

## DECISION No 04/2021 OF THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS

### of 7 May 2021

### on the determination of capacity calculation regions

THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ('ACER')<sup>1</sup>, and, in particular, Article 5(2)(b) and (6) thereof,

Having regard to Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management<sup>2</sup> and, in particular, Article 9(6)(b) and Article 15(1)thereof,

Having regard to the outcome of the public consultation and the consultation of the regulatory authorities, the transmission system operators ('TSOs') and the European Network of Transmission System Operators for Electricity ('ENTSO-E'),

Having regard to the outcome of the consultation with ACER's Electricity Working Group ('AEWG'),

Having regard to the favourable opinion of ACER's Board of Regulators ('BoR') of 28 April 2021, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

<sup>&</sup>lt;sup>1</sup> <u>OJ L 158, 14.6.2019, p. 22</u>.

<sup>&</sup>lt;sup>2</sup> <u>OJ L 197, 25.7.2015, p. 24</u>, as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021, <u>OJ L 62, 23.2.2021, p. 24</u>.



#### 1. INTRODUCTION

- (1) Commission Regulation (EU) 2015/1222 ('the CACM Regulation') defines capacity calculation regions ('CCRs') as geographic areas in which coordinated capacity calculation is applied.<sup>3</sup> Article 15(1) of the CACM Regulation requires all TSOs to jointly develop a common proposal regarding the determination of CCRs. ACER approved such proposal of all TSOs in its Decision 06/2016 of 17 November 2016<sup>4</sup>, which was subsequently amended twice, as described in section 2.
- (2) Following the judgements of the General Court of 24 October 2019 in the cases T-332/17 and T-333/17<sup>5</sup>, ACER's Board of Appeal relaunched the procedure to review ACER Decision 06/2016 and remitted the case to ACER for amendment, replacement or confirmation, based on current circumstances.<sup>6</sup>
- (3) On 5 June 2020, ACER' Director sent a letter to all TSOs inviting them to prepare an updated proposal for the determination of CCRs, taking into account the relevant developments since the adoption of ACER Decision 06/2016, and to submit it to ACER for approval pursuant to Article 5(2)(b) of Regulation (EU) 2019/942 and Article 9(6)(b) of the CACM Regulation. This approach was endorsed by ACER's Board of Regulators in a letter sent to the TSOs on the same day.
- (4) On 9 November 2020, all TSOs submitted for ACER's approval an updated common proposal regarding the determination of CCR ('the Proposal')<sup>7</sup> as requested by ACER. The Proposal is based on current circumstances, i.e. taking into account the relevant developments since the adoption of ACER Decision 06/2016, as outlined in section 2.
- (5) This Decision is issued following ACER's revision of the Proposal and replaces ACER Decision 06/2016 and its subsequent amendments. This Decision includes the following annexes:
  - Annex I sets out the determination of CCRs, as amended and approved by ACER.
  - Annex Ia provides a track-changed version of the Proposal, reflecting ACER's amendments, for information.
  - Annex II provides the results of ACER's public consultation, for information.

<sup>&</sup>lt;sup>3</sup> Article 2(3) of the CACM Regulation.

<sup>&</sup>lt;sup>4</sup> ACER Decision 06/2016 of 17 November 2016 on the electricity transmission system operators' proposal for the determination of capacity calculation regions.

<sup>&</sup>lt;sup>5</sup> Judgments of the General Court of 24 October 2019 in case T-332/17, E-Control v ACER (<u>ECLI:EU:T:2019:761</u>) and T-333/17, Austrian Power Grid AG and Vorarlberger Übertragungsnetz GmbH v ACER (<u>ECLI:EU:T:2019:760</u>).

<sup>&</sup>lt;sup>6</sup> <u>Case A-001-2017 R (consolidated) – BoA decision</u>.

<sup>&</sup>lt;sup>7</sup> https://www.acer.europa.eu/Official documents/Public consultations/PC 2021 E 01/CCR%20proposal.pdf



#### 2. DEVELOPMENTS CONSIDERED IN THE PROPOSAL

- (6) The first determination of CCRs has been amended on two occasions since the adoption of ACER Decision 06/2016.
- (7) The first amendment added the new bidding zone border between Belgium and Great Britain and its corresponding TSOs to the Channel CCR and came into effect on 18 September 2017 with the approval by all regulatory authorities.
- (8) The second amendment came into effect with ACER Decision 04/2019 of 1 April 2019, following a referral from the regulatory authorities.<sup>8</sup> The decision assigned a newly established DK1-NL bidding zone border to the Hansa CCR on a temporary basis and set out a process for evaluating and identifying an optimal determination of the Hansa and Channel CCRs, by October 2020. ACER Decision 04/2019 also approved changes to the Greece-Italy (GRIT) CCR resulting from the Italian bidding zone review.
- (9) All TSOs carried out the required regional assessment of the Hansa and Channel CCRs and submitted an Assessment Report to ACER on 1 October 2020. The Report concludes that the current CCR determination is the most efficient one.<sup>9</sup>
- (10) The Proposal takes into account the above amendments to ACER Decision 06/2016 and reflects the currently established CCR determination with the addition of the SE4-DE/LU bidding zone border to the Hansa CCR following the TSO certification of Baltic Cable AB. Since the evaluation of the Assessment Report by ACER was ongoing at the time of the submission of the Proposal, the TSOs have not proposed any changes to the CCR determination in that respect.

<sup>9</sup> ENTSO-E, Capacity calculation regions assessment report, 30 September 2020, <u>https://eepublicdownloads.entsoe.eu/clean-</u>

<sup>&</sup>lt;sup>8</sup> ACER Decision 04/2019 of 1 April 2019 on the electricity transmission system operators' proposal for amendments of the determination of capacity calculation regions.

documents/Network%20codes%20documents/Implementation/ccr/200930 ALL\_TSOs\_CCR\_Assessment\_report.pdf.



#### 3. PROCEDURE

- (11) On 9 November 2020, ENTSO-E submitted the Proposal on behalf of all TSOs to ACER for approval.
- (12) Between 5 and 25 January 2021, ACER held a public consultation<sup>10</sup> on the Proposal, seeking views from all interested parties. Annex II provides a summary of comments received along with ACER's responses to these comments.<sup>11</sup>
- (13) Between 9 November 2020 and 11 March 2020, ACER engaged in discussions with the TSOs, ENTSO-E, regulatory authorities and other relevant stakeholders. These discussions involved numerous conference calls and electronic exchange of documents, allowing ACER to gather information and form its preliminary position on the Proposal. In particular, these discussions focused on:
  - (a) ACER's assessment framework as described in section 7.1;
  - (b) the feedback received in the public consultation;
  - (c) the current developments in the existing CCRs, in particular the implementation of the regional CCR methodologies and regional projects, thereby examining whether the Proposal is practical and would not impede the ongoing processes;
  - (d) reaching a common understanding or exchanging views on certain aspects of the Proposal.
- (14) Between 11 and 22 March 2021, ACER consulted all TSOs, ENTSO-E and all regulatory authorities on its preliminary position, by sharing an updated version of the Proposal setting out its suggested amendments and reasoning for these amendments. The consulted parties provided their views by 22 March. These views are summarised in section 6.2.
- (15) ACER considered all the written comments received on its preliminary position, and further discussed them with the individual stakeholders, where necessary. In particular, ACER held oral hearings with Energinet together with the other Nordic TSOs (19 March 2021), as well as with the Danish and Swedish regulatory authorities (23 March 2921). Following this process, ACER introduced further amendments to the Proposal to take some issues raised by the consulted parties into account.

<sup>&</sup>lt;sup>10</sup>PC/2021/E/01, see ACER's consultation page:

https://www.acer.europa.eu/Official documents/Public consultations/Pages/PC 2021 E 01.aspx.

<sup>&</sup>lt;sup>11</sup> This is a summary and not to be considered a complete representation of the comments received. All nonconfidential responses are published on ACER's consultation page (see footnote 10).



- (16) The AEWG was consulted between 30 March and 9 April 2021, and provided its advice on 9 April 2021 (see section 6.3).
- (17) On 28 April 2021, ACER's BoR issued a favourable opinion pursuant to Article 22(5)(a) of Regulation (EU) 2019/942.

#### 4. ACER'S COMPETENCE TO DECIDE ON THE PROPOSAL

- (18) Pursuant to Article 5(2)(b) of Regulation (EU) 2019/942 and Article 9(6)(b) of the CACM Regulation, as amended,<sup>12</sup> the proposal for CCRs in accordance with Article 15(1) of the CACM Regulation, shall be subject to approval by ACER.
- (19) On 9 November 2020, all TSOs submitted the Proposal to ACER for approval. ACER is competent to decide on the Proposal based on Article 5(2)(b) of Regulation (EU) 2019/942, Article 9(6)(b) and Article 15(1) of the CACM Regulation.

#### 5. SUMMARY OF THE PROPOSAL

- (20) The Proposal submitted to ACER on 9 November 2020 includes a 'whereas' section and the following titles:
  - Title 1 setting out the general provisions;
  - Title 2 consisting of proposed determination of the CCRs; and
  - Title 3 setting out final provisions.
- (21) The Proposal includes an Appendix with the maps of the proposed CCRs.
- (22) The Proposal is accompanied by a submission letter from ENTSO-E with a list of TSOs on which behalf the Proposal is submitted, a document summarising the responses ENTSO-E received in their public consultation on the Proposal<sup>13</sup> and a letter on the inclusion of Baltic Cable in the Proposal.

#### 6. OBSERVATIONS RECEIVED BY ACER

#### 6.1. Public consultation on the Proposal

(23) Responses to ACER's public consultation<sup>14</sup> are summarised in Annex II to this Decision.

<sup>&</sup>lt;sup>12</sup> See footnote 2.

<sup>&</sup>lt;sup>13</sup> ENTSO-E's response to the public consultation, 6 November 2020, <u>https://eepublicdownloads.entsoe.eu/clean-documents/nc-</u>

tasks/CACM/201109\_CCR\_proposal\_answers\_to\_public\_consultation.pdf<sup>14</sup> See footnote 10.



#### 6.2. Consultation on ACER's preliminary position

- (24) The following paragraphs provide a summary<sup>15</sup> of views on ACER's preliminary position received during the hearing phase between 11 and 22 March 2021. ACER received written comments from the following parties:
  - (a) ENTSO-E on behalf of all TSOs;
  - (b) The Nordic TSOs (Energinet TSO of Denmark, Svenska Kraftnät TSO of Sweden and Fingrid TSO of Finland);
  - (c) TenneT (TenneT TSO B.V. and TenneT TSO GmbH, i.e. the TSOs of the Netherlands and Germany);
  - (d) EirGrid plc (i.e. the TSO of Ireland);
  - (e) The regulatory authority of Denmark;
  - (f) The regulatory authority of Luxembourg;
- (25) In addition, the following parties provided oral feedback during oral hearings with ACER:
  - (a) The Nordic TSOs;
  - (b) The regulatory authorities of Denmark and Sweden;
- (26) ENTSO-E, the Nordic TSOs and the regulatory authority of Denmark stated that ACER's preliminary position lacks sufficient reasoning for the foreseen change in the CCR configuration, in particular regarding the proposed reassignment of the CCR Hansa bidding zone borders (DK1-NL and DK1-DE/LU) to the Core CCR.
- (27) ENTSO-E, TenneT, the Nordic TSOs and the regulatory authority of Denmark stated that the proposed change in the CCR configuration "by default" reverses the burden of proof as it requires the TSOs to justify the efficiency of the existing CCR configuration. ENTSO-E stated that this may be contrary to the principle of good administration, whereas TenneT observed that it might set different standards of assessment between ACER and the TSOs.
- (28) The Nordic TSOs and the regulatory authority of Denmark raised concerns that ACER's proposed default reassignment of the Hansa CCR bidding zone borders may result in substantial costs for Energinet and Danish consumers, and may endanger the Nordic cooperation. With no sufficient proof as to higher efficiencies in comparison

<sup>&</sup>lt;sup>15</sup> This is ACER's summary of key concerns and not to be considered a complete representation of the comments received.



to the current configuration, the proposed reassignment may thus violate the principle of proportionality.

- (29) The Nordic TSOs and the regulatory authority of Denmark provided detailed views on the expected impacts of the proposed reassignment of the bidding zone borders in terms of efficiency of capacity calculation and allocation (supported by an assessment of flows on the DK1-DE/LU bidding zone border) and the regional operational security coordination (ROSC).
- (30) The regulatory authority of Denmark also raised concerns regarding potential negative impacts of the proposed reassignment on the implementation of other regional methodologies related to capacity allocation and congestion management (beyond capacity calculation and ROSC), forward capacity allocation <sup>16</sup> and electricity balancing.<sup>17</sup>
- (31) The Nordic TSOs and the regulatory authority of Sweden questioned ACER's competence to take decisions regarding internal bidding zone borders within the Member States, such as the DK1-DK2 bidding zone border.
- (32) ENTSO-E, EirGrid and the regulatory authority of Luxembourg commented on the proposed consideration of the future bidding zone border between France and Ireland (i.e. consisting of the proposed Celtic interconnector due to be completed in 2026).

#### 6.3. Consultation of the AEWG

(33) The AEWG provided its advice on 9 April 2021, broadly endorsing the draft ACER Decision with Annexes. AEWG invited ACER to consider the proposals and comments made by the regulatory authorities during the AEWG consultation phase regarding further improvements to the transparency of the Decision.

