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Public Consultation on cross-zonal capacity allocation methodologies for Hansa, Core and Baltic CCRs

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Public Consultation on cross-zonal capacity allocation methodologies for Hansa, Core and Baltic CCRs

in accordance with Articles 41(1) and 42(1) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

This consultation is addressed to all interested stakeholders, including regulatory authorities and transmission system operators.

Replies to this consultation should be submitted to by **2 May 2021, 23:59 hrs (CET)**.

Questions should be addressed to ACER at:
ACER-ELE-2021-005(at)acer.europa.eu for Hansa CCR
ACER-ELE-2021-007(at)acer.europa.eu for the Core CCR methodology pursuant to Article 41(1) of the EB Regulation
ACER-ELE-2021-008(at)acer.europa.eu for the Core CCR methodology pursuant to Article 42(1) of the EB Regulation
ACER-ELE-2021-009(at)acer.europa.eu for Baltic CCR

Introduction

* Name and surname

[redacted]

* Company

TenneT TSO

* Address and phone

[redacted]

* Country

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czechia
- Denmark
- Estonia
- Finland
- France
- (•) Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
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* Email

[redacted]

* **Is your input into this consultation confidential?**

- YES
- (•) NO

ACER will publish all non-confidential responses.

ACER will process personal data of the respondents in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the

free movement of such data, taking into account that this processing is necessary for performing ACER's consultation task. For more details on how the contributions and the personal data of the respondents will be dealt with, please see ACER's Guidance Note on Consultations and the specific privacy statement attached to this consultation.

Objectives

This consultation aims to gather views and information from stakeholders regarding the compliance of the following four proposals of the Hansa, Core and Baltic transmission system operators ('TSOs') with Commission Regulation (EU) 2017/2195 (the 'EB Regulation'):

- the methodology for a market-based allocation process of cross-zonal capacity in Hansa CCR in accordance with Article 41(1) of the EB Regulation;
- the methodology for a market-based allocation process of cross-zonal capacity in Core CCR in accordance with Article 41(1) of the EB Regulation;
- the methodology for a market-based allocation process of cross-zonal capacity in Baltic CCR in accordance with Article 41(1) of the EB Regulation;
- the methodology for a cross-zonal capacity allocation process based on economic efficiency in Core CCR in accordance with Article 42(1) of the EB Regulation.

The European Union Agency for the Cooperation of energy regulators ('ACER') will use the input from the consultation to inform its decisions on these Proposals, in accordance with Article 6(10) of Regulation (EU) 2019/942.

Related documents

Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ('ACER Regulation').

Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) ("Electricity Regulation).

Regulation (EU) 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council Text with EEA relevance.

Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing.

ACER Guidance Note on Consultations

ACER Decision 22/2020 on the market-based allocation process of cross-zonal capacity for the exchange of balancing capacity for the Nordic CCR and its Annex I

CCR Hansa methodology for a market-based allocation process of cross-zonal capacity for the exchange of balancing capacity in accordance with Article 41(1) of EB Regulation

Hansa_MB_CZCA_TSOs_proposal.PDF
Hansa_MB_CZCA_NRAs_referral.pdf

CCR Core methodologies for (a) a market-based allocation process of cross-zonal capacity for the exchange of balancing capacity in accordance with Article 41(1) of EB Regulation, and (b) an allocation process of cross-zonal capacity for the exchange of balancing capacity based on economic efficiency in accordance with Article 42(1) of EB Regulation

Core_MB_CZCA_TSOs_proposal.pdf
Core_EE_CZCA_TSOs_proposal.pdf
Core_MB_and_EE_CZCA_NRAs_referral.pdf

CCR Baltic methodology for a market-based allocation process of cross-zonal capacity for the exchange of balancing capacity in accordance with Article 41(1) of EB Regulation

Baltic_MB_CZCA_TSOs_proposal.pdf
Baltic_MB_CZCA_NRAs_referral.pdf

Legal background

Pursuant to Article 41(1) of the EB Regulation all TSOs of a capacity calculation region may propose a methodology for a market-based allocation process of cross-zonal capacity. The deadline for submission is two years after the entry into force of the EB Regulation, which was 18 December 2019.

