

**Public consultation on the compliance of the
Core CCR TSOs' Fallback Procedures
with the CACM Regulation**

Consultation document

**PC_2018_E_04
1 August 2018**

The objective of this consultation is to gather views and information from stakeholders regarding the compliance with Commission Regulation (EU) 2015/1222 (the 'CACM Regulation') of the transmission system operators of the capacity calculation region Core's proposal for Core CCR TSOs' Fallback Procedures, that has been developed in accordance with Article 44 of the CACM Regulation. The input from the consultation will inform the Agency's evaluation when preparing its decision on that proposal.

This consultation is addressed to all interested stakeholders, including regulatory authorities, nominated electricity market operators and transmission system operators in accordance with Article 8(1) of Regulation (EC) No 713/2009.

Replies to this consultation should be sent:

by **24 August 2018 23:59 hrs (CET)**

to **consultation2018E04@acer.europa.eu**

In order to identify the respondent, the following information should be included at the top of the answer sheet: name, company, address, contact email, phone and country.

Any confidential information should be marked clearly as such, including the word 'CONFIDENTIAL' in the subject of the e-mail, as the Agency will not treat e-mails which contain only a general disclaimer (usually automatically added) as containing confidential information. If respondents want to claim confidentiality, they should provide an explanation of their confidentiality interests and a non-confidential version of their response for publication.

The Agency will publish all non-confidential responses, and it will process personal data of the respondents in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data, taking into account that this processing is necessary for performing the Agency's consultation task. For more details on how the contributions and the personal data of the respondents will be dealt with, please see the Agency's Guidance Note on Consultations and the specific privacy statement attached to this consultation.

Related documents

- Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0001:0014:EN:PDF>
- Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross border exchanges in electricity and repealing Regulation (EC) No 1228/2003
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0015:0035:EN:PDF>
- Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.197.01.0024.01.ENG

- Amended Core CCR TSOs' Fallback Procedures proposal
https://docstore.entsoe.eu/Documents/Network%20codes%20documents/Implementation/cacm/core/20170126_RfA_Core_TSOs_Fallback_Procedures_01_Legal_Document_final.pdf
- Annexes to the amended Core CCR TSOs' Fallback Procedures proposal
https://www.bundesnetzagentur.de/DE/Service-Funktionen/Beschlusskammern/1BK-Geschaeftszeichen-Datenbank/BK6-GZ/2017/2017_0001bis0999/BK6-17-114/BK6-17-114_annexe_20180214_eng.pdf?__blob=publicationFile&v=2
- ACER Guidance Note on Consultations
https://www.acer.europa.eu/Official_documents/Other%20documents/Guidance%20Note%20on%20Consultations%20by%20ACER.pdf

1 Background

In accordance with Article 44 of the Commission Regulation (EU) 2015/1222 (the 'CACM Regulation'), TSOs are obliged to develop fallback procedures for the single day-ahead coupling process in a coordinated manner for each capacity calculation region. The proposal needs to be submitted to all regulatory authorities for approval no later than 16 months after the entry into force of the CACM Regulation.

The TSOs of the Core Capacity Calculation Region ('Core TSOs') submitted the first proposal for the fallback procedures to the national regulatory authorities from the Core region (hereafter "Core NRAs") by 31 May 2017 and, subsequently, the Core NRAs requested amendments to it in November 2017. The Core TSOs then submitted an amended proposal for fallback procedures on 14 February 2018. On 27 March 2018, the Agency received a letter from the Core NRAs requesting the Agency to adopt a decision on the Core fallback procedures pursuant to Article 9(11) of the CACM Regulation.

In this letter, Core NRAs explained that one NRA could not agree to the approval of the fallback procedures as it does not have the authority to approve the Shadow Allocation Rules documents, which are annexed to the fallback procedures.

The Agency needs to adopt a decision on this proposal by 27 September 2018. In the context of adopting this decision, the Agency seeks the opinion of stakeholders on the issue of the harmonisation of the shadow allocation rules, as well as on the harmonisation of the entity performing the shadow allocation rules. Other comments and concerns are also welcomed.

2 Consultation topics and questions

The consultation topics and questions follow the two main topics:

Topic 1: Harmonisation of the Core CCR Fallback Procedures

The proposed Core CCR TSOs' Fallback Procedures cover separated fallback procedures for bidding zone borders depending on whether cross-zonal capacity is allocated in the framework of Multi Regional Coupling ("MRC") or in the framework of the Four Markets Market Coupling ("4MMC"). Consequently, the proposal for fallback procedures contains five Annexes with

Shadow Allocation Rules for the Core region. The first two annexed rules are covering all bidding zone borders within the Core region under the scope of MRC. While Annex 1 applies until 1 January 2019, Annex 2 Shadow Allocation Rules applies to the recently implemented bidding zone borders and as from 1 January 2019 onwards for the other MRC bidding zone borders. The bidding zone borders under the scope of 4MMC apply individual Shadow Allocation Rules for each bidding zone border, which are covered in Annex 3 to 5 of the Core CCR TSOs' Fallback Procedures.

While the proposed Core CCR TSOs' Fallback Procedures are stating that Core TSOs shall submit a harmonised regional set of Fallback Procedures *'ahead of the implementation of both the capacity calculation methodology developed in accordance with Article 20 of the CACM Regulation and the day-ahead market coupling operator function implemented in accordance with Article 7(3) of the CACM Regulation'*, until that point there will not be any harmonisation of the Shadow Allocation Rules in the Core region. The Agency deems that a harmonisation of fallback procedures should not be linked to the capacity calculation methodology or its implementation and that a harmonised execution of fallback procedures can be performed unconditionally to the origin of the calculation of the auctioned cross-zonal capacities. The Agency also notes that the day-ahead market coupling operator function is expected to be implemented in October this year and is therefore not preventing a timely implementation of a harmonised fallback procedure approach.

The Agency is concerned that a non-harmonised set of rules could cause confusion and potential panic among market participants in case of application of a fallback procedure within a capacity calculation region. As fallback procedures will be applied very rarely, it is important that market participants face clear, simple and harmonised rules through a single point of contact.

Consultation questions:

1. Do you find it critical that all bidding zone borders in a capacity calculation region apply the same shadow allocation rules and the same allocation platform in case of fallback procedures?
2. Do you find it critical that the fallback procedures and the corresponding shadow allocation rules are as similar as possible to the Harmonised Allocation Rules and performed by a single allocation platform?

Topic 2: General remarks on the Core CCR TSOs' Fallback Procedures

Consultation questions:

3. Do you have any other comments or concerns with regard to the Core CCR TSOs' Fallback Procedures including the annexed Shadow Allocation Rules?