#### 7. ASSESSMENT OF THE PROPOSAL

#### 7.1. Legal requirements

- (34) Article 15(1) of the CACM Regulation requires all TSOs to jointly develop a common proposal regarding the determination of CCRs and, pursuant to Article 5(2)(b) of Regulation (EU) 2019/942 and Article 9(6)(b) of the CACM Regulation, as amended,<sup>18</sup> submit it to ACER for approval.
- (35) Article 15(1) in joint reading with Article 12 of the CACM Regulation requires that the proposal referred to in Article 15(1) is subject to a consultation at Union level for

<sup>&</sup>lt;sup>16</sup> Pursuant to Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation.

<sup>&</sup>lt;sup>17</sup> Pursuant to Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing.

<sup>&</sup>lt;sup>18</sup> See footnote 2.





a period of not less than one month before it is submitted for approval to ACER. The consulted stakeholders shall include the relevant authorities of each Member State, and its results shall be duly taken into consideration by all TSOs. The TSOs are required to develop in their submission a clear and robust justification for including or not the views resulting from the consultation and publish it in a timely manner before or simultaneously with the publication of the proposal.

- (36) According to Article 15(2) of the CACM Regulation, each bidding zone border shall be assigned to one CCR and TSOs shall be assigned to all CCRs in which they have bidding zone borders.
- (37) According to Article 15(3) of the CACM Regulation, CCRs applying flow-based capacity calculation shall be merged into one CCR if their transmission systems are directly linked to each other, they participate in the same single day-ahead or intraday coupling area and merging them is more efficient than keeping them separate. The competent regulatory authorities may request a joint cost-benefit analysis from the TSOs concerned to assess the efficiency of the merger.
- (38) Pursuant to Article 9(9) of the CACM Regulation, all proposals for terms and conditions or methodologies, i.e. including the proposal referred to in Article 15(1) of that Regulation, shall include a proposed timescale for their implementation and a description of their expected impact on the objectives of the CACM Regulation. These objectives are listed in Article 3 of the CACM Regulation.
- (39) Pursuant to Article 5(6) of Regulation (EU) 2019/942 and Article 9(5) of the CACM Regulation, before approving the proposal regarding the determination of CCRs, ACER shall revise it where necessary, after consulting the respective TSOs and ENTSO-E, in order to ensure that it is in line with the purpose of the CACM Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.

#### 7.2. ACER's assessment and amendments

(40) This section outlines ACER's amendments to the Proposal, taking into account the legal requirements (see section 7.1), stakeholders' feedback received during the public consultation (see Annex II), comments on ACER's preliminary position (see section 6.2) and AEWG's advice (see section 6.3).



#### 7.2.1. Assessment of the Proposal in view of the legal requirements

- (41) The Proposal fulfils the requirements of Article 9(6)(b) and Article 15(1) of the CACM Regulation, as all TSOs jointly developed the Proposal and submitted it to ACER for revision and approval.<sup>19</sup>
- (42) The Proposal was publicly consulted via ENTSO-E's web-based consultation between 19 August and 19 September 2020. The TSOs compiled all the comments in a document which was submitted to ACER together with their Proposal.<sup>20</sup> The document explains how stakeholders' views have been taken into consideration, and provides reasons where they have not been taken into account. ENTSO-E has published their submission.<sup>21</sup> Therefore, ACER considers that the Proposal meets the requirements of Article 12 of the CACM Regulation.
- (43) The Proposal also fails to fully comply with Article 15(2) of the CACM Regulation, which requires that each bidding zone border is assigned to one CCR and the TSOs are assigned to all CCRs in which they have bidding zone borders. The Proposal does not assign Kraftnät Åland to any CCR. ACER's amendment in that respect is discussed in section 7.2.3.
- (44) As the Proposal does not foresee any CCR mergers, Article 15(3) of the CACM Regulation does not apply.
- (45) The Proposal meets the requirements of Article 9(9) on the inclusion of a proposed timescale for implementation, as Article 13 of the Proposal specifies the timeline for its implementation.
- (46) Recitals (14) to (22) of the Proposal aim to describe the expected impact of the Proposal on the objectives listed in Article 3 of the CACM Regulation, however ACER notes that not all the objectives have been addressed. For completeness, ACER has added Recitals (23) to the 'whereas' section of Annex I in order to explain impacts of the Proposal on the objectives which were left out by the TSOs and which relate to non-discrimination, fair and orderly market and price formation and the level playing field for the nominated electricity market operators. ACER has also introduced Recital (18) to the 'whereas' section of Annex I to highlight the relevance of its amendment requiring future assessment of the CCR determination (see section 7.2.2) in achieving the objectives of the CACM Regulation.
- (47) ACER has revised certain aspects of the Proposal and introduced amendments to ensure that the Proposal is in line with the purpose of the CACM Regulation and contributes to market integration, non-discrimination, effective competition and the

<sup>&</sup>lt;sup>19</sup> Given the circumstances set out in section 1, the deadline of 3 months referred to in Article 15(1) of the CACM Regulation does not apply to this new Proposal.

<sup>&</sup>lt;sup>20</sup> See footnote 13.

<sup>&</sup>lt;sup>21</sup> The submitted documents are available at <u>https://www.entsoe.eu/network\_codes/cacm/#deliverables.</u>



proper functioning of the market. These amendments are discussed in the next sections.

#### 7.2.2. Amendment introducing Article 12 on future assessment

- (48) Article 14 of the Proposal refers to a requirement from ACER Decision 04/2019 for an assessment of possible alternatives for minimising unscheduled allocated flows in the Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs and foresees the possible reassignment of the Hansa bidding zone borders DK1 - NL and DK1 - DE/LU to the Core CCR.
- (49) ACER has investigated and consulted on the possible amendments related to a future reassignment of these bidding zone borders. While the investigations by ACER and the consultation with TSOs, ENTSO-E, regulatory authorities and other stakeholders covered a number of possible impacts of such reassignment of bidding zone borders, the main criteria identified for justifying any changes in the CCR determination were the efficiency of capacity calculation and allocation and ROSC in all timeframes.
- (50) Taking account of stakeholders' feedback received in the proceedings leading to this Decision, as well as in the previous proceedings related to ACER Decision 04/2019,<sup>22</sup> ACER deems it important to ensure that any eventual change of the CCR determination does not negatively impact the timeline of existing prioritised implementation projects.

#### 7.2.2.1. Assessment of efficiency of capacity calculation and allocation

(51)Since an immediate reconfiguration of the CCRs might endanger the implementation of the existing projects, ACER concluded that a possible reassignment of the Hansa bidding zone borders DK1 - NL and DK1 - DE/LU to the Core CCR should not be implemented before the foreseen implementation of advanced hybrid coupling (AHC) in the Core CCR. AHC is a solution using virtual bidding zone(s) where the capacity of critical network elements in a CCR (e.g. Core) does not need to be reserved for physical flows resulting from exchanges in an adjacent CCR (e.g. Hansa) (i.e. to accommodate any unscheduled allocated flows) but can be allocated simultaneously to cross-zonal exchanges (e.g. in the Hansa and Core CCRs) within the single coupling algorithms. Therefore, in the context of efficiency of capacity calculation and allocation, ACER's assessment and discussions with the regulatory authorities and the TSOs mainly focused on the comparison between the efficiency of applying the Core flow-based approach with DK1 – DE/LU included in Core CCR and the efficiency of the Hansa coordinated net transfer capacities (cNTC) approach with the application of AHC on the alternating current (AC) bidding zone border between DK1 and DE/LU. While the exchange on the cNTC bidding zone border would be dynamically considered on the critical network elements of Core by using the virtual bidding zone

<sup>&</sup>lt;sup>22</sup> See footnote 8.



concept of AHC, the flow on the critical network elements of the cNTC bidding zone border cannot be dynamically considered when the cross-zonal capacity is allocated. The Core flow-based approach, on the other hand, would directly include the critical network elements from the AC interconnectors on this bidding zone border in capacity calculation and allocation.

ACER considers that the application of the Core flow-based approach on the DK1 -(52)DE/LU bidding zone border would by default be the more or equally efficient solution, which has proven its effective application in practice and would be less burdensome for the market coupling algorithms than the introduction of virtual bidding zones from AHC during the capacity allocation process. However, further analysis of potential flows on the future DK1-DE/LU bidding zone border (including its foreseen west coast line<sup>23</sup>) and information received in the scope of the consultation on ACER's preliminary position indicated that the flow pattern over the DK1-DE/LU bidding zone cross-border lines shows predictable and almost radial characteristics, with PTDF sensitivity factors being very similar, among DK1 and different bidding zones within the Core CCR. Taking this into consideration, while assuming an efficient application of AHC on the DK1-DE/LU bidding zone border, ACER could not identify in its assessment substantial or certain benefits in terms of efficiency of capacity calculation and allocation for the flows crossing the DK1-DE/LU bidding zone border.

#### Assessment of efficiency of ROSC 7.2.2.2.

- (53) Regarding the efficiency of ROSC in accordance with Article 76(1) of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation<sup>24</sup> and related processes, ACER's investigation and its consultations with the regulatory authorities and the TSOs mainly focused on the question as to where a cross CCR coordination between the Nordic and Core CCR can be conducted most efficiently. ACER expects that there might be considerable efficiency gains from including the current Hansa bidding zone borders DK1 - NL and DK1 - DE/LU in the Core CCR through the inclusion of the relevant remedial actions from DK1 in the remedial actions optimisation of the Core ROSC. At the same time, ACER acknowledges that the efficiency of the corresponding process in the Nordic CCR might decrease due to a shift of the cross CCR coordination to the HVDC bidding zone borders between the Nordic and Continental Europe synchronous areas (i.e. currently partly consisting of bidding zone borders included in the Nordic CCR).
- ACER considers it likely that the overall efficiency of ROSC might increase as a result (54)of including the current Hansa bidding zone borders DK1 - NL and DK1 - DE/LU in the Core CCR. This is due to the significantly higher frequency and amount of activated remedial actions for the DK1-DE/LU bidding zone border compared to

 <sup>&</sup>lt;sup>23</sup> <u>https://ec.europa.eu/energy/maps/pci\_fiches/PciFiche\_1.3.1.pdf</u>
 <sup>24</sup> <u>OJ L 220, 25.8.2017, p. 1</u>.



corresponding activations including DK1 remedial actions in the Nordic CCR. However, the scope of these potential efficiency gains is currently not evident and could not be clarified by ACER within the time required for the decision-making. As such, ACER is of the view that a decision to reassign Hansa bidding zone borders to the Core CCR would not be sufficiently justified at this stage.

(55) Since the expected efficiency gains linked to the reassignment of the Hansa bidding zone borders may be more precisely determined once the first version of ROSC is implemented in Core, ACER deems it still necessary to re-assess the efficiency of the current CCR determination and investigate any alternative determinations of the Hansa, Nordic and Core CCR in the future.

# 7.2.2.3. Other relevant considerations related to a potential change in the CCR determination

- (56) With respect to concerns as to considerable economic consequences for Energinet (see recital (28)), ACER considers that some of these claimed costs (i.e. the costs related to the possibility of sharing reserves between DK1 and DK2) would not occur, since sharing of reserves can be performed (considering a relevant methodology for allocating cross-zonal capacity to the balancing timeframe) regardless of the reassignment of the relevant bidding zone borders. However, ACER acknowledges that Energinet would face additional costs resulting from the additional involvement in the Core CCR and the subsequent inclusion in the Central Europe system operation region in accordance with the methodology pursuant to Article 36(1) of Regulation (EU) 2019/943 with their necessary participation in a regional coordination centre in accordance with paragraph (2) of that Article.
- (57) As regards the potential impact on other regional methodologies (see recital (29)), ACER notes that while potential risks exist, they can be effectively addressed and mitigated in these other regional methodologies and should therefore not be a decisive factor when deciding on the changes in the determination of the CCRs.

#### 7.2.2.4. ACER amendment

- (58) In view of the above considerations and based on the information gathered by ACER in the scope of consultations referred to in sections 6.1 and 6.2, ACER deems it reasonable to change its preliminary position and approve the determination of CCRs as described in the Proposal without any foreseen reassignment of the Hansa CCR bidding zone borders.
- (59) Nevertheless, having regard to the objectives of optimising the calculation and allocation of cross-zonal capacity and ensuring the optimal use of the transmission infrastructure,<sup>25</sup> ACER does see a need for re-evaluating the possible reassignment of

<sup>&</sup>lt;sup>25</sup>Points (b) and (d) Article 3 of the CACM Regulation.



the DK1 - NL and DK1 - DE/LU bidding zone borders to the Core CCR once the TSOs of the Core and Nordic CCRs have gained more experience from the implementation of the capacity calculation methodologies (CCM) and ROSC projects. Therefore, ACER has introduced Article 12 of Annex I, requiring the TSOs to review the CCR determination in the future, when the objectives of efficiency and optimal use of cross-zonal capacity can be better assessed.