Pursuant to Article 42(1) of the EB Regulation all TSOs of a capacity calculation region may propose a methodology for a cross-zonal capacity allocation process based on economic efficiency. The deadline for submission is two years after the entry into force of the EB Regulation, which was 18 December 2019.

The TSOs of CCR Hansa (Denmark, Germany, the Netherlands, Poland and Sweden) have developed the proposal for a methodology for a market-based allocation process of cross-zonal capacity, pursuant to Article 41(1) of the EB Regulation, submitted it to all regulatory authorities of the CCR Hansa for approval by 24 January 2020. These regulatory authorities requested amendments on this proposal on 24 July 2020 and TSOs submitted their amended proposal ('Hansa MB Proposal'), dated 13 October 2020, to the respective regulatory authorities by 27 November 2020. The regulatory authorities could not reach an agreement within the two months deadline; hence, on 27 January 2021 the Hansa Proposal was referred to ACER for a Decision.

The TSOs of CCR Core (Austria, Belgium, Czech Republic, Croatia, France, Germany, Hungary, Luxemburg, the Netherlands, Poland, Romania, Slovakia and Slovenia) have developed the proposal for a methodology for a market-based allocation process of cross-zonal capacity, pursuant to Article 41(1) of the EB Regulation and the proposal for a methodology for a cross-zonal capacity allocation process based on economic efficiency, pursuant to Article 42(1) of the EB Regulation, submitted them to all regulatory authorities of the CCR Core for approval by 2 March 2020. These regulatory authorities requested amendments on these proposals by September 2020 and TSOs submitted their amended proposals to the respective regulatory authorities on 22 December 2020. The regulatory authorities could not reach an agreement within the two months deadline; hence, on 22 February 2021 the Core MB and EE Proposals were referred to ACER for Decisions.

The TSOs of CCR Baltic (Estonia, Finland, Latvia, Lithuania, Poland and Sweden) have developed the proposal for a methodology for a market-based allocation process of cross-zonal capacity, pursuant to Article 41(1) of the EB Regulation, submitted it to all regulatory authorities of the CCR Baltic for approval by 20 December 2019. These regulatory authorities requested amendments on this proposal on 18 June 2020

and TSOs submitted their amended proposal to the respective regulatory authorities on 31 August 2020. The regulatory authorities requested further amendments on the amended proposal on 30 October 2020 and TSOs submitted their amended proposal ('Baltic MB Proposal') to the respective regulatory authorities on 31 December 2020. The regulatory authorities could not reach an agreement within the two months deadline; hence, on 26 February 2021 the Baltic MB Proposal was referred to ACER for a Decision.

ACER must adopt the decisions on Hansa MB, Core MB and EE, and Baltic MB Proposals in accordance with Article 6(2) of the ACER Regulation by 27 July, 22 August and 26 August 2021, respectively. In the context of adopting these decisions, ACER seeks the opinion of stakeholders on the issues listed below. Other comments and concerns are also welcome.

Topic 1: Timeframe for the market-based cross-zonal capacity allocation process

Pursuant to Article 41(1) of the EB Regulation the methodology for the market-based cross-zonal capacity allocation shall apply *"where the contracting is done not more than one week in advance of the provision of balancing capacity"*. Additionally, Article 38(5) of the EB Regulation requires that the TSOs *"allocate cross-zonal capacity for the exchange of balancing capacity or sharing of reserves only if cross- zonal capacity is calculated in accordance with the capacity calculation methodologies developed pursuant to Regulation (EU) 2015/1222 and (EU) 2016/1719"*.

Given that implementation of the capacity calculation methodology of the CACM Regulation is expected before the capacity calculation methodology of the FCA Regulation, ACER understands that the timeframe for the market-based cross-zonal capacity allocation methodology – at least for the first applications – is the day-ahead one.

Moreover, Article 6(9) of the Electricity Regulation requires that *"[c]ontracts for balancing capacity shall not be concluded more than one day before the provision of the balancing capacity and the contracting period shall be no longer than one day, unless and to the extent that the regulatory authority has approved the earlier contracting… Where a derogation is granted, for at least 40 % of the standard balancing products and a minimum of 30 % of all products used for balancing capacity, contracts for the balancing capacity shall be concluded for no more than one day before the provision of the balancing capacity"*. Therefore, ACER understands that earlier contracting is only allowed if all the regulatory authorities (for the TSOs exchanging balancing capacity) provide derogation, but even in this case, only up to a certain percentage.

