

Mr Alberto Pototschnig  
Director  
**ACER**

Cc: Mr Klaus-Dieter Borchardt  
Director  
Internal Energy Market  
DG ENER  
**European Commission**

30 January 2018

Dear Alberto,

I am writing to you on behalf of all Regulatory Authorities with regard to the amended All NEMOs' proposal for the price coupling algorithm and for the continuous trading matching algorithm, also incorporating TSO and NEMO proposals for a common set of requirements, in accordance with Article 37(5) of the Commission Regulation 2015/1222 of 24 July 2015 establishing a guideline on Capacity Allocation and Congestion Management (hereinafter: "the amended Algorithm Proposal").

In February 2017, all relevant designated NEMOs submitted for approval, to their Regulatory Authority, the original Algorithm Proposals. Six months following the receipt of the NEMOs proposal by the last Regulatory Authority concerned, all Regulatory Authorities decided to request a number of amendments to all NEMOs regarding the original Algorithm Proposal. This was done following the agreement between all Regulatory Authorities at the Energy Regulators' Forum on 24 July 2017.

As laid out in Article 9(12) of the Regulation 2015/1222, all NEMOs were required to re-submit, within two months following the receipt of the request for amendment, an amended Algorithm Proposal. The amended Algorithm Proposal, dated 13 November 2017, was received by the last Regulatory Authority on 1 December 2017. Article 9(12) of Regulation 2015/1222 requires all Regulatory Authorities to decide on the amended terms and conditions or methodologies within two months following their submission.

Where the competent regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies pursuant to paragraphs (6) and (7) within the two-month deadline, or upon their joint request, the Agency shall adopt a decision concerning the amended terms and conditions or methodologies within six months, in accordance with Article 8(1) of Regulation (EC) No 713/2009.

After consulting and closely cooperating and coordinating with each other, still some red flags remained for regulatory authorities that prevented Regulatory Authorities from approving the amended proposal.

Therefore, on 26 January 2018 all Regulatory Authorities have agreed to request the Agency to adopt a decision on the Algorithm Proposal pursuant to 9(12) Regulation 2015/1222. The abovementioned red flags will be described in an informal non-paper which will be sent to the Agency. In adopting its decision, Regulatory Authorities anticipate that the Agency will give consideration to the abovementioned elements as will be provided in the non-paper.

We are ready to assist the Agency to develop and adopt its decision.

Yours sincerely,



Garrett Blaney