

**ACER Decision on Core CCM: Annex II**

**Intraday capacity calculation methodology  
of the Core capacity calculation region**

in accordance with Article 20ff. of the Commission Regulation  
(EU) 2015/1222 of 24 July 2015 establishing a guideline on  
capacity allocation and congestion management

**For information only**

**FULL AMENDED VERSION of the 1st amendment  
of ID CCM**

**19 April 2022**

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## Whereas

- (1) This document sets out the capacity calculation methodology in accordance with Article 20ff. of 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”). This methodology is hereafter referred to as the “intraday capacity calculation methodology”.
- (2) The intraday capacity calculation methodology takes into account the general principles and goals set in the CACM Regulation as well as in Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (hereafter referred to as “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. It sets, for this purpose, the requirements to establish an intraday capacity calculation methodology to ensure efficient, transparent and non-discriminatory capacity allocation.
- (3) According to Article 9(9) of the CACM Regulation, the expected impact of the intraday capacity calculation methodology on the objectives of the CACM Regulation has to be described and is presented below.
- (4) The intraday capacity calculation methodology serves the objective of promoting effective competition in the generation, trading and supply of electricity (Article 3(a) of the CACM Regulation) since it ensures that the cross-zonal capacity is calculated in a way that avoids undue discrimination between market participants and since the same intraday capacity calculation methodology will apply to all market participants on all respective bidding zone borders in the Core CCR, thereby ensuring a level playing field amongst market participants. Market participants will have access to the same reliable information on cross-zonal capacities and allocation constraints for intraday allocation, at the same time and in a transparent way.
- (5) The intraday capacity calculation methodology contributes to the optimal use of transmission infrastructure and to operational security (Article 3(b) and (c) of the CACM Regulation) since the flow-based approach aims at providing the maximum available capacity to market participants on the intraday timeframe within the operational security limits.
- (6) The intraday capacity calculation methodology contributes to avoiding that cross-zonal capacity is limited in order to solve congestion inside control areas by (i) defining clear criteria under which the network elements located inside bidding zones can be considered as limiting for capacity calculation, and (ii) ensuring that a minimum share of the capacity is made available for commercial exchanges while ensuring operational security (Article 3(a) to (c) of the CACM Regulation and Article 16(8) of the Regulation (EU) 2019/943).
- (7) The intraday capacity calculation methodology serves the objective of optimising the allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation), since it is using the flow-based approach, which optimises the way in which the cross-zonal capacities are allocated to market participants, and since it facilitates the efficiency of congestion management by comparing the

capacity allocation with other congestion management alternatives, such as the application of remedial actions, bidding zone reconfiguration and network investments.

- (8) The intraday capacity calculation methodology is designed to ensure a fair and non-discriminatory treatment of TSOs, nominated electricity market operators ('NEMOs'), the Agency, regulatory authorities and market participants (Article 3(e) of the CACM Regulation) since the intraday capacity calculation methodology has been developed and adopted within a process that ensures the involvement of all relevant stakeholders and independence of the approving process.
- (9) The intraday capacity calculation methodology determines the main principles and main processes for the intraday timeframe. It requires that the Core TSOs provide market participants with reliable information on cross-zonal capacities and allocation constraints for intraday allocation in a transparent way and at the same time. This includes information on all steps of capacity calculation and regular reporting on specific processes within capacity calculation. The intraday capacity calculation methodology therefore contributes to the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation).
- (10) The intraday capacity calculation methodology provides requirements for efficient use of existing electricity infrastructure and facilitates competitive and equal access to transmission infrastructure in particular in case of congestions. This provides a long-term signal for efficient investments in transmission, generation and consumption, and thereby contributes to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union (Article 3(g) of the CACM Regulation).
- (11) The intraday capacity calculation methodology also contributes to the objective of respecting the need for a fair and orderly market and price formation (Article 3(h) of the CACM Regulation) by making available in due time the information about cross-zonal capacities to be released in the market, by maximising the available cross-zonal capacities and by ensuring a backup solution for the cases where capacity calculation fails to provide flow-based parameters.
- (12) The intraday capacity calculation methodology facilitates a level playing field for NEMOs (Article 3(i) of the CACM Regulation) since all NEMOs and all their market participants will face the same rules and non-discriminatory treatment (including timings, data exchanges, results formats etc.) within the Core CCR.
- (13) Finally, the intraday capacity calculation methodology contributes to the objective of providing non-discriminatory access to cross-zonal capacity (Article 3(j) of the CACM Regulation) by ensuring a transparent and non-discriminatory approach towards facilitating cross-zonal capacity allocation.
- (14) In conclusion, the intraday capacity calculation methodology contributes to the general objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.
- (15) The intraday capacity calculation methodology is structured into three stages: (i) the definition and provision of capacity calculation inputs by the Core TSOs, including the underlying principles and calculation methods for these inputs, (ii), the capacity calculation process by the coordinated capacity calculator in coordination with the Core TSOs, and (iii) the capacity validation by the Core TSOs in coordination with the coordinated capacity calculator. The roles and responsibilities of the Core TSOs and of the coordinated capacity calculator need to be clearly defined.
- (16) The intraday capacity calculation methodology is based on forecast models of the transmission system. The inputs are created one day before the electricity delivery date with the available knowledge at that time. Therefore, the outcomes are subject to inaccuracies and uncertainties. The aim of the reliability margin is to cover a level of risk induced by these forecast errors.