For the abovementioned reasons, ACER considers that the timeframe for the market-based cross-zonal capacity allocation methodology is the day-ahead one, and proposes to specify this through the gate closure time definition in Article 3 of the MB Proposal: *"this gate closure time shall be set not more than one day before the provision of the standard balancing capacity product, when applying the market-based allocation process"*.

In the day-ahead timeframe, the market-based cross-zonal capacity allocation for the exchange of balancing capacity or sharing of reserves should take place after the day-ahead capacity calculation and before the subsequent day-ahead capacity allocation (i.e. single day-ahead coupling). ACER considers that the tight timeline between the publication of the results of the day-ahead capacity calculation and the SDAC gate-closure time, allows only for one market-based cross-zonal capacity allocation for the exchange of

balancing capacity or sharing of reserves per CCR (although for multiple products at the same time). Moreover, ACER considers that multiple, sequential market-based cross-zonal capacity allocations would raise issues of level-playing field and cross-zonal capacity allocation efficiency, as the available cross-zonal capacity would be allocated on a first come first served basis. Therefore, ACER proposes to require a single gate closure time for all balancing capacity procurement processes that would apply the same market-based cross-zonal capacity allocation methodology, and a single optimisation process for it for all applicable products at the same time.

Question 1.1
Do you agree with ACER's approach to define the day-ahead as the timeframe for the market-based cross-zonal capacity allocation methodology?
If not, please share your concerns for the proposed approach, as well as your answers to the issues raised by ACER above.

Yes, we strongly encourage this to:
- develop short-term markets
- have the CZC allocation integrated well in DA capacity calculation processes
- be compliant to CEP

Question 1.2
Do you agree with ACER's conclusions that a single gate closure time for every application the market-based cross-zonal capacity allocation in a CCR is necessary to allow a non-discriminatory application(s) in the restricted time period for possible application?
Please share any concerns you may have regarding the process.

Yes, it is indeed necessary to:
- create a level playing field among the different products of aFRR, mFRR, and RR, and between the different applications,
- be compliant to CEP for substitution of reserves for cost minimisation
- be able to substitute reserves for volume shorate (replace mFRR unsatisfied demand by aFRR)
. since it is timely not possible to perform sequential XB cooperation after FCR market and before the final DA capacity calculation

In order to capture well the needs of market participants (BSPs), cross-product linking of bids between aFRR, mFRR, and in case applicable RR, is essential.

Topic 2: Forecasted market value of cross-zonal capacity

Pursuant to Article 39(1) of the EB Regulation *"[t]he market value of cross-zonal capacity for the exchange of energy and for the exchange of balancing capacity or sharing of reserves used in a […] market-based allocation process shall be based on the […] forecasted market value[ ] of cross-zonal capacity."* Pursuant to Article 39(5) of the EB Regulation *"[this] forecasted market value of cross-zonal capacity shall be based on one of the following alternative principles:*
(a) the use of transparent market indicators that disclose the market value of cross-zonal capacity; or
(b) the use of a forecasting methodology enabling the accurate and reliable assessment of the market value of cross-zonal capacity."

Moreover, pursuant to Article 41(1)(b) of the EB Regulation the methodology for the market-based cross-zonal capacity allocation shall include *"a detailed description of how to determine […] the forecasted market value of cross-zonal capacity for the exchange of energy…"*

Finally, pursuant to Article 42(1)(b) of the EB Regulation the methodology for the cross-zonal capacity allocation based on economic efficiency shall include *"a detailed description of how to determine the forecasted market value of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves, and an assessment of the market value of cross-zonal capacity for the exchange of energy…"*

All three MB Proposals describe in each of their Article 7 on the determination of the forecasted market value of cross-zonal capacity for the exchange of energy use a forecasting method based on a reference day (in all three the default reference day is the previous working/weekend/holiday day). However, they further address this requirement differently:

- The Baltic MB Proposal applies the day-ahead market price difference for each bidding zone border of the reference day with the addition of a mark-up. The Baltic TSOs propose to apply two different mark-ups to ensure accuracy (and prevent over-allocation) of this value when using it to determine the volume of allocated capacity for the exchange of balancing capacity. The proposed mark-up values are 1€/MWh in case of a positive market spread and 0.1€/MWh in case of a negative or zero market spread. Finally, the Baltic MB Proposal includes also a paragraph to adjust further the mark up in case of an identified significant forecast error.
- The Hansa TSOs have proposed to use the day-ahead market price difference for each bidding zone border of the reference day complemented with a possibility for TSOs to apply adjustment factors and mark ups.
- The Core TSOs have proposed to use the shadow price associated to the critical network elements limiting the exchange of the reference day, complemented with a possibility for TSOs to apply adjustment factors and mark ups.
- The Hansa and Core MB Proposals do not further specify a process on how to apply any mark up or adjustment factor but require to include and justify their concept and computation in the methodology pursuant to Article 33(1) of the EB Regulation, submitted by two or more TSOs exchanging balancing capacity. Further, the Hansa and Core MB Proposals allow under Article 7(4) in each Proposal to choose a different reference day than the default one to allow a more accurate forecast. However, the foreseen process for such deviation is not clarified in the Proposals.

First of all, ACER would like to highlight that a detailed description of the determination of the forecasted market value of cross-zonal capacity for the exchange of energy is a requirement for this methodology according to the EB Regulation, and there is no legal basis for including any part of it in the methodology pursuant to Article 33(1) of the EB Regulation, which is different in scope both geographically (the methodology pursuant to Article 41(1) of the EB Regulation is submitted and approved at CCR level, while the methodology pursuant to Article 33(1) of the EB Regulation is submitted by two or more TSOs exchanging balancing capacity) and in applicability (TSOs sharing reserves may apply the methodology pursuant to Article 41(1) of the EB Regulation, but they do not submit/apply the methodology pursuant to Article 33(1) of the EB Regulation).

Secondly, ACER considers aligning all three MB Proposals with the Baltic one, since the approach proposed in the Baltic MB Proposal ensures transparency for the market participants (easy and clear for

them to reproduce it) and prevents over-allocation by favouring the day-ahead energy exchange over the balancing capacity exchange for the cases of reduced accuracy (including also a correction to the mark-up for significant forecast errors). Moreover, this is also the approach followed in ACER Decision 22/2020 on the market-based allocation process of cross-zonal capacity for the exchange of balancing capacity for the Nordic CCR, which together with a close monitoring and possibility for future amendments, is proposed by ACER also for the current methodologies.

Regarding the Core MB Proposal, ACER would like to collect stakeholders' views on the TSOs' proposal to use the shadow prices as the basis of the forecasted market value of cross-zonal capacity for the exchange of energy.

Question 2.1

Do you agree aligning the determination of the forecasted market value for the exchange of energy in all three methodologies with the one in the Baltic MB Proposal?
Do you have any comments on the selection of the reference day, the concept of adjustment factors or the concept of the proposed mark up?

> We strongly disagree.
> In a future flow-based environment, it is essential to carefully allocate CZC to balancing capacity. The approaches of Hansa, Baltic and Nordic apply strong simplifications and only assume a change of congestion income on one single border in case CZC is taken away from the DAM. This is ofcourse incorrect and would over allocate to balancing. We highly doubt if a simple mark-up can counterbalance this effect for all borders. We highly recommed to allocate according to the co-optimisation concept, where the market value is calculated based on the surplusses of seller, buyer and transmission holders, on ALL borders. This is the intention of the Core approach and we propose this approach toi be used by all CZC allocation methodologies.

Question 2.2

Please provide your views on the selection of the shadow price associated to the critical network elements limiting the exchange, as basis for the determination of the forecasted market value for the exchange of energy.

> This is the only future proof way to allocate fairly CZC to balancing capactiy, since:
> - it takes all 3 surplusses into account
> - it takes all borders into account
> - it respect the non-netting potential of CZC allocated to balancing capacity, since in Core, only positive PTDFs shall be considered

In the Core EE Proposal, the Core TSOs have proposed in Article 7 to use for the forecasted market value of cross-zonal capacity for the exchange of energy the average day-ahead market price difference for each bidding zone border of the reference period complemented with a possibility for TSOs to apply adjustment factors and mark ups. For the default mark-up the same approach as for the Baltic MB Proposal is followed, but the Core TSOs propose to also have the possibility to include and justify the concept of mark-up and adjustment factor and their computation in the methodology pursuant to Article 33(1) of the EB Regulation, submitted by two or more TSOs exchanging balancing capacity. Further, the Core EE Proposal allows under Article 7(4) to choose a different reference period than the default one to allow a more accurate forecast. However, the foreseen process for such deviation is not clarified in the Core EE Proposal.

