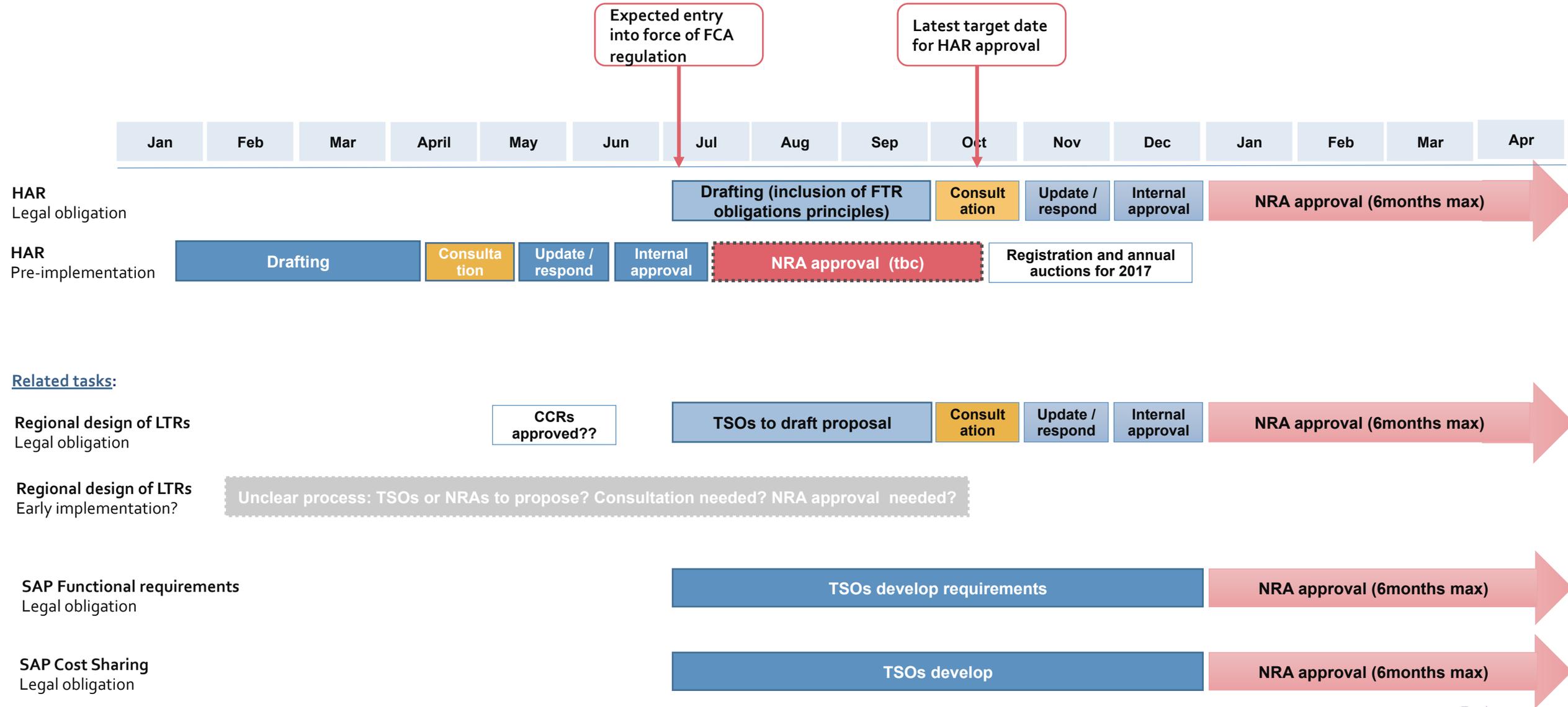


# FCA Implementation – Stakeholder meeting 20/1

## Key conclusions

- Market parties request early implementation of FCA compliant HAR
  - Key changes to current HAR relate to the firmness regime (Articles 53, 56, 58, 59): annual caps, no references to LTFD, no references to Emergency Situations and ensuring system security
  - Approval to be completed by early October 2016 to allow smooth preparation for 2017 annual auctions
- ENTSO-E and ACER willing to anticipate and shorten HAR drafting and approval, provided process is efficient and open issues are clarified at an early stage
  - Possible necessary border specific exceptions to early implementation to be presented by ENTSO-E/ACER at MESC on 3/2 based on individual NRAs/TSOs feedback
- Market parties, ACER and ENTSO-E agree that FTR obligation rules should not be included in early HAR implementation
- EC understands FTR obligations are not a priority but to respect FCA requirements at least high level principles should be drafted by all TSOs 6M after the entry into force (Jan 2017). A more formal feedback will be provided asap

# 2016-2017 timeline and related tasks



## Related tasks:

# Open issues

## Legal issues

- Exclusion of FTR obligations rules from scope of HAR early implementation should be confirmed by EC and NRAs as necessary precondition.
- CCR approval: what are the implications for regional TSOs proposals and NRAs approvals, in case CCR approval (expected by May) is delayed?
- Legal basis for HAR approval before FCA entry into force?

## Choice of products

- Do we need an (early implementation) proposal, consultation and approval on the type of products for current HAR borders or do we update rules keeping the same products?
- In any case, early input on NRAs/stakeholders expectations necessary to speed-up drafting

## Ad-hoc implementation timelines may be needed

- On some particular borders, implementation in time for 2017 annual products may not be feasible due to overlap with ongoing implementation of current HAR version (IFA/Britned approved implementation timeline) or ongoing market redesign (EWIC/Moyle)

## Resource availability

- Shorter timelines, interaction with other FCA tasks (SAP functional requirements, regional design of LTR, SAP cost sharing), and overlap with CACM implementation further stresses limited TSOs/NRAs resources.

## Stakeholder involvement

- How to ensure stakeholder involvement compatibly with workload and time constraints? How to allow sufficient time for allocation platforms and market participants to adjust to approved rules and new procedures?

# NRAs position

- NRAs expressed concerns that the process proposed may be resource consuming and not efficient. In particular, the coexistence of a voluntary and a formal process for the same issues is a matter of concern
- There are different positions towards the review of rules in order to improve compliance of the firmness regime with the approved FCA GL:
  - At least 9 NRAs are keen to review rules for their borders in 2016 provided that they have at least 3 months for approval process
  - At least 4 NRAs deem inappropriate to review rules for all their borders in 2016 for several reasons. In particular, amendments to the EU HAR should be made once the current version (setting new firmness regime in some borders) has been implemented and tested.
  - The pending NRAs did not state a clear position
- In this context, an alternative way forward would be the voluntary amendment of border-specific annexes to make them as compliant with FCA GL as possible

# TSOs position

- TSOs and ENTSO-E are willing to draft the HAR and submit it for NRA approval by summer 2016, so that they can be used for 2017 capacity transmission rights (to be formally confirmed at an all TSOs meeting on Feb 11).
- The approach to early implementation is to update the main body of the HAR to ensure EU-wide coordination and pave the way for subsequent FCA legal implementation (6M after e.i.f.)
- Border specific annexes are required in limited specific cases where early implementation is not considered feasible by NRAs-TSOs
  - Possible reasons for exceptions include: Adaptability of existing regional platforms within this short timeframe, existing implementation projects for the current HAR, ongoing market redesign projects
  - Border specific annexes may also be needed based on specific NRA requests, as per art. 52.3 of FCA (for example on implementation timelines for new firmness regimes)