- (17) The methodology applies temporary solutions for reliability margins, generation shift keys and allocation constraints. As regards reliability margins, the first real calculation can only be done after some operational experience is gained with the application of this methodology. For generation shift keys, TSOs also need some operational experience in order to be able to improve them. The final definition of these capacity calculation inputs should therefore be reviewed and redefined if needed after the effective implementation of this methodology.
- (18) Some operational security limits can be transformed into limitations on active power flows on critical network elements, whereas some other cannot and may be modelled as allocation constraints. Some of the operational security limits (inter alia frequency, voltage and dynamic stability) depend on the level of production and consumption in a given bidding zone, and these cannot be controlled by active power flow on critical network elements. Thus, specific limitations on production and consumption are needed, and these are expressed as maximum import and export constraints of bidding zones. External constraints are therefore a type of allocation constraints limiting the total import and export of a bidding zone. Nevertheless, given the lack of proper legal and technical justification for these allocation constraints, their application is considered in this methodology as a temporary solution in order to allow TSOs to explore alternative solutions to the underlying problems. If none of the alternative solutions is more efficient to tackle the underlying problems, the concerned TSOs may propose to continue applying them.
- (19) To avoid undue discrimination between internal and cross-zonal exchanges (and the underlying discrimination between market participants trading inside or between bidding zones), the day-ahead capacity calculation methodology introduces two important measures. The first measure aims to limit the situations where cross-zonal exchanges are limited by congestions inside bidding zones. The second measure aims to minimise the degree to which the flows resulting from exchanges inside a bidding zone on network elements located inside that zone (i.e. internal flows) or on network elements on the borders of bidding zones and inside neighbouring bidding zones (i.e. loop flows) are reducing the available cross-zonal capacity. This methodology also introduces the first measure, which is to limit the cases where congestions inside bidding zones impact cross-zonal capacity only to those situations that are proven to be the most efficient. However, the second principle from the day-ahead capacity calculation methodology (i.e. introduction of minimum cross-zonal capacities) cannot be applied in the intraday capacity calculation methodology, since this principle requires extensive application of remedial actions, yet the time between the intraday capacity calculation and the first delivery hour is too short to identify, coordinate and apply the remedial actions that would be necessary to guarantee the minimum cross-zonal capacity.
- (20) In the zonal congestion management model established by the CACM Regulation, bidding zones should be established such that physical congestions occur only on network elements located on the borders of such bidding zones. The network elements located within bidding zones should therefore *a priori* not limit cross-zonal capacity and should therefore not be considered in capacity calculation. Nevertheless, at the time of adoption of this methodology, some network elements located inside the Core bidding zones are often congested and therefore TSOs need some transition period to shift gradually from limiting cross-zonal capacity, as the main method to address these internal congestions, to other methods in which internal congestions limit cross-zonal capacity only when this is the most efficient solution considering other alternatives (such as remedial actions, reconfiguration of bidding zones or network investments). Only in case those alternatives are proven inefficient, TSOs should be able to continue addressing internal congestions by limiting cross-zonal capacity beyond the transition period.
- (21) Despite coordinated application of capacity calculation, TSOs remain responsible for maintaining operational security. For this reason they need to validate the calculated cross-zonal capacities to ensure that they do not violate operational security limits. Each TSO may individually validate cross-zonal capacities. This may lead to reductions of cross-zonal capacities below the values needed to avoid undue discrimination. Thus transparency, monitoring and reporting, as well as the exploration of alternative solutions are needed in case of reductions of cross-zonal capacities.

