ACER
Agency for the Cooperation of Energy Regulators

Agency Decision on the CORE Capacity Calculation Methodology

Thomas QUERRIOUX, ACER

MESC, Brussels, 01 March 2019

Agency Decision on the CORE Capacity Calculation Methodology

Main debates

Topic	Debated
Inputs *(TSOs)*	• Management of sensitive information related to CNE(C)s • Internal CNECs should be included (or not) based on efficiency considerations, PTDF threshold criteria is only secondary *Internal CNECs are allowed only for a transition period (2 years). After the transition period, internal CNECs are allowed only if other alternatives are less efficient*
Calculation *(CCC)*	• Quick, transitional implementation, with review after 18 months *Transitional measures for CNECs, GSK, FRM, Allocation constraints* • MinRAM - 70% with potential action plan/derogation, in line with Clean Energy Package *Default minimum capacity is 70% of Fmax (available for exchanges from all CCRs). To derive the margin for Core, one needs to deduct the transit flows from other CCRs.* *If MS(s) go for action plan or NRAs grant a derogation, a linear trajectory applies between 2020 and 2025. A Linear trajectory compliant with the CEP is defined/interpreted in CCM: it applies unless the action plan or the derogation defines a different linear trajectory.* *Independently from the minRAM trajectory and from transit flows, at least 20% Fmax shall remain available for trade within Core.*
Exemptions	• Capacity reductions (decided by TSOs with CCC support) shall only be exceptional • All deviations to the default rules are temporary and associated with strict publication requirements

Expected gains for the IEM

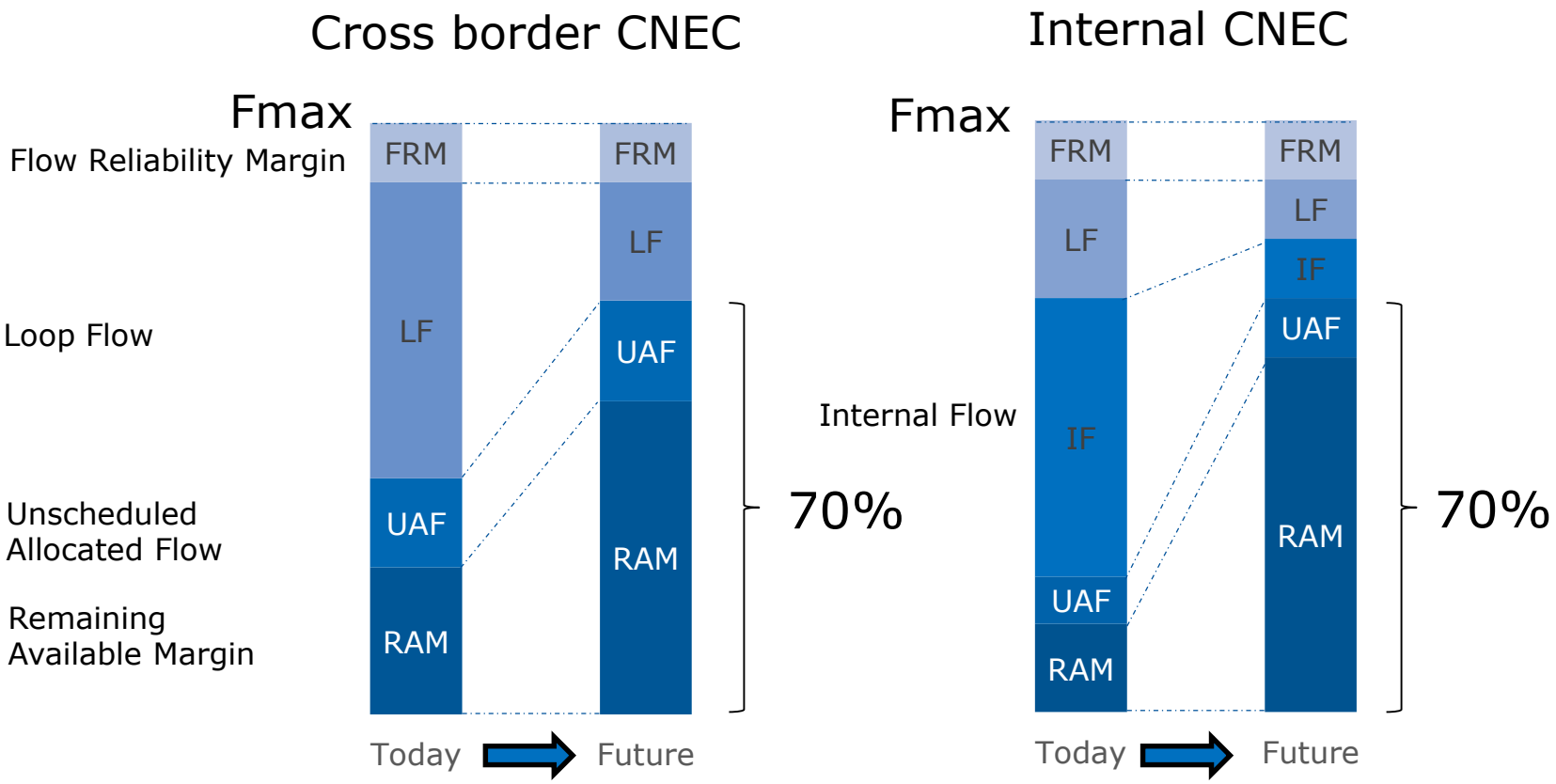
- Increased coordination across MSs
  Central role of the CCC, Central optimisation of Remedial Actions
- Increased transparency
  Oversight over constraints limiting the offer of cross-zonal capacity (allocation constraint, CNECs)
- Increased capacity : expected gross benefits of approximately **400 M€/Year** in the Core region*

* Estimate based on MMR 2017

Direct benefits
additional cross-border capacity

Longer term benefits
bidding zone configuration where 70% minRAM cannot be achieved

Significant increase of cross-zonal capacity



Agency Decision on the CORE Capacity Calculation Methodology

Next steps

Implementation timeline

- DA CCM: 1 December 2020
- ID CCM: 1 December 2021 (1st re-calculation) and 1 December 2022 (2nd re-calculation)

Significant CCM review

- 18 months after implementation, TSOs need to propose amendments to improve
  - Capacity calculation inputs: reliability margin, allocation constraints, generation shift key, list of efficient internal CNECs
  - Capacity calculation process: Advanced hybrid coupling
  - Capacity validation: More clarity on coordinated validation

Beyond the Core CCM

- The CCM does not address the operational decisions related to costly remedial actions and the related cost-sharing methodology (these issues will be tackled within the RDCT process)

Thank you for your attention

www.acer.europa.eu
Thomas.Querrioux@acer.europa.eu