- (60) ACER notes that any future assessments of the efficiency of the CCR determination should be based on the efficiency criteria listed in Article 12 of Annex I and that any future decision on the optimal CCR determination should be only based on the expected future benefits (and eventual cost) but should not take into consideration any (sunk) costs of implementation projects which occurred before the possible reassignment of a bidding zone border.
  - 7.2.3. <u>Amendment assigning Kraftnät Åland TSO to the bidding zone border between</u> the bidding zones of Finland and Sweden 3
- (61) ACER has amended Article 3 of the Proposal by adding Kraftnät Åland as a TSO to the bidding zone border between the bidding zones of Finland (FI) and Sweden 3 (SE3) of the Nordic CCR. Kraftnät Åland is a TSO certified in accordance with Article 52 of Directive (EU) 2019/944<sup>26</sup> and operates interconnectors on the SE3-FI bidding zone border. ACER consulted the energy department of the Ministry of Economic Affairs and Employment of Finland and the regulatory authority of Finland to clarify that no derogation has been granted in accordance with Article 1(3) of the CACM Regulation, which would release Kraftnät Åland from the obligations under the CACM Regulation has been granted to Kraftnät Åland in accordance with Article 1(3) of the CACM Regulation, ACER concluded that, pursuant to Article 15(2)(c) of the CACM Regulation, Kraftnät Åland has to be assigned to the SE3-FI bidding zone border of the Nordic CCR.
  - 7.2.4. <u>Amendments resulting from the withdrawal of the United Kingdom from the</u> <u>EU</u>
- (62) Following the withdrawal of the United Kingdom from the EU, the former Channel and IU CCR, consisting of bidding zone borders connecting the main island of the United Kingdom, no longer constitute capacity calculation regions in the meaning of Article 15 of the CACM Regulation. Therefore, ACER has deleted Article 9 and Article 10 of the Proposal and the corresponding maps in the Appendix to the Proposal, and added Recital (12) to the 'whereas' section of Annex I to explain this deletion. In relation to this, Recital (12) of Annex I also requires all TSOs to submit a proposal for amendment of the CCR determination once the proposed Celtic

<sup>&</sup>lt;sup>26</sup> OJ L 158, 14.6.2019, p. 125.

interconnector between Ireland and France becomes operational (expected 2026) in order to include this new bidding zone border in the CCR determination.

(63) ACER agrees with the parties referred to above in recital (32) that it is not necessary to specify at this stage the exact treatment of the future bidding zone border between France and the Single Electricity Market of Ireland and Northern Ireland. Nevertheless, ACER considers it relevant to clarify its view regarding any future solution for this bidding zone border. ACER deems that the only reasonable solutions to address the future flows on this HVDC bidding zone border and avoid unscheduled allocated flows in the Core CCR would be either the AHC solution (which will be available by the time the proposed interconnector is operational) or the evolved flow-based solution (provided it is fully integrated within the Core CCM). However, the question as to how this bidding zone border is to be incorporated in the CCR determination would be more appropriately addressed in the TSOs' proposal for amendment referred to in Recital (13) of Annex I.

#### 7.2.5. Other substantive amendments

- (64) ACER has deleted Recital (12) of the Proposal describing relations with third country TSOs regarding methodologies and processes in the CCRs based on this Proposal. While potential impacts on third countries should be considered where required by applicable legislation, the proposed content of Recital (12) goes beyond the scope of this decision.
- (65) Following AEWG's advice to increase transparency of the Decision (see section 6.3), ACER has added a new Recital (12) to Annex I highlighting all the changes to the CCRs when compared to the configuration in place before this Decision. Accordingly, Recital (12) of Annex I notes the addition of Baltic Cable AB in Article 4(e), and Kraftnät Åland AB in Article 3(g) of the Proposal. The addition of Kraftnät Åland AB is further discussed in section 7.2.3.
- (66) In Article 7 of the Proposal, ACER has deleted the provisions on GRIT CCR, since these provisions describe an intermediate configuration of the GRIT CCR which ceased to apply on 1 January 2021.
- (67) In Article 5(2) of the Proposal, ACER has deleted a reference to the Core CCR's bidding zone border BE-DE/LU which is no longer necessary, since this bidding zone border is operational since November 2020.

7.2.6. Editorial amendments

- (68) ACER has introduced a number of editorial amendments to improve clarity, conciseness, consistency and readability of the Proposal, while preserving the intended meaning of the content. These editorial amendments generally relate to amendments of wording and improvements of structure.
- (69) In particular, ACER has amended Recitals (2) to (10) in the 'whereas' section of the Proposal detailing past developments in the determination of CCRs since the TSOs'



initial proposal of 17 November 2015. ACER has shortened these recitals to the minimum necessary to understand the context of the Proposal.

#### 8. DECISION NO 06/2016 OF 17 NOVEMBER 2016

(70) The present Decision will replace ACER Decision No 06/2016 of 17 November 2016. The latter will therefore be repealed.

#### 9. CONCLUSION

- (71) For the above reasons, ACER considers that the amendments detailed in section 7 are necessary in order to ensure that the Proposal is in line with the requirements and the objectives of the CACM Regulation, as well as to improve the editorial quality.
- (72) Therefore, ACER approves the Proposal subject to the necessary substantive and editorial amendments. Annex I to this Decision sets out the determination of CCRs, as amended and approved by ACER.

#### HAS ADOPTED THIS DECISION:

#### Article 1

The determination of capacity calculation regions pursuant to Article 15(1) of the CACM Regulation is approved as set out in Annex I to this Decision.

#### Article 2

ACER's Decision No 06/2016 of 17 November 2016 on the electricity transmission system operators' proposal for the determination of capacity calculation regions is repealed.

#### Article 3

This Decision is addressed to all TSOs:

50Hertz - 50Hertz Transmission GmbH Amprion - Amprion GmbH APG - Austrian Power Grid AG Augstsprieguma tikls - AS Augstsprieguma tikls Baltic Cable - Baltic Cable AB ČEPS - ČEPS a.s. CREOS Luxembourg - Creos Luxembourg S.A. EirGrid - EirGrid plc Elering - Elering AS

#### PUBLIC



ELES - ELES, d.o.o. Elia - Elia Transmission Belgium SA/NV Energinet - Energinet ESO - Electroenergien Sistemen Operator EAD Fingrid - Fingrid Oyj HOPS - Croatian Transmission System Operator Ltd IPTO - Independent Power Transmission Operator S.A. Kraftnät Åland - Kraftnät Åland Ab LITGRID - Litgrid AB MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt. PSE - Polskie Sieci Elektroenergetyczne S.A. REE - Red Eléctrica de España S.A. REN - Rede Eléctrica Nacional, S.A. RTE - Réseau de Transport d'Electricité, S.A. SEPS - Slovenská elektrizačná prenosovú sústava, a.s. SONI - System Operator for Northern Ireland Ltd Svenska Kraftnät - Affärsverket svenska kraftnät TenneT GER - TenneT TSO GmbH TenneT TSO - TenneT TSO B.V. Terna - Terna Rete Eletrica Nazionale S.p.A. Transelectrica - National Power Grid Company Transelectrica S.A. TransnetBW -TransnetBW GmbH VÜEN - Vorarlberger Übertragungsnetz GmbH

Done at Ljubljana, on 7 May 2021.

#### - SIGNED -

For the Agency The Director

C. ZINGLERSEN



#### Annexes:

Annex I	Determination of capacity calculation regions
Annex Ia	Determination of capacity calculation regions (track-change version, for information only)
Annex II	Evaluation of responses to the public consultation on the proposal for the determination of capacity calculation regions

In accordance with Article 28 of Regulation (EU) 2019/942, the addressee(s) may appeal against this Decision by filing an appeal, together with the statement of grounds, in writing at the Board of Appeal of ACER within two months of the day of notification of this Decision.

In accordance with Article 29 of Regulation (EU) 2019/942, the addressee(s) may bring an action for the annulment before the Court of Justice only after the exhaustion of the appeal procedure referred to in Article 28 of that Regulation.



### ACER Decision on the determination of capacity calculation regions: Annex I

## **Determination of capacity calculation regions**

in accordance with Article 15(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

7 May 2021

#### Whereas

- (1) This document sets out the determination of capacity calculation regions (hereafter referred to as "CCRs") in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the "Determination of CCRs").
- (2) On 17 November 2015, all Transmission System Operators (hereafter referred to as "all TSOs") submitted the "All TSOs' proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management" (hereafter referred to as the "CACM Regulation"), together with an explanatory note to all regulatory authorities.
- (3) On 17 November 2016 the Agency for the Cooperation of Energy Regulators (hereafter referred to as "ACER") issued its Decision 06/2016 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation Regions" which adopted the first Determination of CCRs.
- (4) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs submitted to all regulatory authorities the first proposal for amendment of the Determination of CCRs. On 18 September 2017, all regulatory authorities approved the first proposal for amendment of the Determination of CCRs.
- (5) On 23 May 2018, all TSOs submitted to all regulatory authorities the second proposal for amendment of the Determination of CCRs. All regulatory authorities did not reach an agreement to approve the proposal and requested ACER to adopt a decision on the proposal, pursuant to Article 9(11) of the CACM Regulation. On 1 April 2019 ACER issued its Decision 04/2019 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation".
- (6) By its judgments of 24 October 2019 in the cases T-332/17 and T-333/17, the General Court annulled ACER Board of Appeal's (hereafter referred to as "ACER BoA") Decision A-001-2017 (consolidated) of 17 March 2017 dismissing the appeal against ACER Decision 06/2016. The ACER BoA has relaunched the procedure to review ACER Decision 06/2016 and issued a new decision on 22 May 2020. With the latter, ACER BoA remitted the case to the Director of ACER and specified that "the competent party or parties based on the rules of competence provided for by regulations currently in force should review the Contested Decision, i.e. ACER Decision 06/2016, and amend it, replace it or confirm it, as they see relevant, and based on current circumstances. Hence the Agency should refer the decision to such party or parties. The Contested Decision will remain in force until such amendment, replacement or confirmation, if any".
- (7) On 5 June 2020, ACER's Director sent a letter to all TSOs inviting them to prepare an updated proposal for the Determination of CCRs and submit it to ACER for approval in the shortest time possible; drawing TSOs' attention on:
  - (i) The changes since the initial all TSOs' proposal for the Determination of CCRs of 29 October 2015. In particular, there have been two amendments to the Determination of CCRs adopted since then, and,

- (ii) Article 5(2) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (hereafter referred to as the "Regulation (EU) 2019/942") introduced a new procedure for the approval of proposals for common terms and conditions or methodologies where an all TSOs' proposal is now to be submitted directly to ACER.
- (8) On 5 June 2020, ACER's Board of Regulators sent a letter to the TSOs expressing full support and endorsement on the views and process set out by the ACER Director in his letter of 5 June.
- (9) All TSOs have agreed to cooperate on this request and subsequently submitted their proposal for the Determination of CCRs. This submission included the previous changes to all TSOs' initial proposal for a Determination of CCRs, namely ACER Decision 06/2016, all regulatory authorities' CCR Decision 2017 and ACER Decision 04/2019.
- (10) With regard to Article 6 of Annex I of ACER Decision 04/2019, on 1 October 2020, all TSOs submitted an assessment report aiming to prove that the existing Determination of CCRs is the most efficient. The evaluation of the assessment report has not been finalised by ACER at the time of submitting the all TSOs' proposal for this Determination of CCRs.
- (11) Due to the results of the Italian bidding zone review, performed in compliance with the CACM Regulation's requirements, and in accordance with Decision 103/2019/R/eel of the Italian regulatory authority, the determination of CCR GRIT needs to be updated to take into account the changes in the bidding zone configuration which are in force since the 1st of January 2021. This new configuration provides for the abolishment of the Italian virtual bidding zone "Rossano", the introduction of the new geographical bidding zone "Calabria" and the movement of the "Umbria" region from the "Centro-Nord" to the "Centro-Sud" bidding zone. These changes result in the new bidding zone borders Italy SUD Italy CALA and Italy CALA Italy SICI and the cancellation of the bidding zone borders Italy SUD Italy ROSN and Italy ROSN Italy SICI.
- (12) Following the certification of the TSOs Baltic Cable AB and Kraftnät Åland in accordance with Article 52 of Directive (EU) 2019/944, these TSOs have to be added to the Determination of CCRs. The Baltic Cable TSO operates an HVDC interconnector between the bidding zones Sweden 4 and Germany/Luxembourg (SE4-DE/LU). Due to existing operations, the proximity of the geographic location and interdependencies with the existing bidding zone borders of the Hansa CCR, the SE4-DE/LU bidding zone border is assigned to the Hansa CCR and also includes the TSOs Svenska Kraftnät and TenneT TSO GmbH which are connecting the Baltic Cable interconnector with the respective AC grid. Kraftnät Åland operates an interconnector on the existing bidding zone border SE3-FI and is therefore added to this bidding zone border in the Nordic CCR.
- (13) Following UK's withdrawal from the EU, the former Channel and IU CCR constituting of bidding zone borders connecting the UK main island are no longer under the scope of the CCRs in accordance with Article 15 of the CACM Regulation and therefore not included in the Determination of CCRs. While there is currently no operational interconnector between the Single Electricity Market (SEM) of Ireland and Northern Ireland, and an EU bidding zone, the proposed Celtic interconnector between Ireland and France is due to be completed in 2026. In due time, before the proposed Celtic interconnector is

operational, all TSOs should submit a proposal for amendment to the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation to include the most appropriate incorporation of this bidding zone border and the concerned TSOs.