- (22) Transparency and monitoring of capacity calculation are essential for ensuring its efficiency and understanding. This methodology establishes significant requirements on TSOs to publish the information required by stakeholders to analyse the impact of capacity calculation on the market functioning. Furthermore, additional information is required to allow regulatory authorities to perform their monitoring duties. Finally, the methodology establishes significant reporting requirements in order for stakeholders, regulatory authorities and other interested parties to verify whether the transmission infrastructure is operated efficiently and in the interest of consumers.
- (23) The Core ID CCM (Annex II of Decision No. 02/2019 of ACER) is the subject of actions for annulment before the General Court (cases T-283/19 and T-631/19). The present amendment brings about targeted improvements in areas that are not the subject of those actions. It therefore does not affect the disputed parts of Decision No. 02/2019 of ACER and is without prejudice to their assessment by the Union Courts.

## TITLE 1 - General provisions

### Article 1. Subject matter and scope

1. The intraday capacity calculation methodology shall be considered as a Core TSOs' methodology in accordance with Article 20ff. of the CACM Regulation and shall cover the intraday capacity calculation methodology for the Core CCR bidding zone borders.

### Article 2. Definitions and interpretation

1. For the purposes of the intraday capacity calculation methodology, terms used in this document shall have the meaning of the definitions included in Regulation (EU) 2019/943, Directive (EU) 2019/944, Commission Regulation (EU) 2015/1222<sup>1</sup>, Commission Regulation (EU) 2016/1719<sup>2</sup>, Commission Regulation (EU) 2017/2195<sup>3</sup>, Commission Regulation (EU) 543/2013<sup>4</sup> and the definitions set out in Article 2 Annex I of the Decision No 02/2019 of the Agency for the Cooperation of the Energy Regulators of 21 February 2019 on the Core CCR TSOs' proposal for the regional design of the day-ahead and intraday common capacity calculation methodologies<sup>5</sup>. In addition, the following definitions, abbreviations and notations shall apply:
  2. 'AAC' is the already allocated capacity which has been allocated as an outcome of the latest capacity calculation in the Core CCR;
  3. 'AHC' means the advanced hybrid coupling which is a solution to take fully into account the influences of the adjacent CCRs during the capacity allocation;
  4. ' $AMR_{DA}$ ' means the adjustment for the minimum remaining available margin in accordance with the day-ahead capacity calculation methodology of the Core CCR; 'annual report' means the report issued on an annual basis by the CCC and the Core TSOs on the intraday capacity calculation;
  5. 'ATC' means the available transmission capacity, which is the transmission capacity that remains available after the allocation procedure and which respects the physical conditions of the transmission system;
  6. 'CCC' means the coordinated capacity calculator, as defined in Article 2(11) of the CACM Regulation, of the Core CCR, unless stated otherwise;
  7. 'CCR' means the capacity calculation region as defined in Article 2(3) of the CACM Regulation;
  8. 'CGM' means the common grid model as defined in Article 2(2) of the CACM Regulation and means the intraday CGM established in accordance with the CGMM;

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<sup>1</sup> as amended on 15 March 2021 by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021

<sup>2</sup> as amended on 15 March 2021 by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021

<sup>3</sup> as amended on 15 March 2021 by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021

