

30 January 2018

**Draft answer from Nord Pool to the ACER consultation 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?

It is desirable to have the harmonized GOT implemented on all bidding zone borders that bring opportunities to trade to market participants as close as possible after closing of Single Day Ahead Coupling. In the same time, difference in complexity of the network model and level of meshed grid in different CCRs should also be considered when setting the ID GOT.

In this respect we consider that on relevant cross zonal borders GOTs can be allowed to be after 15:00 day D-1 for all periods of day D in a transitional period. This will give relevant TSOs sufficient time to gain operational experience with congestion management procedures and intraday cross zonal capacity calculation before moving to GOT at or close to 15:00 CET D-1.

Such a design would mean that initially there will not be harmonized GOTs across Europe, e.g.: on some borders/CCRs GOT would be at 15:00 D-1 and on some other cross zonal borders at later time in the day.

It is recommended that such differences would only apply for transitional period, and the goal should be to harmonize GOT as early as possible, e.g. 15:00 CET day D-1 all over Europe.

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 is proposed at 22:00 D-1 and Baltics + Hansa at 18:00 D-1 we do not consider them ambitious enough.

The reason is that Continuous Implicit Intra Day trading in the Baltic countries and their borders (Estonia, Latvia and Lithuania) today has GOT even before 15:00 D-1 for day D and likewise some Hansa borders.

The Channel borders are DC links and without flow based applied in DA, therefore the complexity for TSO to compute capacity for ID should not to take until late in the evening.

Therefore, we suggest that at least all the Baltics and relevant Hansa borders should have GOT 15:00 CET D-1, and the other Hansa and Channel borders initially latest at 18:00 CET D-1.

3. Do you consider that TSOs could further optimise 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?

We do not have all the technical competencies to in detail evaluate what the complexities for TSOs are to provide initial Cross Zonal Intra Day Capacities to facilitate as early as possible GOT, after closure of Single Day Ahead Coupling, for Single Intra Day Coupling.

However, from a market efficiency perspective a GOT at 21:00 or 22:00 CET would only leave 1-2 hours available for cross zonal Intra Day trading of the first market time unit in day D, which would not be efficient for the market and therefore that is not ambitious enough.

As the objective of the SIDC is to improve trading opportunities at European level, TSOs should be challenged to make their process more efficient and establish improvement targets. We find that TSOs should explore all possibilities of earlier GOT (21:00 or even earlier, such as 15:00 D-1) to provide market participants with sufficient time. For delayed GOT in a transitional period, the TSO should be able to explain why they need such an exception and for how long this is needed.

**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.**

A harmonized GOT at 15:00 D-1 is preferred because it would enable the market to trade in the Intra Day timeframe based on all possible internal Bidding Zone and Cross Zonal liquidity combined in one process, thus it allows for best price/volume matching.

At that harmonised 15:00 CET GOT relevant borders/regions could open with either cross zonal continuous Intra Day trading or via an initial intraday auction.

We prefer option a), i.e. that “The harmonised GOT shall be implemented within 12 months after the entry into force of the Agency’s decision”, and in any event that harmonization should be based on a transitional timeline defined by the Agency, and on the objective of having as early as possible GOT for Cross Zonal Intra Day trading, i.e. for Single Intra Day Coupling, and then based on the flexibility on initial trading mechanism as expressed above.

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

Having in mind all factors involved in this assessment (e.g. 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 a different target date for implementing the harmonised GOT but no later than within the transitional timeline given in the Agency’s decision as referred to in question 4.

**6. Do you agree with the exception from the harmonised 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 agree with the exception and given that GCT shall be at the earliest 60 min before real time, opportunities to have later GCTs should be explored also on other borders, where possible.