- (14) This Determination of CCRs takes into account the general principles and goals set out in the CACM Regulation as well as in Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market for electricity (hereafter referred to as the "Electricity Regulation"). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.
- (15) According to Article 9 (9) of the CACM Regulation, the expected impact of the Determination of CCRs on the objectives of the CACM Regulation has to be described. The impact is presented below taking into account that the CACM Regulation places the definition of these CCRs as well as the methodologies to be applied in these regions within a framework of continuous harmonisation, applying the most efficient capacity calculation methodology within each CCR.
- (16) This Determination of CCRs contributes to the achievement of the objectives of Article 3 of CACM Regulation. In particular, this Determination of CCRs contributes to ensuring optimal use of transmission infrastructure by linking bidding zone borders, where coordination needs in capacity calculation are high. Within the CCR, the interdependencies between the cross-zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross-zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. This Determination of CCRs aims to strike a balance between both aspects ('larger where currently possible, smaller where currently necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation.
- (17) This Determination of CCRs also contributes to operational security in accordance with Article 3(c) of the CACM Regulation. If interdependency between bidding zone borders is not correctly taken into account in capacity calculation, cross-zonal capacity given to the market might be too high, potentially causing overloads on transmission lines and thus, endangering the operational security of the transmission system. Usually in these cases, less cross-zonal capacity would be given to the market to ensure operational security at the expense of optimal use of transmission infrastructure. To the extent currently possible, this Determination of CCRs allows for a proper coordination between bidding zone borders and for modelling of regional features based on a common grid model, which give a high level of cross-zonal capacity to the market without endangering operational security.
- (18)The Determination of CCRs lays the ground for the development and implementation of regional common capacity calculation methodologies, which ensures coordination within the CCRs and thereby contributes to the objective of optimising the calculation and allocation of cross-zonal capacity in accordance with Article 3(d) of the CACM Regulation. The number and size of CCRs as defined in this Determination of CCRs constitutes the most feasible approach for optimising capacity calculation. While for interdependent bidding zone borders capacity calculation and allocation is generally most efficiently performed within one CCR, coordination and compatibility across the regions is also explicitly required

by Article 21(1)(b)(vii) and Article 29(9) of the CACM Regulation. By appropriate standardisation and coordination, TSOs should ensure both compatible capacity calculation methodologies across CCRs and a coordinated application of the methodologies across the CCRs.

- (19)The current assignment of the bidding zone border DK1-NL and DK1-DE/LU to the Hansa CCR might be debatable in the light of the objectives to ensure the optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation). However, any alternative CCR configuration at the time of this Determination of CCRs might have negative impacts on important existing implementation projects and initiatives in the current CCRs, and therefore might hamper the objective of efficient longterm operation and development of the electricity transmission system (Article 3(g) of the CACM Regulation). To ensure that the objectives of Article 3(b), (d) and (g) of the CACM Regulation are respected, this Determination of CCRs foresees a reassessment of the CCR Determination in the future, once the objectives of efficiency and optimal use of cross-zonal capacity can be better assessed.
- (20) The coordinated capacity calculation within a CCR could reveal constraining elements in the transmission network, which contributes to the long-term operation and development of the electricity transmission system and electricity sector in the Union. Therefore, the Determination of CCRs contributes to the objective of Article 3(g) of the CACM Regulation.
- (21) As a long-term target, the CACM Regulation aims to harmonise the regional capacity calculation methodologies of CCRs and merge CCRs when efficiency reasons justify doing so. This Determination of CCRs is an important step on the roadmap towards this long-term target. It is crucial that this roadmap is efficient and does not jeopardise progress towards the long-term target. The Determination of CCRs builds, thus, on current practice and existing projects, and represents a progressive and pragmatic harmonisation of capacity calculation.
- (22) The Determination of CCRs contributes to the objective of promoting effective competition in generation, trading and supply of electricity (Article 3(a) of the CACM Regulation), because it takes into account market specificities on bidding zone borders by allowing optimally configured CCRs to be established.
- (23) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), this Determination of CCRs will be the basis for further work towards market integration in a transparent way. It shows where bidding zone borders are fully coordinated in capacity calculation and where all TSOs of each CCR will develop common methodologies as defined in CACM Regulation. These methodologies will be consulted upon, approved by regulatory authorities when applicable and published by TSOs, thus, increasing transparency and reliability of information.
- (24) This Determination of CCRs does not have any material impacts on the other objectives referred to in Article 3 (e), (h), (i) and (j) of the CACM Regulation.
- (25) In conclusion, this Determination of CCRs contributes to the objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

#### TITLE 1

#### **General Provisions**

#### Article 1

#### Subject matter and scope

- 1. The CCRs cover the following:
  - a) all existing bidding zone borders within and between Member States, to which the CACM Regulation applies;
  - b) future bidding zone borders established as a result of interconnections operated by legal entities certified as TSOs which are under construction at the time of the approval of this Determination of CCRs and planned to be commissioned.
- 2. Any changes in the bidding zone border configuration in the Member States shall be taken into account in proposals for amendments to this document in accordance with Article 9(13) of the CACM Regulation.

#### Article 2

#### **Definitions and interpretation**

- 1. Terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation and Article 2 of the Electricity Regulation.
- 2. In this document, unless the context clearly indicates otherwise:
  - a) the singular also includes the plural and vice versa;
  - b) headings are inserted for convenience only and do not affect the interpretation of this document;
  - c) any reference to legislation, regulation, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force; and
  - d) in case of inconsistency between any of the provisions in Title 2 and the maps included in the Appendix to this document the provisions in Title 2 shall prevail.
- 3. This document shall be binding upon and shall enure to the benefit of the TSOs as referred to herein and their permitted successors and assigns and irrespective of any change in the TSOs' names.

#### TITLE 2

#### **Capacity Calculation Regions**

#### Article 3

#### **Capacity Calculation Region 1: Nordic**

The CCR Nordic shall include the bidding zone borders listed below, and shown on map 1 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Denmark 1 Sweden 3 (DK1 SE3), Energinet and Svenska kraftnät;
- b) Denmark 2 Sweden 4 (DK2 SE4), Energinet and Svenska kraftnät;
- c) Denmark 1 Denmark 2 (DK1 DK2), Energinet;

- d) Sweden 4 Sweden 3 (SE4 SE3), Svenska kraftnät;
- e) Sweden 3 Sweden 2 (SE3 SE2), Svenska kraftnät;
- f) Sweden 2 Sweden 1 (SE2 SE1), Svenska kraftnät;
- g) Sweden 3 Finland (SE3 FI), Svenska kraftnät, Kraftnät Åland AB and Fingrid Oyj; and
- h) Sweden 1 Finland (SE1 FI), Svenska kraftnät and Fingrid Oyj.

#### Article 4

#### **Capacity Calculation Region 2: Hansa**

The CCR Hansa shall include the bidding zone borders listed below, and shown on map 2 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Denmark 1 Germany/Luxembourg (DK1 DE/LU), Energinet and TenneT TSO GmbH;
- b) Denmark 2 Germany/Luxembourg (DK2 DE/LU), Energinet and 50Hertz Transmission GmbH;
- c) Sweden 4 Poland (SE4 PL), Svenska Kraftnät and Polskie Sieci Elektroenergetyczne S.A.;
- d) Denmark 1 Netherlands (DK1 NL), Energinet and TenneT TSO B.V.; and
- e) Sweden 4 Germany/Luxembourg (SE4 DE/LU), Svenska Kraftnät, TenneT TSO GmbH and Baltic Cable AB.

#### Article 5

#### **Capacity Calculation Region 3: Core**

- 1. The CCR Core shall include the bidding zone borders listed below, and shown on map 3 included in the Appendix to this document, as attributed to the referred TSOs:
  - a) France Belgium (FR BE), RTE Réseau de transport d'électricité and Elia Transmission Belgium NV/SA;
  - b) Belgium Netherlands (BE NL), Elia Transmission Belgium NV/SA and TenneT TSO B.V.;
  - c) France Germany/Luxembourg (FR DE/LU), RTE Réseau de transport d'électricité; Amprion GmbH and TransnetBW GmbH;
  - d) Netherlands Germany/Luxembourg (NL DE/LU), TenneT TSO B.V., TenneT TSO GmbH and Amprion GmbH;
  - e) Belgium Germany/Luxembourg (BE DE/LU), Elia Transmission Belgium NV/SA, Creos Luxembourg S.A. and Amprion GmbH;
  - f) Germany/Luxembourg Poland (DE/LU PL), 50Hertz Transmission GmbH and Polskie Sieci Elektroenergetyczne S.A.;
  - g) Germany/Luxembourg Czech Republic (DE/LU CZ), TenneT TSO GmbH, 50Hertz Transmission GmbH and ČEPS, a.s.;
  - h) Austria Czech Republic (AT CZ), Austrian Power Grid AG and ČEPS, a.s.;
  - i) Austria Hungary (AT HU), Austrian Power Grid AG and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
  - j) Austria Slovenia (AT SI), Austrian Power Grid AG and ELES, d.o.o.;
  - k) Czech Republic Slovakia (CZ SK), ČEPS, a.s. and Slovenská elektrizačná prenosová sústava, a.s.;

- 1) Czech Republic Poland (CZ PL), ČEPS, a.s. and Polskie Sieci Elektroenergetyczne S.A.;
- m) Hungary Slovakia (HU SK), MAVIR Hungarian Independent Transmission Operator Company Ltd. and Slovenská elektrizačná prenosová sústava, a.s.;
- Poland Slovakia (PL SK), Polskie Sieci Elektroenergetyczne S.A. and Slovenská elektrizačná prenosová sústava, a.s.;
- o) Croatia Slovenia (HR SI), Croatian Transmission System Operator Ltd. (HOPS d.o.o.) and ELES, d.o.o.;
- p) Croatia Hungary (HR HU), Croatian Transmission System Operator Ltd. (HOPS d.o.o.) and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
- q) Romania Hungary (RO HU), Compania Națională de Transport al Energiei Electrice
   "Transelectrica" S.A. and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
- r) Hungary Slovenia (HU SI), MAVIR Hungarian Independent Transmission Operator Company Ltd. and ELES, d.o.o.; and
- s) Germany/Luxembourg Austria (DE/LU AT), Austrian Power Grid AG, TransnetBW GmbH, TenneT TSO GmbH and Amprion GmbH.
- 2. The assignment of the bidding zone border HU-SI to the CCR Core shall be effective from the date of operation of the interconnector on the respective bidding zone border.

#### Article 6

#### **Capacity Calculation Region 4: Italy North**

The CCR Italy North shall include the bidding zone borders listed below, and shown on map 4 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Italy NORD France (NORD FR), TERNA Rete Elettrica Nazionale S.p.A. and RTE Réseau de transport d'électricité;
- b) Italy NORD Austria (NORD AT), TERNA Rete Elettrica Nazionale S.p.A. and Austrian Power Grid AG; and
- c) Italy NORD Slovenia (NORD SI), TERNA Rete Elettrica Nazionale S.p.A. and ELES d.o.o..

#### Article 7

#### Capacity Calculation Region 5: Greece-Italy (GRIT)

The CCR GRIT shall include the bidding zone borders listed below, and shown on map 5 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Italy SUD Greece (SUD GR), TERNA Rete Elettrica Nazionale S.p.A. and Independent Power Transmission Operator S.A.;
- b) Italy NORD Italy CNOR (NORD CNOR), TERNA Rete Elettrica Nazionale S.p.A.;
- c) Italy CNOR Italy CSUD (CNOR CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
- d) Italy CNOR Italy SARD (CNOR SARD), TERNA Rete Elettrica Nazionale S.p.A.;
- e) Italy SARD Italy CSUD (SARD CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
- f) Italy CSUD Italy SUD (CSUD SUD), TERNA Rete Elettrica Nazionale S.p.A.;
- g) Italy SUD Italy CALA (SUD CALA), TERNA Rete Elettrica Nazionale S.p.A.; and

h) Italy CALA - Italy SICI (CALA - SICI), TERNA Rete Elettrica Nazionale S.p.A..

#### Article 8

#### **Capacity Calculation Region 6: South-west Europe (SWE)**

The CCR SWE shall include the bidding zone borders listed below, and shown on map 6 included in the Appendix to this document, as attributed to the referred TSOs:

- a) France Spain (FR ES), RTE Réseau de transport d'électricité and REE Red Eléctrica de España, S.A.U.; and
- b) Spain Portugal (ES PT), REE Red Eléctrica de España, S.A.U. and REN Rede Eléctrica Nacional, S.A..

## Article 9

#### **Capacity Calculation Region 7: Baltic**

The CCR Baltic shall include the bidding zone borders listed below, and shown on map 7 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Estonia Latvia (EE LV), Elering AS and Augstsprieguma tīkls;
- b) Latvia Lithuania (LV LT), Augstsprieguma tīkls and Litgrid AB;
- c) Estonia Finland (EE FI), Elering AS and Fingrid Oyj;
- d) Lithuania Sweden 4 (LT SE4), Litgrid AB and Svenska kraftnät; and
- e) Lithuania Poland (LT PL), Litgrid AB and Polskie Sieci Elektroenergetyczne S.A..

#### Article 10

#### **Capacity Calculation Region 8: South-east Europe (SEE)**

The CCR SEE shall include the bidding zone borders listed below, and shown on map 8 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Greece Bulgaria (GR BG), Independent Power Transmission Operator S.A. and Elektroenergien Sistemen Operator (ESO) EAD; and
- b) Bulgaria Romania (BG RO), Elektroenergien Sistemen Operator (ESO) EAD and Compania Naţională de Transport al Energiei Electrice "Transelectrica" S.A.

#### TITLE 3

#### **Final provisions**

#### Article 11

#### **Implementation date of CCRs**

All TSOs shall apply the CCRs as determined in Title 2 as from the date of notification of this Decision.

#### Article 12

#### **Future assessment**

- No later than three months after the implementation of the first version of the regional operational security coordination in accordance with Article 76(1) of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation ("SO Regulation") in the Core CCR, all TSOs shall submit to ACER an assessment analysing alternative determinations of at least the CCRs Hansa, Nordic and Core in terms of:
  - (a) efficiency of capacity calculation and allocation in all timeframes; and
  - (b) efficiency of regional operational security coordination in accordance with Article 76(1) of the SO Regulation, coordinated redispatching and countertrading in accordance with Article 35 of the CACM Regulation and redispatching and countertrading cost sharing in accordance with Article 74 of the CACM Regulation and cross-regional operational security coordination in accordance with Article 75(1) of the SO Regulation.
- 2. In case this assessment pursuant to paragraph (1) identifies a more efficient alternative Determination of CCRs, all TSOs shall submit to ACER a proposal for amendment to the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation by the same deadline as for the assessment.