<sup>4</sup> as amended on 01 January 2020 by Regulation (EU) 2019/943

<sup>5</sup> as amended on 10 May 2021 by the decision of the Core Regulatory Authorities on the first amendment of the day-ahead capacity calculation methodology of the core capacity calculation region

9. 'CGMM' means the common grid model methodology, pursuant to Article 17 of the CACM Regulation;
10. 'CNE' means a critical network element;
11. 'CNEC' means a CNE associated with a contingency used in capacity calculation. For the purpose of this methodology, the term CNEC also cover the case where a CNE is used in capacity calculation without a specified contingency;
12. 'Core CCR' means the Core capacity calculation region as established by the Determination of capacity calculation regions pursuant to Article 15 of the CACM Regulation;
13. 'Core net position' means a net position of a bidding zone in Core CCR resulting from the allocation of cross-zonal capacities within the Core CCR;
14. Core TSOs are 50Hertz Transmission GmbH ("50Hertz"), Amprion GmbH ("Amprion"), Austrian Power Grid AG ("APG"), CREOS Luxembourg S.A. ("CREOS"), ČEPS, a.s. ("ČEPS"), Eles d.o.o. sistemski operater prenosnega elektroenergetskega omrežja ("ELES"), Elia System Operator S.A. ("ELIA"), Croatian Transmission System Operator Ltd. (HOPS d.o.o.) ("HOPS"), MAVIR Hungarian Independent Transmission Operator Company Ltd. ("MAVIR"), Polskie Sieci Elektroenergetyczne S.A. ("PSE"), RTE Réseau de transport d'électricité ("RTE"), Slovenská elektrizačná prenosová sústava, a.s. ("SEPS"), TenneT TSO GmbH ("TenneT GmbH"), TenneT TSO B.V. ("TenneT B.V."), National Power Grid Company Tranelectrica S.A. ("Tranelectrica"), TransnetBW GmbH ("TransnetBW");
15. 'cross-zonal CNEC' means a CNEC of which a CNE is located on the bidding zone border or connected in series to such network element transferring the same power (without considering the network losses);
16. 'curative remedial action' means a remedial action which is only applied after a given contingency occurs;
17. 'D-1' means the day before electricity delivery;
18. 'D-2' means the day two-days before electricity delivery;
19. 'DACF' means day ahead congestion forecast;
20. 'default flow-based parameters' means the pre-coupling backup values calculated in situations when the intraday capacity calculation fails to provide the flow-based parameters in three or more consecutive hours. These flow-based parameters are based on previously calculated flow-based parameters;
21. 'external constraint' means a type of allocation constraint that limits the maximum import and/or export of a given bidding zone;
22. ' $F_{0,all}$ ' means the flow per CNEC in a situation without any commercial exchange between bidding zones within Continental Europe and between bidding zones within Continental Europe and bidding zones of other synchronous areas;
23. ' $F_i$ ' means the expected flow in commercial situation  $i$ ;



24. 'flow-based domain' means a set of constraints that limit the cross-zonal capacity calculated with a flow-based approach;
25. 'FRM' or '*FRM*' means the flow reliability margin, which is the reliability margin as defined in Article 2(14) of the CACM Regulation applied to a CNE;
26. ' $F_{max}$ ' means the maximum admissible power flow;
27. ' $F_{nr\text{rao}}$ ' means the expected flow change due to non-costly remedial actions optimisation;
28. ' $F_{ref}$ ' means the reference flow;
29. ' $F_{ref,init}$ ' means the reference flow calculated during the initial flow-based calculation pursuant to Article 15;
30. 'GSK' or '*GSK*' means the generation shift key as defined in Article 2(12) of the CACM Regulation;
31. 'HVDC' means a high voltage direct current network element;
32. 'ID CC MTU' is the intraday capacity calculation market time unit, which means the time unit for the intraday capacity calculation and is equal to 60 minutes;
33. 'IGM' means the intraday individual grid model as defined in Article 2(1) of the CACM Regulation;
34. 'internal CNEC' means a CNEC, which is not cross-zonal;
35. ' $I_{max}$ ' means the maximum admissible current;
36. 'loop flow threshold' is the maximum level of loop flows as defined by TSOs pursuant to Article 10(5) of the Core day-ahead capacity calculation methodology;
37.  $LTA_{margin,DA}$  means the adjustment of remaining available margin to incorporate long-term allocated capacities in accordance with the day-ahead capacity calculation methodology of the Core CCR;
38. 'merging agent' means an entity entrusted by the Core TSOs to perform the merging of individual grid models into a common grid model as referred to in Article 20ff of the CGMM;
39. 'MNEC' means a monitored network element with a contingency;
40. 'NP' or '*NP*' means a net position of a bidding zone, which is the net value of generation and consumption in a bidding zone;
41. 'NRAO' means the non-costly remedial action optimisation;
42. 'oriented bidding zone border' means a given direction of a bidding zone border (e.g. from Germany to France);
43. 'pre-solved domain' means the final set of binding constraints for capacity allocation after the pre-solving process;