Finally, regarding the forecasted market value of cross-zonal capacity for the exchange of balancing

capacity or sharing of reserves, the Core EE Proposal suggests that it should be based on bids submitted in selected reference period(s) (by default the previous procurement period). Adjustment factors may be applied to improve the forecast and shall be justified and specified in methodology pursuant to Article 33(1) of the EB Regulation.

Question 2.3
Do you agree with following in the Core EE Proposal the same principles for the forecasted market value of cross-zonal capacity for the exchange of energy as in MB Proposals?
Please also provide your views on the selection of the reference period.

> In Principle we strongly recommend to discontinue the EE methodology since it is not possible to accurately take away CZC from the DAM timeframe in an optimisation performed more than a week ago and it is also not in line with CEP. In case TSO insist of more than week ahead procurement, it can be properly used in a national context, buit shouldn't be the basis for future regional cooperations.
>
> In case the ongoing discussions between TSO and ACER show that a shadow price approach can work for economic efficiency, we encourage this since the impact on all borders shall be taken into account.

Question 2.4
Do you agree with the approach proposed in the Core EE Proposal for determining the forecasted market value of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves?
Do you have any comments on the selection of the reference period?

Topic 3: Maximum volume of the allocated cross-zonal capacity

Pursuant to Article 41(1)(d) of the EB Regulation the methodology for the market-based cross-zonal capacity allocation shall include *"the process to define the maximum volume of allocated cross-zonal capacity for the exchange of balancing capacity or sharing of reserves pursuant to paragraph 2"*.

Pursuant to Article 42(1)(d) of the EB Regulation the methodology for the cross-zonal capacity allocation based on economic efficiency shall include *"the maximum volume of allocated cross-zonal capacity for the exchange of balancing capacity or sharing of reserves pursuant to paragraph 2".*

The Hansa MB Proposal does not describe such a process, however it provides the TSOs with the possibility to define such process in the methodology pursuant to Article 33(1) of the EB Regulation.

The Core MB Proposal limits the maximum volume to 10% of the average amount of calculated cross-zonal capacities for the SDAC fallback mechanism and also includes the possibility to specify further limits in the methodology pursuant to Article 33(1) of the EB Regulation.

The Baltic MB Proposal lists all the limitations that may be applied pursuant to the various provisions of the SO Regulation, but does not describe a process for defining the maximum volume of allocated cross-zonal

capacity.

ACER understands that Article 41(1)(d) of the EB Regulation requires this methodology to also include the process for defining the maximum volume of allocated cross-zonal capacity, so it proposes the amendment of the Proposals to describe such a process.

ACER suggests to use as a default value the 10% of the cross-zonal capacity calculated for the day-ahead timeframe pursuant to the capacity calculation methodology of the CACM Regulation, in accordance with Article 41(2) of the EB Regulation. However, ACER proposes to also describe a dynamic process for the adjustment of this maximum volume to account for the cases where the maximum volume is not sufficient to satisfy the TSO demand, taking into considerations cases of structural local shortage, imposing additional reporting requirements, following the same approach as in ACER Decision 22/2020 on the market-based allocation process of cross-zonal capacity for the exchange of balancing capacity for the Nordic CCR.

The Core EE Proposal in its Article 6 describes the process to define the maximum volume of allocated cross-zonal capacity for the exchange of balancing capacity or sharing of reserves, starting with the maximum limit of 5% (or 10% for new interconnectors) as envisaged in Article 42(2) of the EB Regulation, which may be further reduced by the methodology pursuant to Article 33(1) of the EB Regulation.

Question 3.1
Do you agree taking in the MB methodologies as a default value for the maximum volume of allocated cross-zonal capacity the 10% of the cross-zonal capacity calculated for the day-ahead timeframe pursuant to the capacity calculation methodology of the CACM Regulation?
If not what other options would you consider?