## Article 13

#### Language

The reference language for this document shall be English. For the avoidance of doubt, where TSOs need to translate this document into their national language(s), in the event of inconsistencies between the English version published by all TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with translation of this document.

## Appendix: Maps of the CCRs

1. Capacity Calculation Region 1: Nordic



 Capacity Calculation Region 2: Hansa Note: The PL-DE/LU, NL-DE/LU, DK2-SE4 and DK1-DK2 bidding zone borders are not part of this CCR.



3. Capacity Calculation Region 3: Core



 Capacity Calculation Region 4: Italy North Note: The AT-SI bidding zone border is not part of this CCR.



5. Capacity Calculation Region 5: Greece-Italy (GRIT)



6. Capacity Calculation Region 6: South-west Europe (SWE)



 Capacity Calculation Region 7: Baltic Note: The SE4-PL bidding zone border is not part of this CCR.



8. Capacity Calculation Region 8: South-east Europe (SEE)







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DEFINITION OF THE CAPACITY CALCULATION REGIONS IN ACCORDANCE WITH ARTICLE 15(1) OF THE COMMISSION REGULATION (EU) 2015/1222 OF 24 JULY 2015 ESTABLISHING A GUIDELINE ON CAPACITY ALLOCATION AND CONGESTION MANAGEMENT

+6 November 2020

ACER Decision on the determination of capacity calculation regions: Annex I

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## **Determination of capacity calculation regions**

in accordance with Article 15(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management
<mark>07 May 2021<del>DD MMM</del> 2020</mark>

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## Whereas

- (1) This document sets\_out\_ the determination of capacity calculation\_regions (hereafter referred to as "CCRs") as defined in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the "Determination of CCRss Proposal").
- (2) On 17 November 2015, all Transmission System Operators (hereafter referred to as "all TSOs") submitted the "All TSOs' proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management" (hereafter referred to as the "CACM Regulation"), together with an explanatory note to their all respective national regulatory authorities.
- (3) On 17 November 2016 the Agency for the Cooperation of Energy Regulators (hereafter referred to as "ACER") issued its Decision 06/2016 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation Regions" (hereafter referred to as "ACER Decision 06/2016") which adopted the first Determination of CCRs, This decision included, among others, the merger of the proposed CCR CWE and CCR CEE into CCR Core including the bidding zone border between Austria and Germany/Luxembourg.
- (4) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs submitted to all <u>NRAnational</u>-regulatory authorities a-the\_first\_proposal for amendment of the Determination of <u>CCRsACER Decision 06/2016 in order to introduce the Belgium</u> Great Britain bidding zone border (through NemoLink) and assign it to CCR Channel. On 18 September 2017, all NRAregulatory <u>authorities agreed to approved</u> the first proposal for amendment of the Determination of CCRsACER Decision 06/2016 and subsequently adopted decisions to approve the proposed amendment (hereafter referred to as the "all NRAs CCR Decision 2017").
- (5) On 23 May 2018, all TSOs, having obligations pursuant to the CACM Regulation, submitted to all NRA regulatory authorities the second proposal for amendment of the Determination of CCRsin order to assign the IFA2 and ElecLink cables to the existing France Great Britain bidding zone border in CCR Channel, introduce the Belgium Germany bidding zone border (through ALEGrO) and assign it to CCR Core and introduce the Denmark 1 Netherlands bidding zone border (through CobraCable) and assign it to CCR Hansa (further discussed in ACER's corresponding decision). All national regulatory authorities did not reach an agreement to approve the proposal and On 2 October 2018 all regulatory authorities requested ACER to adopt a decision on the second proposal for amendment, pursuant to Article 9(11) of the CACM Regulation. On 1 April 2019 ACER issued its Decision 04/2019 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation," Regions (hereafter referred to as "ACER Decision 04/2019").

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- (6) By its judgments of 24 October 2019 in the cases T-332/17 and T-333/17, the General Court annulled the ACER Board of Appeal's (hereafter referred to as "ACER BoA") Decision A-001-2017 (consolidated) of 17 March 2017 dismissing the appeal against ACER Decision 06/2016. Despite the annulment of the ACER BoA Decision, ACER Decision 06/2016 has not been annulled. The ACER BoA has relaunched the procedure on the annulment of to review ACER Decision 06/2016 and issued a new decision on 22 May 2020. With the latter, ACER BoA did not annul ACER Decision 06/2016, but remitted the case to the Director of ACER and specified that "the competent party or parties based on the rules of competence provided for by regulations currently in force should review the Contested Decision, i.e. ACER Decision 06/2016, and amend it, replace it or confirm it, as they see relevant, and based on current circumstances. Hence the Agency should refer the decision to such party or parties. The Contested Decision will remain in force until such amendment, replacement or confirmation, if any".
- (7) On 5 June 2020, ACER's Director sent a request letter to allthe TSOs inviting all TSOsthem to prepare an updated CCRs proposal for the Determination of CCRs and formally submit it to ACER for approval in the shortest time possible; drawing TSOs' attention on:
  - (i) The changes since the initial all TSOs<u>CCRs</u> proposal for the Determination of CCRs of 29 October 2015. In particular, there have been two amendments to the<u>Determination of CCRs CCRs as</u> defined by ACER Decision 06/2016adopted since then, and,
  - (ii) Article 5(2) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (hereafter referred to as the "Regulation (EU) 2019/942") introduced a new procedure for the approval of proposals for common terms and conditions or methodologies where the CCRsan all TSOs' proposal is now to be submitted directly to ACER.
- (8) On 5 June 2020, ACER's Board of Regulators sent a letter to the TSOs expressing full support and endorsement on the views and process set out by the ACER Director in his letter of 5 June.
- (9) All TSOs have agreed to cooperate on this request and subsequently are submitting submitted their this CCRs proposal for athe Determination of CCRs. This CCRs proposal submission includeds the previous changes in to all TSOs' initial proposal for a Determination of CCRs determinations, namely ACER Decision 06/2016, all regulatory authorities' NRAS CCR Decision 2017 and ACER Decision 04/2019.
- (10) With regard to ACER Decision 04/2019, Annex1, Article 6 of Annex I of ACER Decision 04/2019, to\* which Article 14 of this proposal refers, on 1 October 2020, all TSOs have analysed the optimal determination of CCRs with regard to CCR Hansa and CCR Channel. All TSOs have submitted this an assessment report aiming to prove that the existing Determination of <u>CCRs</u> is the most efficient. on the 1st of October 2020. According to ACER's decision the analysis in the assessment report shall include:

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- *"The reassignment of the Hansa bidding zone borders DK1-NL and DK1-DE/LU to CCR Core, unless proven in the supporting document that placing these two borders in another CCR is more efficient;*
- Based on the analysis in the supporting document, the potential reassignment of other CCR Hansa and CCR Channel bidding zone borders to CCR Core or CCR Nordic without impacting other CCRs; and an implementation timeline for the proposed amendments.
- (10) The evaluation of the assessment report by ACER is currently ongoing and has not been finalisedished by ACER at the time of submitting the all TSOs' proposal for this Determination of CCRsCCRs Proposal. Due to this, any consequences of the assessment report, or the evaluation by ACER thereof, have not been included in this CCRs proposal.
- (11) Due to the results of the Italian bidding zone review, performed in compliance with the CACM Regulation's requirements, and in accordance with Decision 103/2019/R/eel of the Italian Nnational Rregulatory Aauthority (Italian NRA), the current determination of CCR GRIT needs to be updated to take into account the changes in the bidding zone configuration which are inentering in force since as of the 1st of January 2021. This new configuration provides for the abolishment of the Italian virtual bidding zone "Rossano", the introduction of the new geographical bidding zone "Calabria" and the movement of the "Umbria" region from the "Centro-Nord" to the "Centro-Sud" bidding zone. These changes result in the new bidding zone borders Italy SUD – Italy CALA and Italy CALA - Italy SICI and the cancellation of the bidding zone configuration as approved by ACER Decision 04/2019 shall be applied.
- (12) Following the certification of the TSOs Baltic Cable AB and Kraftnät Åland in accordance with Article-52 of Directive (EU) 2019/944, these TSOs have to be added to the Determination of CCRs. The Baltic Cable TSO operates an HVDC interconnector between the bidding zones Sweden 4 and Germany/Luxembourg (SE4-DE/LU). Due to existing operations, the proximity of the geographic location and interdependencies with the existing bidding zone borders of the Hansa CCR, the SE4-DE/LU bidding zone border is assigned to the Hansa CCR and also includes the TSOs Svenska Kraftnät and TenneT TSO GmbH which are connecting the Baltic Cable interconnector with the respective AC grid. Kraftnät Åland operates an interconnector on the existing bidding zone border SE3-FI and is therefore added to this bidding zone border in the Nordic CCR.
- (11)(13)Following UK's withdrawal from the EU, the former Channel and IU CCR constituting of bidding zone borders connecting the UK main island are no longer under the scope of the CCRs in accordance with Article 15 of the CACM Regulation and therefore not included in the Determination of CCRs.

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While there is currently no operational interconnector between the Single Electricity Market (SEM) of Ireland and Northern Ireland, and an EU bidding zone, the proposed Celtic interconnector between Ireland and France is due to be completed in 2026. In due time, before the proposed Celtic interconnector is operational, all TSOs should submit a proposal for amendment to<del>of</del> the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation to include the most appropriate incorporation of this bidding zone border and the concerned TSOs.

- (12) The methodologies and processes developed on a CCR level by the EU TSOs will have an impact on the network operation of the whole synchronously interconnected power systems, including the systems of some third country TSOs in the meaning of Recital 70 of the Regulation (EU) 2019/943. In order to safeguard against potential risks for secure system operation in the EU or in synchronously interconnected third countries, the mutual impact of EU and third country power systems should be duly considered in the methodologies and processes where such impact on the secure system operation exists. The level of this consideration shall correspond to the extent the third country TSOs are bound to comply with key planning and operational principles and is to be implemented by means of an inter TSO or intergovernmental agreements reflected in regional methodologies and processes.
- (13)(14)This Determination of CCRs CCRs proposal takes into account the general principles and goals setout in the CACM Regulation as well as in Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market for electricity (hereafter referred to as the "Electricity Regulation") (EC) Regulation (EU) 2019/943. The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.
- (14)(15)According to Article 9 (9) of the CACM Regulation, the expected impact of the proposed Determination of CCRs <u>CCRs</u> on the objectives of the CACM Regulation has to be described. The impact is presented below taking into account that the CACM Regulation places the definition of these CCRs as well as the methodologies to be applied in these regions within a framework of continuous harmonisation, applying the most efficient capacity calculation methodology within each CCR.
- (15)(16)The proposed is Determination of CCRs contributes to and do not in any way hamper the achievement of the objectives of Article 3 of CACM Regulation. In particular, the proposed is Determination of CCRs serves the objective contributes to ensuring optimal use of transmission infrastructure by linking bidding zone borders, where coordination needs are high in capacity calculation are high. Within the CCR, the interdependencies between the cross-zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross-zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. Theis proposed Determination of CCRs configuration aims to strikes athe balance between both aspects ('larger where currently possible, smaller

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where <u>currently</u> necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation.

(16)(17) The proposed is Determination of CCRs configuration also affects positively contributes to operational security in accordance with Article 3(c) of the CACM Regulation. If interdependency between bidding zone borders is not correctly taken into account in capacity calculation, cross-zonal capacity given to the market might be too high, potentially causing overloads on transmission lines and thus, endangering the operational security of the transmission system. Usually in these cases, less cross-zonal capacity would be given to the market to ensure operational security at the expense of optimal use of transmission infrastructure. To the extent currently possible, the proposed is Determination of CCRs configuration allows for a proper coordination between bidding zone borders and for modelling of regional features based on a common grid model, which give a high level of cross-zonal capacity to the market without endangering operational security.