44. 'pre-solving process' means the identification and removal of redundant constraints from the flow-based domain;
45. 'preventive remedial action' means a remedial action which is applied on the network before any contingency occurs;
46. 'PST' means a phase-shifting transformer;
47. 'PTDF' or '*PTDF*' means a power transfer distribution factor;
48. '**PTDF<sub>init</sub>**' means a matrix of power transfer distribution factors resulting from the initial flow-based calculation;
49. '**PTDF<sub>nrao</sub>**' means a matrix of power transfer distribution factors used during the NRAO;
50. '**PTDF<sub>f</sub>**' means a matrix of power transfer distribution factors describing the final flow-based domain;
51. 'quarterly report' means a report on the intraday capacity calculation issued by the CCC and the Core TSOs on a quarterly basis;
52. 'RA' means a remedial action as defined in Article 2(13) of the CACM Regulation;
53. 'RAM' or '*RAM*' means a remaining available margin;
54. 'reference net position or exchange' means a position of a bidding zone or an exchange over HVDC interconnector assumed within the CGM;
55. 'SIDC' means the single intraday coupling;
56. 'shadow price' means the dual price of a CNEC or allocation constraint representing the increase in the economic surplus if a constraint is increased by one MW;
57. 'slack node' means the single reference node used for determination of the PTDF matrix, i.e. shifting the power infeed of generators up results in absorption of the power shift in the slack node. A slack node remains constant for each ID CC MTU;
58. 'SO Regulation' means Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation;
59. 'standard hybrid coupling' means a solution to capture the influence of exchanges with non-Core bidding zones on CNECs that is not explicitly taken into account during the capacity allocation phase;
60. 'static grid model' means a list of relevant grid elements of the transmission system, including their electrical parameters;
61. 'U' is the reference voltage;
62. 'UAF' is an unscheduled allocated flow;
63. 'vertical load' means the total amount of electricity which exits the transmission system of a given bidding zone to connected distribution systems, end consumers connected to the transmission system, and to electricity producers for consumption in the generation of electricity;

64. ‘zone-to-slack *PTDF*’ means the *PTDF* of a commercial exchange between a bidding zone and the slack node;
  65. ‘zone-to-zone *PTDF*’ means the *PTDF* of a commercial exchange between two bidding zones;
  66. the notation  $x$  denotes a scalar;
  67. the notation  $\vec{x}$  denotes a vector;
  68. the notation  $\mathbf{x}$  denotes a matrix;
  69. ‘LTA domain’ means a set of bilateral exchange restrictions covering the previously allocated cross-zonal capacities;
  70. ‘Extended LTA inclusion approach’ is an LTA inclusion approach in the Core Day-Ahead (DA) Capacity Calculation Methodology. When this approach is applied in the DA capacity calculation, the DA cross-zonal capacities consist of a flow-based domain (containing flow-based parameters) without LTA inclusion and a separate LTA domain (including LTA values);
  71. ‘ $SEC_{DA}$ ’ means scheduled exchange resulting from already allocated capacities in the single day ahead coupling (SDAC). The parameter is provided by the SDAC based on the all TSO methodology for calculating scheduled exchanges resulting from single day-ahead coupling according to Article 43 of CACM Regulation.
2. In this intraday capacity calculation methodology unless the context requires otherwise:
- (a) the singular indicates the plural and vice versa;
  - (b) the acronyms used both in regular and italic font represent respectively the term used and the respective variable;
  - (c) the table of contents and the headings are inserted for convenience only and do not affect the interpretation of this intraday capacity calculation methodology;
  - (d) any reference to the intraday capacity calculation, intraday capacity calculation process or the intraday capacity calculation methodology shall mean a common intraday capacity calculation, common intraday capacity calculation process and common intraday capacity calculation methodology respectively, which is applied by all Core TSOs in a common and coordinated way on all bidding zone borders of the Core CCR; and
  - (e) any reference to legislation, regulations, directive, order, instrument, code, or any other enactment shall include any modification, extension or re-enactment of it when in force.

