option b that means the harmonized GOT shall be implemented within 36 months after the entry into force of the Agency's decision so that there is enough time to adjust the processes in each CCR and it provides sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation.

**5. Do you consider it acceptable that each CCR can have a different target date for implementing the harmonized GOT, depending on specific circumstances in such CCR?**

Having in mind all factors involved in this assessment (just to mention a few without limitation to them: opportunities to trade for participants without work having organized in shifts, organizing auctions for capacity pricing in ID timeframe, enough time for TSOs calculation processes), we find acceptable that each CCR can have transitionally a different target date for implementing the harmonized GOT. Nevertheless the harmonization of GOTs shall not be later than in 36 months after entry into force of the Agency's decision (see previous answer).

**6. Do you agree with the exception from the harmonized GCTs and do you see other bidding zone borders than the EE-FI border where this exception could apply? If so, please explain why.**

We believe that consequences and impacts of such exception for EE-FI border were explored. OTE also considers that opportunities to have later GCTs should be explored also on other borders but more detail analysis shall be performed to identify the impact on a case by case basis as this change will put significant pressure on the timeline of the post-trade processes of SIDC solution, including TSO business and in some markets also additional balancing markets.

Yours sincerely,

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[Redacted name]

OTE