(18)The Determination of CCRs lays the ground for the development and implementation of regional+ common capacity calculation methodologies, which ensures coordination within the CCRs and thereby contributes to the objective of optimising the calculation and allocation of cross-zonal capacity in accordance with Article 3(d) of the CACM Regulation. The CCRs serve the objective of optimising the calculation and allocation of cross zonal capacity in accordance with Article 3(d) of the CACM Regulation as CCRs s lay down coordination within a CCR and between CCRs and since it lays the ground for the development and implementation of regional common capacity calculation methodologies and establish Coordinated Capacity Calculator for each CCR. Given, for example, the need for manual operations during the calculation process, tThe proposed number and size of CCRs as defined in this Determination of CCRs are constitutes the most feasible approach towards for the objective of optimising capacity calculation. While for interdependent bidding zone borders capacity calculation and allocation is generally most efficiently performed within one CCR, Ccoordination and compatibility across the regions is also explicitly required by the CACM Regulation in Articles 21-(1)-(b)-(vii) and Article 29-(9) of the CACM Regulation. By respective appropriate standardiszation and coordination, TSOs will should\_ensure both compatible capacity calculation methodologies across CCRs and a coordinated application of the methodologies across the regions<u>CCRs</u>

(17)(19)The current assignment of the bidding zone border DK1-NL and DK1-DE/LU to the Hansa CCR might be debatable in the light of the objectives to ensure the optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation). However, any alternative –CCR configuration at the time of this Determination of CCRs might have negative impacts on important existing implementation projects and initiatives in the current CCRs, and therefore might hamper the objective of efficient long-term operation and development of the electricity transmission system (Article 3(g) of the CACM Regulation). To ensure that the objectives of Article 3(b), (d) and (g) of the CACM

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Regulation are respected, this Determination of CCRs foresees a reassessment of the CCR Determination in the future, once the objectives of efficiency and optimal use of cross-zonal capacity can be better assessed,

- (18)(20)One of the objectives of the CACM Regulation is to contribute to the efficient long term operationand development of the electricity transmission system (Article 3(g) of the CACM Regulation). The coordinated capacity calculation within a CCR will could reveal constraining elements in the transmission network, which that contributes to the long-term operation and development of the electricity transmission system and electricity sector in the Union. Therefore, the Determination of CCRs contributes to the objective of Article 3(g) of the CACM Regulation.
- (19)(21) When preparing the CCRs Proposal, all TSOs took careful consideration of understanding the longterm target of the CACM Regulation with regard to capacity calculation and allocation. As a long-term target, the CACM Regulation aims at harmonisation of theto harmonise the regional capacity calculation methodologies of CCRs and mergeing CCRs when efficiency reasons justify doing so. This Determination of CCRs Proposal is an important step on the roadmap towards this long-term target. It is crucial that this roadmap is efficient and does not jeopardise progress towards the long-term target. The Determination of CCRs Proposal builds, thus, on current practice and existing projects, and represents a progressively and pragmatic harmonisation of capacity calculation.
- (20)(22) The Determination of CCRs Proposal contributes to the objective of promoting effective competition in generation, trading and supply of electricity (Article 3(a)) of the CACM Regulation), because it takes into account market specificities on bidding zone borders by allowing optimally configured CCRs to be established.
- (23) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), thise Determination of CCRss, being proposed by all TSOs and approved by all regulatory authorities, will be the basis for further work towards market integration in the mosta transparent way. The proposed CCR configurationIt shows where coordination between bidding zone borders are fully coordinated in capacity calculation is necessary and where all TSOs of each CCR will develop common methodologies as defined in CACM Regulation. These methodologies will be consulted upon, approved by regulatory authorities when applicable and published by TSOs, thus, increasing transparency and reliability of information.
- (21)(24)This Determination of CCRs does not have any material impacts on the other objectives referred to in Article 3 (e), (h), (i) and (j) of the CACM Regulation.
- (22)(25)In conclusion, thise <u>Determination of CCRs s Proposal</u> contributes to the <u>general</u> objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

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<b>→</b> †\	lovember 2020	
	TITLE 1	Formatted: Font: (Default) Times New Roman
	General Provisions	
	Article 1	
	Subject matter and scope	
1.	The CCRs cover the following:	Formatted: Font: (Default) Times New Roman, 11 pt
	<ul> <li>a) all existing bidding zone borders within and between Member States, to which the CACM</li></ul>	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.
	<ul> <li>b) future bidding zone borders due toestablished as a result of interconnections operated by legal</li> </ul>	Formatted: Font: (Default) Times New Roman, 11 pt
	entities certified as TSOs which are under construction at the time of the approval of this proposal	
	Determination of CCRs and planned to be commissioned.	Formatted: Font: (Default) Times New Roman, 11 pt
2.	Any changes in the bidding zone border configuration in the Member States shall be taken into account	Formatted: Line spacing: Multiple 1.3 li
	in proposals for amendments to proposals concerning this document e CCRs Proposal in accordance	Formatted: Font: (Default) Times New Roman, 11 pt
	with Article 9(13) of the CACM Regulation.	Formatted: Font: (Default) Times New Roman, 11 pt
		Formatted: Font: (Default) Times New Roman, 11 pt
	Article 2	Formatted: Font: (Default) Times New Roman, 11 pt
	Definitions and interpretation	Formatted: Font: (Default) Times New Roman
	Terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM	Formatted: Font: (Default) Times New Roman, 11 pt
2.	In this document, unless the context <u>clearly indicates requires</u> otherwise:	Formatted: Font: (Default) Times New Roman, 11 pt
	a) the singular also includes dicates the plural and vice versa;	Formatted: Font: (Default) Times New Roman, 11 pt
	b) the table of contents, headings and examples are inserted for convenience only and do not affect the	Formatted: Font: (Default) Times New Roman, 11 pt
	interpretation of this document;	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.
	c) any reference to legislation, regulations, directive, order, instrument, code or any other enactment	li
	shall include any modification, extension or re-enactment of it then in force; and	
	d) in case of inconsistency between any of the provisions in Title 2 and the maps included in the	
	Appendix to this document the provisions in Title 2 shall prevail.	
3.	This document shall be binding upon and shall ensure to the benefit of the TSOs as referred to herein	Formatted: Line spacing: Multiple 1.3 li
	and their permitted successors and assigns and irrespective of any change in the TSOs' names.	
	TITLE 2	Formatted: Font: (Default) Times New Roman
	Capacity Calculation Regions	
	Article 3	
	Capacity Calculation Region 1: Nordic	Formatted: Footer, Space After: 0 pt, Tab stops: 16.8 cm,
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THE CARACITY CALCULATION REGIONS (CCRS) IN CORDANCE WITH ARTICLE 15(1) OF THE COMMISSION REGULATION (EU) 5/1222 OF 24 HULY 2015 ESTABLISHING A GUIDELINE ON CAPACITY ALLOCATION AND CONGESTION MANAGEMENT (CACM REGULATION) 6 November 2020 The CCR Nordic shall include the bidding zone borders listed below, and shown on map 1 included in the formatted: Font: (Default) Times New Roman, 11 pt Appendix to this document, as attributed to the referred TSOs: a) Denmark 1 - Sweden 3 (DK1 - SE3), Energinet and Svenska kraftnät; Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3 b) Denmark 2 - Sweden 4 (DK2 - SE4), Energinet and Svenska kraftnät; c) Denmark 1 - Denmark 2 (DK1 - DK2), Energinet; d) Sweden 4 - Sweden 3 (SE4 - SE3), Svenska kraftnät; e) Sweden 3 - Sweden 2 (SE3 - SE2), Svenska kraftnät; Sweden 2 - Sweden 1 (SE2 - SE1), Svenska kraftnät; f) Sweden 3 - Finland (SE3 - FI), Svenska kraftnät, Kraftnät Åland AB and Fingrid Oyj; and - - Formatted: Swedish (Sweden) g) h) Sweden 1 - Finland (SE1 - FI), Svenska kraftnät and Fingrid Oyj. Formatted: Font: (Default) Times New Roman, 11 pt Article 4 Formatted: Font: (Default) Times New Roman **Capacity Calculation Region 2: Hansa** Formatted: Line spacing: Multiple 1.3 li The CCR Hansa shall include the bidding zone borders listed below, and shown on map 2 included in the \_\_\_\_ Formatted: Font: (Default) Times New Roman, 11 pt Appendix to this document, as attributed to the referred TSOs: a) Denmark 1 - Germany/Luxembourg (DK1 - DE/LU), Energinet and TenneT TSO GmbH; Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3 b) Denmark 2 - Germany/Luxembourg (DK2 - DE/LU), Energinet and 50Hertz Transmission GmbH; c) Sweden 4 - Poland (SE4 - PL), Svenska Kraftnät and Polskie Sieci Elektroenergetyczne S.A.; d) Denmark 1 - Netherlands (DK1 - NL), Energinet and TenneT TSO B.V.; and Sweden 4 - Germany/Luxembourg (SE4 - DE/LU), Svenska Kraftnät, TenneT TSO GmbH and e) Baltic Cable AB. Article 5 • Formatted: Font: (Default) Times New Roman Formatted: Line spacing: Multiple 1.3 li **Capacity Calculation Region 3: Core** 1. The CCR Core shall include the bidding zone borders listed below, and shown on map 3 included in the \_\_\_\_\_ Formatted: Font: (Default) Times New Roman, 11 pt Appendix to this document, as attributed to the referred TSOs: a) France - Belgium (FR - BE), RTE - Réseau de transport d'électricité and Elia Transmission Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3 Belgium NV/SA; b) Belgium - Netherlands (BE - NL), Elia Transmission Belgium NV/SA and TenneT TSO B.V.; c) France - Germany/Luxembourg (FR - DE/LU), RTE - Réseau de transport d'électricité; -Amprion GmbH and TransnetBW GmbH; d) Netherlands - Germany/Luxembourg (NL - DE/LU), TenneT TSO B.V., TenneT TSO GmbH and Amprion GmbH; e) Belgium - Germany/Luxembourg (BE - DE/LU), Elia Transmission Belgium NV/SA, -Creos Luxembourg S.A. and Amprion GmbH; Formatted: Footer, Space After: 0 pt, Tab stops: 16.8 cm, Right Page 10 of 26 ENTSO-E | Rue de Spa, 8 | 1000 Brussels | info@entsoe.eu | www.entsoe.eu | @entso\_e

#### CAPACITY CALCULATION REGIONS (CCRS) IN APTICLE 15(1) OF THE COMMISSION RECULATION (EU) 1222 OF 24 HUY 2015 ESTABLISHING & GUIDELINE ON CARACITY ALL OCATION AND CONGESTION MANAGEMENT (CACM REGULATION) 6 November 2020

- Germany/Luxembourg Poland (DE/LU PL), 50Hertz Transmission GmbH and Polskie Sieci f) Elektroenergetyczne S.A.;
- Germany/Luxembourg Czech Republic (DE/LU CZ), TenneT TSO GmbH, 50Hertz g) Transmission GmbH and ČEPS, a.s.;
- Austria Czech Republic (AT CZ), Austrian Power Grid AG and ČEPS, a.s.; h)
- i) Austria - Hungary (AT - HU), Austrian Power Grid AG and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
- Austria Slovenia (AT SI), Austrian Power Grid AG and ELES, d.o.o.; i)
- k) Czech Republic Slovakia (CZ SK), ČEPS, a.s. and Slovenská elektrizačná prenosová sústava, a.s.;
- Czech Republic Poland (CZ PL), ČEPS, a.s. and Polskie Sieci Elektroenergetyczne S.A.; 1)
- m) Hungary Slovakia (HU SK), MAVIR Hungarian Independent Transmission Operator Company Ltd. and Slovenská elektrizačná prenosová sústava, a.s.;
- n) Poland Slovakia (PL SK), Polskie Sieci Elektroenergetyczne S.A. and Slovenská elektrizačná prenosová sústava, a.s.;
- Croatia Slovenia (HR SI), Croatian Transmission System Operator Ltd. (HOPS d.o.o.) and 0) ELES. d.o.o.:
- p) Croatia Hungary (HR HU), Croatian Transmission System Operator Ltd. (HOPS d.o.o.) and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
- Romania Hungary (RO HU), Compania Națională de Transport al Energiei Electrice q) "Transelectrica" S.A. and MAVIR Hungarian Independent Transmission Operator Company Ltd.;
- Hungary Slovenia (HU SI), MAVIR Hungarian Independent Transmission Operator Company r) Ltd. and ELES, d.o.o.; and
- s) Germany/Luxembourg - Austria (DE/LU - AT), Austrian Power Grid AG, TransnetBW GmbH, TenneT TSO GmbH and Amprion GmbH.
- The assignment of the bidding zone borders BE-DE/LU and HU-SI to the CCR Core shall be effective - Formatted: Line spacing: Multiple 1.3 li 2. from the date of operation of the interconnection on the respective bidding zone border.

### Article 6 **Capacity Calculation Region 4: Italy North**

The CCR Italy North shall include the bidding zone borders listed below, and shown on map 4 included in \_\_\_\_\_ Formatted: Font: (Default) Times New Roman, 11 pt the Appendix to this document, as attributed to the referred TSOs:

- a) Italy NORD France (NORD FR), TERNA Rete Elettrica Nazionale S.p.A. and RTE Réseau 🔶 de transport d'électricité;
- b) Italy NORD Austria (NORD AT), TERNA Rete Elettrica Nazionale S.p.A. and Austrian Power Grid AG: and
- c) Italy NORD Slovenia (NORD SI), TERNA Rete Elettrica Nazionale S.p.A. and ELES d.o.o..