### **Article 3. Application of this methodology**

1. This intraday capacity calculation methodology solely applies to the intraday capacity calculation within the Core CCR. Capacity calculation methodologies within other CCRs or for other time frames are not in the scope of this methodology.

## **TITLE 2 - General description of the capacity calculation methodology**

#### **Article 4. Intraday capacity calculation process**

1. For the intraday market time frame, the cross-zonal capacities shall be calculated using the flow-based approach as defined in this methodology.
2. The intraday cross-zonal capacity calculation shall be performed in the following sequence, by the times established in the process description document as referred to in paragraph 7:
  - (a) updating of cross-zonal capacities remaining after the SDAC for all ID CC MTUs between 00:00 and 24:00 of day D and providing them as intraday cross-zonal capacities to relevant NEMOs no later than 15 minutes before the intraday cross-zonal gate opening time;
  - (b) calculation of intraday cross-zonal capacities for all ID CC MTUs between 00:00 and 24:00 of day D. The cross-zonal capacities resulting from this calculation shall be published and submitted to NEMOs no later than 15 minutes before the target start of allocation at 22:00 market time of day D-1; and
  - (c) re-calculation of intraday cross-zonal capacities for all ID CC MTUs between 12:00 and 24:00 of day D. The cross-zonal capacities resulting from this re-calculation shall be published and submitted to NEMOs no later than 15 minutes before the target start of allocation at 10:00 market time of day D.

The reference to ID CC MTUs in the remainder of this methodology shall mean the MTUs as established in this paragraph.

3. Each calculation or re-calculation of cross-zonal capacities pursuant to paragraph 2(b) and (2)(c), respectively shall consist of three main stages:
  - (a) the creation of capacity calculation inputs by the Core TSOs;
  - (b) the capacity calculation process by the CCC; and
  - (c) the capacity validation by the Core TSOs in coordination with the CCC.
4. Each Core TSO shall provide the CCC the following capacity calculation inputs by the times established in the process description document:
  - (a) individual list of CNECs in accordance with Article 5;
  - (b) operational security limits in accordance with Article 6;
  - (c) external constraints in accordance with Article 7;
  - (d) FRMs in accordance with Article 8;
  - (e) GSKs in accordance with Article 9; and
  - (f) non-costly and costly RAs in accordance with Article 10.
5. In addition to the capacity calculation inputs pursuant to paragraph 3, the Core TSOs, or an entity delegated by the Core TSOs, shall send to the CCC, for each ID CC MTU of the delivery day, the following additional inputs by the times established in the process description document:
  - (a) the Core net positions or alternatively the already allocated capacities on the Core bidding zone borders resulting from the SDAC;

- (b) the Core net positions or alternatively the already allocated capacities on the Core bidding zone borders resulting from the SIDC not already included in the CGM.

If the Core TSOs provided to the CCC the already allocated capacities on the Core bidding zone borders instead of the Core net positions, the CCC shall convert them into Core net positions.

