



To:

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Austrian Power Grid AG

Mr. Boris Schucht, Cc: Mr. Gert Schwarzbach
50Hertz Transmission GmbH

Mr. Urban Keussen, Cc: Mr. Thorsten Dietz
TenneT TSO GmbH

Mr. Jean-François Conil-Lacoste, Cc: Mr. Juan Perez
EPEX Spot SE

Mr. Rudolf Schneider
EXAA Abwicklungsstelle für Energieprodukte AG

Mr. Mikael Lundin, Cc: Hans Randen
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MRC Joint Steering Committee

Mr. Sven Kaiser
E-Control as CEE lead regulator

Mr. Alberto Pototschnig, Mr. Christophe Gence-Creux
ACER

Prof. Dr. Klaus-Dieter Borchardt, DG Energy
Mr. Matti Supponen
European Commission

Prague, 18 January 2016

By email only

Subject: Request for cooperation - Implementing implicit allocation on DE-CZ, AT-CZ and AT-HU borders

Dear Sirs and Madam,

on behalf of the 4M MC Parties¹ let me address you concerning the future integration of day-ahead electricity markets in Europe.

According to the latest NWE-CEE FB MC project planning, the go-live is not expected sooner than in the middle of 2018 mainly due to the development and implementation of the Flow-based capacity

¹ CEPS, SEPS, MAVIR, Transelectrica, OTE, OKTE, HUPX, OPCOM

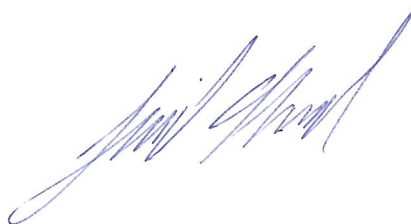
calculation (FB CC), still pending situation regarding capacity calculation regions, and overall complexity of the project. Moreover, identified major risks could postpone the go-live date even further.

Withholding benefits of implicit allocation from market participants for multiple years is for us hardly acceptable, thus we support the implementation of implicit allocation as soon as possible based on NTC as an interim step until the agreed and finalized CEE FB CC becomes available. 4M MC operates the Market Coupling solution compatible with the PCR procedures, the MRC procedures and interfaces. Furthermore, we are convinced that the coordinated capacity calculation in the CEE region allows secure and reliable operation of implicit allocation. We are confident that all 4M MC Parties are ready for fast extension of implicit allocation based on the NTC method at DE-CZ, AT-CZ and AT-HU borders towards the MRC. In addition, we believe that this approach would allow a better verification of benefits and an easier introduction of the future operation of the CEE FB MC.

In view of the above-mentioned we approached the Joint Steering Committee of the Multiregional Coupling (MRC JSC) on 4 June 2015 with our intention to start negotiation on 4M MC coupling with MRC as an interim advantageous step towards completing the European internal electricity market. On 11 December 2015 we received the information from MRC Extension Task Force that 4M MC coupling with MRC should be realized via local project that will involve all 4M MC Parties and German and Austrian TSOs and NEMOs on the respective borders between MRC and 4M MC.

Therefore, please consider this letter as our kind request towards German and Austrian NEMOs and respective TSOs to start as soon as possible performing all necessary steps in order to establish a common design and implementation project that will introduce implicit capacity allocation on DE-CZ, AT-CZ and AT-HU borders.

Yours sincerely,



Jiří Strnad
SPOC on behalf of the 4M MC Parties

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