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Article 7	Formatted: Font: (Default) Times New Roman
Capacity Calculation Region 5: Greece-Italy (GRIT)	Formatted: Line spacing: Multiple 1.3 li
Until the end of the 31 <sup>st</sup> of December 2020, the CCR GRIT shall include the bidding zone borders listed below as attributed to the referred TSOs:	- <b>Formatted:</b> Font: (Default) Times New Roman, 11 pt
<ul> <li>a) — Italy SUD - Greece (SUD - GR), TERNA Rete Elettrica Nazionale S.p.A. and Independent Power ← - Transmission Operator S.A.;</li> <li>b) — Italy NORD - Italy CNOR (NORD - CNOR), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>c) — Italy CNOR — Italy CSUD (CNOR - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>d) — Italy CNOR — Italy SARD (CNOR - SARD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>e) — Italy SARD - Italy CSUD (SARD - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>f) — Italy CSUD – Italy SUD (CSUD - SUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>g) — Italy SUD – Italy ROSN (SUD – ROSN), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>h) — Italy ROSN - Italy SICI (ROSN - SICI), TERNA Rete Elettrica Nazionale S.p.A.;</li> </ul>	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3
From the 1 <sup>st</sup> of January 2021, in accordance with Decision 103/2019/R/eel of the Italian National Regulatory* – Authority, t <u>T</u> he CCR GRIT shall include the bidding zone borders listed below, and shown on map 5 included in the Appendix to this document, as attributed to the referred TSOs:	Formatted: Line spacing: Multiple 1.3 li
<ul> <li>a) Italy SUD - Greece (SUD - GR), TERNA Rete Elettrica Nazionale S.p.A. and Independent Power - Transmission Operator S.A.;</li> <li>b) Italy NORD - Italy CNOR (NORD - CNOR), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>c) Italy CNOR - Italy CSUD (CNOR - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>d) Italy CNOR - Italy SARD (CNOR - SARD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>e) Italy SARD - Italy CSUD (SARD - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>f) Italy CSUD - Italy SUD (CSUD - SUD), TERNA Rete Elettrica Nazionale S.p.A.;</li> <li>g) Italy SUD - Italy CALA (SUD - CALA), TERNA Rete Elettrica Nazionale S.p.A.; and</li> <li>h) Italy CALA - Italy SICI (CALA - SICI), TERNA Rete Elettrica Nazionale S.p.A</li> </ul>	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3 li
Article 8	Formatted: Font: (Default) Times New Poman
Capacity Calculation Region 6: South-west Europe (SWE)	Formatted: Font: (Default) Times New Roman Formatted: Line spacing: Multiple 1.3 li
The CCR SWE shall include the bidding zone borders listed below, and shown on map 6 included in the	- <b>Formatted:</b> Font: (Default) Times New Roman, 11 pt
<ul> <li>a) France - Spain (FR - ES), RTE - Réseau de transport d'électricité and REE - Red Eléctrica de España, S.A.U.; and</li> <li>b) Spain - Portugal (ES - PT), REE - Red Eléctrica de España, S.A.U. and REN - Rede Eléctrica Nacional, S.A</li> </ul>	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3
Page 12 of 26  ENTSO E   Rue de Spa, 8   1000 Brussels   info@entsoe.eu   www.entsoe.eu   @entso_e Page of	Formatted: Footer, Space After: 0 pt, Tab stops: 16.8 cm, Right

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Article 9	Formatted: Font: (Default) Times New Roman
Capacity Calculation Region 7: Ireland and United Kingdom (IU)	Formatted: Line spacing: Multiple 1.3 li
The CCR IU shall include the bidding zone border between Great Britain and the Single Energy Market in Ireland and Northern Ireland. The bidding zone border is attributed to the TSOs National Grid Electricity System Operator Limited (NGESO), EirGrid Plc, System Operator for Northern Ireland Limited (SONI) and Moyle Interconnector Limited (Moyle) and interconnector operator EirGrid Interconnector DAC. The CCR IU is shown on map 7 included in the Appendix to this document.	Formatted: Font: (Default) Times New Roman, 12 pt
Article 10 Capacity Calculation Region 8: Channel	( Formatted: Font: (Default) Times New Roman
The CCR Channel shall include the bidding zone borders listed below, and shown on map 8 included	
<ul> <li>a) France Great Britain (FR GB), RTE Réseau de transport d'électricité, National Grid Electricity System Operator Limited (NGESO), National Grid Interconnectors Limited (NGIC), National Grid IFA2 Limited (IFA2) and ElecLink Limited (ElecLink);</li> <li>b) Netherlands Great Britain (NL - GB), BritNed Development Limited (BritNed), National Grid Electricity System Operator Limited (NGESO) and TenneT TSO B.V.; and</li> <li>c) Belgium - Great Britain (BE - GB), Elia Transmission Belgium NV/SA, National Grid Electricity System Operator Limited (NGESO) and Nemo Link Limited (Nemo Link).</li> </ul>	
Article <del>11</del> 9	
Capacity Calculation Region 97: Baltic	
The CCR Baltic shall include the bidding zone borders listed below, and shown on map 79 included in the Appendix to this document, as attributed to the referred TSOs:	Formatted: Font: (Default) Times New Roman, 11 pt Formatted: Font: (Default) Times New Roman, 11 pt
<ul> <li>a) Estonia - Latvia (EE - LV), Elering AS and Augstsprieguma tīkls;</li> <li>b) Latvia - Lithuania (LV - LT), Augstsprieguma tīkls and Litgrid AB;</li> <li>c) Estonia - Finland (EE - FI), Elering AS and Fingrid Oyj;</li> <li>d) Lithuania - Sweden 4 (LT - SE4), Litgrid AB and Svenska kraftnät; and</li> <li>e) Lithuania - Poland (LT - PL), Litgrid AB and Polskie Sieci Elektroenergetyczne S.A</li> </ul>	Formatted: Indent: Left: 0.75 cm, Line spacing: Multiple 1.3
Article 1210	Formatted: Font: (Default) Times New Roman
Capacity Calculation Region 108: South-east Europe (SEE)	Formatted: Line spacing: Multiple 1.3 li
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The CCR SEE shall include the bidding zone borders listed below, and shown on map 810 included in the \_\_\_\_ Formatted: Font: (Default) Times New Roman, 11 pt Appendix to this document, as attributed to the referred TSOs:

- a) Greece Bulgaria (GR BG), Independent Power Transmission Operator S.A. and Elektroenergien Sistemen Operator (ESO) EAD; and
- b) Bulgaria Romania (BG RO), Elektroenergien Sistemen Operator (ESO) EAD and Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A.-

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TITLE 3 **Final provisions** 

Article <u>1311</u> Implementation date of CCRs

All TSOs shall apply the CCRs as described determined in Title 2 as from the date of notification of this+ Decision as soon as the decision has been taken by ACER in accordance with Article 9(6) (b) CACM of the CACM Regulation and Article 5 (2) (b) Regulation (EU) 2019/942.

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## Article 1412

#### Transitional arrangements Future assessment

 I. The provisions in ACER Decision 04/2019, Annex 1, Article 6: No later than three months after the implementation of the first version of the regional operational security coordination in accordance with Article 76(1) of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation ("SO Regulation") in the Core CCR, all TSOs shall submit to ACER an assessment analysing alternative determinations of at least the CCRs Hansa, Nordic and Core in terms of:

(a) efficiency of capacity calculation and allocation in all timeframes; and

- (b) efficiency of regional operational security coordination in accordance with Article 76(1) of the SO Regulation, coordinated redispatching and countertrading in accordance with Article 35 of the CACM Regulation and redispatching and countertrading cost sharing in accordance with Article 74 of the CACM Regulation and cross-regional operational security coordination in accordance with Article 75(1) of the SO Regulation.
- In case this assessment pursuant to paragraph (1) identifies a more efficient<sub>τ</sub> alternative Determination 4 of CCRs, all TSOs shall submit to ACER a proposal for amendment to the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation by the same deadline as for the assessment.
- 2. "1. No later than 18 months after the entry into force of this Second Amendment, all TSOs shall analyse the optimal determination of CCRs with regard to Hansa and Channel CCRs and submit a proposal for the amendment of the determination of those CCRs in accordance with Article 9(13) of the CACM Regulation. This proposal shall be accompanied by a document assessing the possible alternatives for the bidding zone borders of the Hansa and Channel CCR. If this analysis shows that no change of the

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Hansa and Channel CCRs is needed, all TSOs shall submit to the regulatory authorities the analysis without a proposal for amendment of the determination of the CCRs.

3. 2. The analysis pursuant to paragraph 1 shall include:

 a description of the possible alternatives for minimising the unscheduled allocated flows in the neighbouring Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs;

5. a qualitative assessment of the implementation time and effort of the described alternatives; and

- 6. a qualitative assessment of the operational efforts of the described alternatives; and
- identification of changes needed to the determination of CCRs for minimising the unscheduled allocated flows in the neighbouring CCRs of the Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs.

8. 3. The proposal pursuant to paragraph 1 shall include:

- (a) the reassignment of the Hansa bidding zone borders DK1 NL and DK1 DE/LU to the Core CCR, unless proven in the supporting document that placing these two borders in another CCR is more efficient;
- (b) based on the analysis in the supporting document, the potential reassignment of the other Hansa and Channel CCR bidding zone borders to the Core or Nordic CCR without impacting other CCRs; and

(c) an implementation timeline for the proposed amendments."

shall remain applicable

# Article <u>1513</u>

translate this document into their national language(s), in the event of inconsistencies between the English version published by all TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant

Language The reference language for this document shall be English. For the avoidance of doubt, where TSOs need to

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national regulatory authorities with translation of this document.

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Appendix: Maps of the <del>proposed</del> CCRs		- Formatted: Font: (Default) Times New Roman
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#### 5. Capacity Calculation Region 5: Greece-Italy (GRIT)



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#### 6. Capacity Calculation Region 6: South-west Europe (SWE)



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#### 7. Capacity Calculation Region 7: Ireland and United Kingdom (IU)



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#### 8. Capacity Calculation Region 8: Channel Note: The NL-BE and BE-FR bidding zone borders are not part of this CCR.



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#### <u>10.8.</u>Capacity Calculation Region <u>108</u>: South-east Europe (SEE)



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ACER Decision on the determination of capacity calculation regions: Annex II

For information only

# **Evaluation of responses to the public consultation on** the proposal for the determination of capacity calculation regions

## 1 Introduction

On 9 November 2020, ENTSO-E submitted a common proposal for the determination of CCR ('the Proposal') on behalf of all transmission system operators ('TSOs') to ACER for approval.

In order to take an informed decision and in accordance with Article 14(6) of Regulation (EU) 2019/942, ACER launched a public consultation on 5 January 2021 inviting all interested stakeholders, including regulatory authorities and TSOs, to provide any comments on the Proposal and ACERs views on possible amendments. The closing date for comments was 25 January 2021.

The public consultation invited stakeholders to comment on the Proposal and, more specifically, to provide comments on the following topics related to possible amendments of the Proposal:

- (i) the status of DK1-NL and DK1-DE/LU bidding zone borders; and
- (ii) the status of Channel and IU capacity calculation regions ('CCRs').

## 2 Responses

By the end of the consultation period, ACER received comments from 13 respondents.

This evaluation paper summarises all of the respondents' comments and how these were considered by ACER. The table below is organised according to the consultation questions and provides the respective views from the respondents, as well as a response from ACER clarifying how their comments were taken into account in the present Decision.



Respondents' views	ACER views		
Question 1.1: Please provide your comments concerning the ACER's reasoning for a default reallocation of Hansa CCR bidding zone borders into the Core CCR and the request to TSOs to make a proposal on a suitable timeline for such reallocation.			
9 respondents provided an answer to this question.			
<ul> <li>3 respondents (Energie-Netherland, EFET, MPP) are in favour of the discussed reallocation of bidding zone borders.</li> <li>One of these respondents (EFET) shared its expectation that increased coordination and available cross-zonal capacity following such change will lead to deeper integration of European electricity markets. The respondent further suggested to have periodic reviews of the determination of CCRs (e.g. every 4-5 years) and the 'buffer regions' (e.g. Hansa) should be considered as temporary CCR and integrated in larger CCR(s) in the coming years.</li> <li>Two of these respondents (Energie-Netherland, MPP) noted that the same approach as used for the BE-DE/LU bidding zone border (i.e. ALEGRO interconnector) should be used for the DK1-DE/LU bidding zone border (i.e. COBRA interconnector).</li> </ul>	ACER generally agrees with the potential benefits of the reallocation of the bidding zone borders of the Hansa CCR. However, the scope of these benefits can currently not be fully assessed or is expected to be limited with an additional burden on DK1 in case of such change. Therefore, ACER did not confirm the reassignment of these bidding zone borders in this decision but instead required another assessment once more information is available. ACER supports regular reviews of the CCR determination and agrees that CCRs consisting of interconnectors between bigger CCRs should be phased out in the long term. ACER agrees that if the DK1-DE/LU bidding zone border is assigned to the Core CCR, the evolved flow-based solution (i.e. similar solution as advanced hybrid coupling, which is applied for HVDC interconnectors within the Core CCR) should be applied for this interconnector.		
<ul> <li>5 respondents (DUR, Energinet, ENTSO-E, Nordpool, Ørsted) shared their preference for remaining within the current Hansa CCR.</li> <li>3 of these respondents (DUR, Energinet, Ørsted) provided comments related to the additional burden for the Danish TSO, consumers and market participants following the involvement in an additional CCR. Energinet (i.e. TSO of Denmark) further listed additional expected costs due to the possible additional involvement in the Core CCR and subsequently in the central Europe system operation region (and the respective RCC) as well as the cost for not sharing frequency restoration reserves between DK1 and DK2.</li> </ul>	ACER acknowledges that a change of the Hansa CCR could burden Danish stakeholders due to the simultaneous involvement in different regions. ACER does not share the view on costs arising from the possibility of sharing the reserves since such sharing of reserves can also be done under a different CCR. While ACER acknowledges any relevant national costs related to a change of CCRs, a decision on changing the CCRs needs to consider all the costs and benefits at European level. In the course of this decision, ACER could not definitely confirm that the benefits would outweigh the likely costs of such change. Therefore, ACER decided not to		



Respondents' views	ACER views
3 respondents (DUR, Energinet, Nordpool) stress the good coordination and cooperation among Nordic TSOs.	confirm a reallocation of the relevant bidding zone borders but a reassessment once more information is available.
One respondent (DUR) states that in case the Danish TSOs needs to become a co-owner of multiple RCCs, paying an equal share of costs per owner in each of them would not be proportionate.	ACER agrees that in case where the ownership in two RCCs is necessary, the cost distribution should be reviewed and amended if deemed necessary. However, this is not in the scope of this decision.
5 respondents (BNetzA, Energie-Netherland, ENTSO-E, MPP, Nordpool, Ørsted) provided general comments related to the ongoing implementation projects on a CCR level and related challenges.	ACER generally agrees on the importance of ongoing implementation projects at a CCR level.
One respondent (BNetzA) states the importance of timely decision on future CCR amendments, which are at the same time not rushed and/or based on insufficient ground to allow for long-term planning of investments in the electricity sector.	ACER agrees.
5 respondents (BNetzA, ENTSO-E, DUR, Energinet, Nordpool) claim that ACER's proposed approach is lacking sufficient arguments and would pre-empt an analysis by changing the status quo of the CCR determination (i.e. reversing the burden of proof)	ACER agrees on the need of sufficient reasoning for introducing amendment by its decision. However, ACER generally deems it possible to revise a proposal if the available information and/or assessment shows that such revision is necessary in accordance with Article 5(6) of Regulation 2019/942. Following further analysis and consultation with the TSOs and regulatory authorities, ACER concluded that the current status based on available information does not require a decision to change the CCR configuration at this stage.
One respondent (DUR) believes that ACER's argumentation for including the DK1-NL and DK1-DE/LU bidding zone borders in the Core CCR does not fully consider negative effects on other bidding zone borders and is not convinced that such change would lead to positive socio-economic benefits in the EU. The respondent further shares its preference for a more extensive assessment of all CCRs at a later stage (i.e. after ROSC and	ACER deems it important to consider all impacts on all impacted bidding zone borders of the internal energy market following a change of the determination of CCRs. ACER sees the main potential for a sustainable change in socio-economic benefits in the efficiency of ROSC and the efficiency of capacity calculation and allocation. Since the scope of possibly increasing overall efficiency of ROSC, considering all impacted