6. When providing the capacity calculation inputs pursuant to paragraphs 4 and 5, the Core TSOs shall respect the formats commonly agreed between the Core TSOs and the CCC while fulfilling the requirements and guidance defined in the CGMM.
7. No later than six months before the implementation of this methodology in accordance with Article 26(3)(b), the Core TSOs shall jointly establish a process description document as referred to in paragraphs 2, 4 and 5 and publish it on the online communication platform as referred to in Article 23. This document shall reflect an up to date detailed process description of all capacity calculation steps including the timeline of each step of the intraday capacity calculation.
8. Once the merging agent receives all the IGMs established pursuant to the CGMM, it shall merge them to create the CGM in accordance with the CGMM and deliver the CGM to the CCC.
9. The intraday capacity calculation process and validation in the Core CCR shall be performed by the CCC and the Core TSOs according to the following procedure:
  - Step 1. The CCC shall define the initial list of CNECs pursuant to Article 15;
  - Step 2. The CCC shall calculate the first flow-based parameters ( $PTDF_{init}$  and  $F_{ref,init}$ ) for each initial CNEC pursuant to Article 15;
  - Step 3. The CCC shall determine the final list of CNECs and MNECs for subsequent steps of the capacity calculation pursuant to Article 16;
  - Step 4. The CCC shall perform the non-costly remedial actions optimisation (NRAO) according to Article 17 and, as a result, obtain the applied non-costly RAs, along with the final  $PTDF_f$  and  $F_{ref}$  adjusted for the applied RAs;
  - Step 5. The CCC shall calculate the RAM before validation ( $RAM_{bv}$ ) based on the results of the previous processes pursuant to Article 18;
  - Step 6. The Core TSOs shall, according to Article 19, validate the  $RAM_{bv}$  with individual validation, and decrease RAM when operational security is jeopardised, which results in the final  $RAM_f$ ;
  - Step 7. The CCC shall, according to Article 19, remove the redundant CNECs and redundant external constraints from final  $PTDF_f$  and  $RAM_f$ ;
  - Step 8. The CCC shall publish the  $PTDF_f$  and  $RAM_f$  values in accordance with Article 23 and provide them to NEMOs for capacity allocation in accordance with paragraph 2.
10. All capacity updates, calculations and re-calculations pursuant to paragraph 2, including all steps pursuant to paragraph 3, shall be performed per ID CC MTU. Cross-zonal capacities shall be provided to the NEMOs for each ID CC MTU, but for capacity allocation they may be converted into a higher time resolution in accordance with the market time unit applicable on specific bidding zone border(s).

## **TITLE 3 – Capacity calculation inputs**

### **Article 5. Definition of critical network elements and contingencies**

1. Each Core TSO shall define a list of CNEs, which are fully or partly located in its own control area, and which can be overhead lines, underground cables, or transformers. All cross-zonal network elements shall be defined as CNEs, whereas only those internal network elements, which are defined pursuant to paragraph 6 or 7 shall be defined as CNEs. Until 30 days after the approval of the proposal pursuant to paragraph 6, all internal network elements may be defined as CNEs.
2. Each Core TSO shall define a list of proposed contingencies used in operational security analysis in accordance with Article 33 of the SO Regulation, limited to their relevance for the set of CNEs as defined in paragraph 1 and pursuant to Article 23(2) of the CACM Regulation. The contingencies of a Core TSO shall be located within the observability area of that Core TSO. This list shall be updated at least on a yearly basis and in case of topology changes in the grid of the Core TSO, pursuant to Article 22. A contingency can be an unplanned outage of:
  - (a) a line, a cable, or a transformer;
  - (b) a busbar;
  - (c) a generating unit;
  - (d) a load; or
  - (e) a set of the aforementioned elements.
3. Each Core TSO shall establish a list of CNECs by associating the contingencies established pursuant to paragraph 2 with the CNEs established pursuant to paragraph 1 following the rules established in accordance with Article 75 of the SO Regulation. Until such rules are established and enter into force, the association of contingencies to CNEs shall be based on each TSO's operational experience. An individual CNEC may also be established without a contingency.
4. Each Core TSO shall provide to the CCC a list of CNECs established pursuant to paragraph 3. Each Core TSO may also provide to the CCC a list of monitored network elements with contingency (MNEC), which need to be monitored during the capacity calculation.
5. No later than eighteen months after the implementation of this methodology in accordance with Article 26(3)(b), all Core TSOs shall jointly develop a list of internal network elements (combined with the relevant contingencies) to be defined as CNECs and submit it by the same deadline to all Core regulatory authorities as a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation. After its approval in accordance with Article 9 of the CACM Regulation, the list of internal CNECs shall form an annex to this methodology.
6. The list pursuant to the previous paragraph shall be updated every two years. For this purpose, no later than eighteen months after the approval by all Core regulatory authorities of the proposal for amendment of this methodology pursuant to previous paragraph and this paragraph, all Core TSOs shall jointly develop a new proposal for the list of internal CNECs and submit it by the same deadline to all Core regulatory authorities as a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation. After its approval in accordance with Article 9 of the CACM Regulation, the list of internal CNECs shall replace the relevant annex to this methodology.