Yes

Question 3.2
Please provide your views on having a dynamic process for the adjustment of the maximum volume in cases of unsatisfied TSO demand.

Since it is not yet defined how prices are defined and surplusses are calculated and settled in the CZC optimisation in case of unsatisfied demand, this question cannot be answered.
Nonetheless, rules should be defined such that there is always the possibility to satisfied XB local unsatisfied demand, as long as the market value comparison allows. We hihgly discourage to apply a rule that the TSO BC demand shall be reduced in the cooperation down to the level that it can be satisfied locally.

Question 3.3
Do you have any comments on the maximum volume of the allocated cross-zonal capacity in the Core EE Proposal?

-

Topic 4: TSO-BSP settlement scheme

All four Proposals specify that the settlement of standard balancing capacity bids for each application of the methodology for cross-zonal capacity allocation between TSOs and BSPs shall be based on cross-zonal marginal pricing (pay-as-cleared).

However, the Core Proposals foresee also a possibility for TSOs to use a different rule for the settlement of standard balancing capacity bids between TSOs and BSPs: pay-as-bid. This possibility is only allowed until the proposal to harmonize the methodology for the allocation process of cross-zonal capacity for the exchange of balancing capacity according to Article 38(3) of the EB Regulation is applicable.

ACER understands that including the pricing rule as a principle is important, as it also affects the actual market value of the cross-zonal capacity allocated for the exchange of balancing capacity or sharing of reserves (through the change in the economic surplus).

Following the discussion with the regulatory authorities and TSOs, ACER understands that this exemption is foreseen because of an already existing project, namely the balancing cooperation between Germany and Austria, which implements pay-as-bid as a settlement rule. The intention is to only keep this regime in order not to burden the balancing service providers with additional changes in a time period, where the expected changes in the balancing markets are already significant. ACER acknowledges that unnecessary changes should be avoided and existing projects should be assisted in moving to the new regime, and agrees with allowing this settlement rule for a transitory period. However, ACER considers than in case this cooperation is extended or merged (i.e. through an amendment of the respective methodology pursuant to Article 33(1) of the EB Regulation), the pay-as-cleared principle should be applied in the new cooperation.

Therefore, ACER proposes to explicitly provide the possibility of keeping the pay-as-bid settlement rule for this existing project and only for as long as it is kept in its current form.

Question 4
Please share your views regarding the possibility of allowing existing projects to deviate from the marginal (pay-as-cleared) principle.

TenneT only supports cross-zonal marginal pricing for all CZC allocation methodologies. This is the only correct way to compare XB balancing capacity markets with the DAM.
To allow an exemption only for some, because in the past these TSOs have engaged in something outside EBGL should not be the way forward to create level playing field in Europe and give everyone equal opportunities. Furthermore pay.as.bid creates inefficiencies to the CZCA optimisation process. As an example congestion rent is not a result of the market clearing anymore, but needs to be artificially calculated and separatly settled/paid.

On the contrairy, in case pay-as-cleared is applied, it is more likely that the German Austrian aFRR BC cooperation will discontinue than siwtching soon to marginal pricing for TSO-BSP settlement.
With pay-as-bid we can continue this cooperation, nonetheless if ACER decides to allow pay-as-bid, we highly recommend to allow pay-as-bid to all TSOs and to all CCR methodologies to establish equal opportunities. Many countries still apply pay as bid and why should they be disadvantaged compared to DE /AT to start a new application?

Topic 5: Other comments

Question 5
If you would like to comment on other topics please indicate clearly the related Proposal, Article, paragraph of the proposal and add a sufficient explanation.

We highly recommend ACER to:
- be very carefull with the decisions on pricing and the consequences of pay-as-bid to all other processes within CZC allocation.
- apply the same CZCA optimisation comparision as used in co-optimisation for accurate allocation, this means, take into account all 3 surplusses at all borders and the non-netting effect of CZC allocation to BC (positive PTDFs), and a shadow price approach is the a way to do this.
- define correct settlement rules in case of unsatisfied demand. You cannot optimise a market clearing based on settlement rules that are not applied.
- put all the congestion income generated from allocation to balancing capacity into the DAM pot and distribute according to DA distribution rules. We recommend not to keep risks and especially benefits per application but socialise it among all participants in the DA timeframe

Contact

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