Respondents' views	ACER views
CCM implementation) than the one proposed by ACER in its public consultation.	CCRs, is not sufficiently clear at the moment, ACER requires TSOs to reassess this in the future.
One respondent (BNetzA) is of the opinion that the described requirements for analysing the efficiency of the CCR determination lacks sufficient details and a precise scope for the investigations to be carried out (e.g. qualitative or quantitative analysis)	ACER does not agree that more detailed requirements are needed for a future assessment. The general principles presented in the public consultation and the subsequent decision ensure that the emphasis of a future assessment of the determination of CCRs is put on the most relevant issues (i.e. efficiency of capacity calculation and allocation and efficiency of regional operational security coordination). TSOs should remain with some freedom on how exactly to prove the higher efficiency of a change (e.g. qualitative analysis, quantitative analysis or a combination of both), which will be consequently further assessed by ACER, the regulatory authorities and consulted stakeholders, if relevant.
One respondent (BNetzA) stresses the importance that DE/LU-DK1 and NL-DK1 belong to the same CCR.	ACER agrees.
Two respondents (BNetzA, ENTSO-E) mention that the target model for bidding zone borders of the Hansa CCR (i.e. advanced hybrid coupling) needs to be considered when analysing the efficiency of the region.	During the process of this decision, ACER put a major focus on comparing the efficiency of advanced hybrid coupling versus the application of Core flow-based on the DK1-DE/LU bidding zone border.
Two respondents (BNetzA, Nordpool) mentioned the importance of considering also other regional methodologies (besides CCMs and ROSC) when deciding on a change of CCRs. One of these respondents (Nordpool) further shared their concerns of moving DK1-DK2 out of the current fallback solution applied in the Nordic CCR and elaborated that the required time to adapt regional methodologies needs to be considered when proposing a timeline to implement a change of CCRs.	ACER agrees that also other regional methodologies should be considered when changing CCRs. However, ACER is of the opinion that these other methodologies can efficiently address any eventual change of CCRs without major restrictions (provided that sufficient time is available for such considerations before a change is implemented). Therefore, ACER deems it important to put the main focus on the methodologies which have the most significant, ongoing impact in their efficiency following a change of the CCRs.



Respondents' views	ACER views
One respondent (Ørsted) shares its concern that moving DK1 out of the Nordic cooperation would result in issues related to security of supply.	ACER disagrees. A shift of bidding zone borders in the CCR would be done based on higher efficiency of cross regional coordination and should not result in increasing security of supply-related issues.
One respondent (Ørsted) claims that TSOs already sufficiently proved the efficiency of the current CCR determination.	ACER disagrees. The material included in the submitted Proposal could not be considered as sufficient to prove the efficiency of the existing CCR configuration. ACER acknowledges however that more detailed information was submitted during the proceedings, which made ACER open to reconsider its initial position.
One respondent (Ørsted) shares concerns regarding the non-approved or consulted status of Core methodologies in Denmark.	ACER does not share these concerns. Any newly introduced methodologies should be approved by the relevant regulatory authorities (i.e. also following a change of CCRs)
Two respondents (ENTSO-E, Energinet) believe that an outcome of a flow-based approach are largely similar to an outcome of a cNTC approach on the DK1-DE/LU bidding zone border due to the radial characteristics of flows on this AC bidding zone border	After further analysis throughout the decision process, ACER agrees that the expected flows on the DK1-DE/LU bidding zone border are showing almost radial characteristics, which would likely lead to insignificant differences between the outcome when comparing the possible applications of Core flow-based and cNTC combined with advanced hybrid coupling on the DK1-DE/LU bidding zone border.
Two respondents (ENTSO-E, Energinet) state that it is more likely for a congestion to occur within the connected bidding zones than at the DK1-DE/LU bidding zone border itself.	ACER generally agrees with these observed situations.
One respondent (ENTSO-E) states that all CNEs of the Core and Nordic bidding zones should be monitored trough the methodologies of these CCRs, while the distribution between the interconnectors on the DK1-DE/LU bidding zone border will not be disclosed with the currently foreseen cNTC method from CCR Hansa.	ACER agrees but deems it highly relevant to be able to monitor each CNE on the DK1-DE/LU bidding zone border.



Respondents' views	ACER views
One respondent (ENTSO-E) explains that there can be different flow distributions on the interconnectors on the DK1-DE/LU bidding zone border depending on the generation scenario, which can lead to a different limiting CNE on this bidding zone border. The respondent further states that this is not relevant due to a zone to zone PTDF of 1 on this bidding zone border (since this is the only AC bidding zone border which connects the Danish peninsula)	ACER disagrees with the respondent's view that this is not relevant but concludes that the impact of the different possible flow distribution over the DK1-DE/LU AC interconnectors is likely negligible.
One respondent (ENTSO-E) claims that regional operational security coordination is already done in an efficient way, since Energinet is already cooperating with TSCNet (i.e. regional coordination centre of the Central Europe system operation region)	ACER understands that Energinet is already exchanging information with a RCC of Core. However, ACER is of the opinion that it could lead to a more efficient result if the use of remedial actions of DK1 were optimised together with remedial actions from the Core CCR.
One respondent (Energinet) explains the current procedures in case of outages in the concerned geographic area and that changing the assignment of bidding zones would create similar issues elsewhere (i.e. shift of the problem from the Core to the Nordic CCR)	ACER is aware that a change of the Hansa CCR bidding zone borders would not fully resolve inefficiencies due to cross-regional coordination. However, the CCRs should be determined (and consequently where cross- regional cooperation should take place) in a way to minimise such efficiency losses to the smallest possible extent. Therefore, ACER invites TSOs to assess the efficiency of the CCR determination around the Hansa CCR once the first version of ROSC is implemented.
One respondent (Energinet) is of the opinion that ACER is not competent to decide to change the capacity calculation approach on the DK1-DE/LU and DK1-DE/LU bidding zone borders from cNTC to flow-based.	ACER disagrees, since it is fully competent to decide on the Proposal and revise it in accordance with Article 5(6) of Regulation 2019/942. This includes a change of allocation of bidding zone borders to CCRs if such revision improves the overall efficiency.
One respondent (Energinet) claims that the flow distribution on the different interconnectors on the DK1-DE/LU bidding zone border is always very similar regardless of the distribution of load and generation in DK1. The potential difference and following inefficiency is comparable with the loss due to linearization inaccuracies when FB is applied.	ACER agrees to the likely negligible impact of the flow distribution over the different interconnectors on the DK1-DE/LU bidding zone border.



Respondents' views	ACER views
Two respondents (Energinet, DUR) share their concerns regarding the prioritisation of all remedial actions for the Core CCR (in accordance with the Core ROSC methodology) and potential negative consequences for the Nordic CCR if the discussed bidding zone borders would be reallocated.	ACER would like to inform the respondents that such concerns can be addressed by the methodology for cross-regional operational security coordination in accordance with Article 75(1) of the SO Regulation.
One respondent (Energinet) argues that a shift of bidding zone borders would not be in line with the objectives of the CACM and SO Regulation, giving priority of Danish remedial actions to other member states is beyond ACER's competences and that the DK1-DK2 bidding zone border is a national interconnector and therefore outside the competence of ACER.	ACER generally disagrees with these views in the context of the CCR decision, since the determination of CCRs impacts more than one Member State and needs to be decided in a way that ensures the overall efficiency of the internal energy market in line with the objectives of the CACM Regulation.
One respondents (DUR) questions why the discussion on optimising the CCR determination is limited to the CCR Hansa and does not address the Italy North, Baltic or SWE CCRs.	While ACER deems it important to also ensure the efficiency of the CCR determination related to these other CCRs, the circumstances for these are quite different (e.g. Italy North has more significant 3 <sup>rd</sup> country impact; Baltic directly includes the relevant bidding zone borders, SWE has different geographical circumstances). However, ACER invites all TSOs to consider all CCRs for any improvement of efficiency of the determination of CCRs.
Question 1.2: Please provide your comments concerning the option to proposal.	cancel such reallocation and the assessment criteria for making such a
7 respondents provided an answer to this question.	
3 respondents (DUR, Energinet, Ørsted) state general disagreement to the approach. Two of these respondents (DUR, ENTSO-E) share their opinion that an assessment within 12 months would be difficult to perform correctly as it should be based on methodologies which are not yet implemented. One respondent (DUR) further states that different interests of TSOs would make it even more challenging to perform such task.	ACER is of the opinion that a decision on the amendment can already be made before the implementation of relevant methodologies, if the improved efficiency of such amendment is already sufficiently evident. However, ACER agrees that more details on the efficiency of regional operational security coordination can be provided once the relevant methodologies are implemented. Therefore, ACER amended this requirement accordingly.



Respondents' views	ACER views	
3 respondents (EFET, Energie-Nederland, MPP) support the proposed approach.		
Question 2: Please provide any comments related to the necessary amendments due to Brexit.		
6 respondents provided an answer to this question.		
5 respondents (Energie-Nertherland, ENTSO-E, MPP, NGESO, NGV) consider these amendments as unfortunate but acknowledge them as an unavoidable consequence of the Brexit. Most of these respondents urge the UK and the EU to keep the resulting amendment to the necessary minimum and see benefit in close coordination.	ACER generally agrees.	
One respondent (EFET) appreciates that the Proposal still includes the relevant bidding zone borders and CCRs and suggest to keep them in the future.	ACER does not deem it possible to keep the UK bidding zone borders, as these are out of scope of this determination of CCR since the time of UK's withdrawal from the EU.	
One respondent (NGESO) asks about the future cooperation between the UK and the EU and more specifically about the expected cooperation framework between ACER and the UK and how the capacity values will be determined from EU's side for the interconnectors with the UK.	These questions are out of scope of this decision and cannot be fully answered at the time of this decision.	
One respondent (ENTSO-E) questions the implication of Brexit and the deletion of these CCRs on the IU system operation region.	While this is out of scope of this decision, this question is addressed in the parallel decision process on the system operation regions.	
One respondent (ENTSO-E) asks for clarifications on the impact on the IE/NI bidding zone regarding the continued application of EU Regulations including the foreseen aim of establishing multi regional loose volume coupling arrangements with the UK.	While this question is also mainly out of scope of this decision, ACER deems it relevant to mention that once the foreseen interconnector between France and Ireland is operational, the IE/NI bidding zone will again be under the scope of the CCR determination and subject to subsequent regional methodologies.	



Respondents' views	ACER views	
	It is not possible to provide clarification related to multi regional loose volume coupling arrangements with the UK at the time and under the scope of this decision.	
Question 3: Please provide any further comments on the proposed CCR determination.		
4 respondents provided an answer to this question.		
One respondent (ENTSO-E) generally comments on the foreseen amendments related to the GRIT CCR, the Baltic Cable TSO and Kraftnat Aland TSO.	ACER agrees and acknowledges the received comments.	
One respondent (ElGrid) questions the competence of EU institutions and ACER and shares its preference for a maximum import and export approach per bidding zone for available cross-zonal capacity and criticises to the 70% target.	This feedback is largely out of scope of this decision. However, ACER disagrees and deems flow-based calculation and allocation as an efficient approach to determine cross-zonal capacity in the meshed transmission grid of the EU.	
One respondent (Energy Community) suggests to include the envisioned integration of Energy Community Contracting Parties in the determination of CCRs (e.g. integration of Shadow SEE CCR)	While ACER welcomes the foreseen integration of the Energy Community Contracting Parties, those bidding zone borders are not in the scope of the Proposal and can therefore not be addressed by this decision.	
One respondent (EFET) shares its view on the importance of considering $3^{rd}$ counties (i.e. Norway, Switzerland, Western Balkans, UK) for the safeguarding the electricity market and system.	While ACER deems it important to consider 3 <sup>rd</sup> countries where necessary, these countries are not in the scope of the Proposal (i.e. the CACM Regulation) and therefore not addressed by this decision.	
One respondent (ENTSO-E) comments on the necessary subsequent amendments following a change of the determination of CCRs (i.e. SORs, RCC)	ACER agrees on the potential need of these subsequent amendments in case of a change in the CCR determination. However, these amendment processes are not in the scope of this decision.	



# 3 List of respondents

Organisation	Туре
BNetzA - Bundesnetzagentur	Regulatory authority
EFET - European Federation of Energy Traders	Association
ElGrid Consulting	Consulting company
Energie-Netherland	Association
Energinet	Transmission system operator
Energy Community Secretariat	Association
ENTSO-E	European Network of Transmission System Operators
MPP - Market Parties Platform	Association
National Grid Electricity System Operator	Transmission system operator
National Grid Ventures	Transmission system operators
Nord Pool European Market Coupling Operator AS	NEMO
Ørsted	Energy company