7. The proposed list of internal CNECs pursuant to paragraph 5 and 6 shall not include any internal network element with contingency with a maximum zone-to-zone PTDF below 5%, calculated as the time-average over the last twelve months.
8. The proposal pursuant to paragraphs 5 and 6 shall include at least the following:
  - (a) a list of proposed internal CNECs with the associated maximum zone-to-zone PTDFs referred to in paragraph 7;
  - (b) an impact assessment of increasing the threshold of the maximum zone-to-zone PTDF for exclusion of internal CNECs referred to in paragraph 7 to 10% or higher; and
  - (c) for each proposed internal CNEC, an analysis demonstrating that including the concerned internal network element in capacity calculation is economically the most efficient solution to address the congestions on the concerned internal network element, considering, for example, the following alternatives:
    - i. application of remedial actions;
    - ii. reconfiguration of bidding zones;
    - iii. investments in network infrastructure combined with one or the two above; or
    - iv. a combination of the above.

Before performing the analysis pursuant to point (c), the Core TSOs shall jointly coordinate and consult with all Core regulatory authorities on the methodology, assumptions and criteria for this analysis.

9. The proposals pursuant to paragraphs 5 and 6 shall also demonstrate that the concerned Core TSOs have diligently explored the alternatives referred to in paragraph 8 sufficiently in advance taking into account their required implementation time, such that they could be applied or implemented by the time that the decisions of the Core regulatory authorities on the proposal pursuant to paragraphs 5 and 6 are taken.
10. The Core TSOs shall analyse the possibility of introducing the adjustment of a minimum RAM as applied in the day-ahead capacity calculation methodology in order to address the requirements of Article 21(1)(b)(ii) of the CACM Regulation and of Article 1.7 of Annex I to Regulation (EC) No 714/2009. TSOs shall provide a report on this analysis together with the proposal referred to in paragraph 6 and, if relevant, the necessary amendments to this methodology.
11. The Core TSOs shall regularly review and update the application of the methodology for determining CNECs as defined in Article 22.

## **Article 6. Methodology for operational security limits**

1. The Core TSOs shall use in the intraday capacity calculation the same operational security limits as those used in the operational security analysis carried out in accordance with Article 72 of the SO Regulation.
2. To take into account the thermal limits of CNEs, the Core TSOs shall use the maximum admissible current limit ( $I_{max}$ ), which is the physical limit of a CNE according to the operational security limits in accordance with Article 25 of the SO Regulation. The maximum admissible current shall be defined as follows:

- (a) the maximum admissible current can be defined as:
- i. Seasonal limit, which means a fixed limit for all ID CC MTUs of each of the four seasons.
  - ii. Dynamic limit, which means a value per ID CC MTU reflecting the varying ambient conditions.
  - iii. Fixed limits for all ID CC MTUs, in case of specific situations where the physical limit reflects the capability of overhead lines, cables or substation equipment installed in the primary power circuit (such as circuit-breaker, or disconnecter) with limits not sensitive to ambient conditions.
- (b) when applicable,  $I_{max}$  shall be defined as a temporary current limit of the CNE in accordance with Article 25 of the SO Regulation. A temporary current limit means that an overload is only allowed for a certain finite duration. As a result, various CNECs associated with the same CNE may have different  $I_{max}$  values.
- (c)  $I_{max}$  shall represent only real physical properties of the CNE and shall not be reduced by any security margin.<sup>6</sup>
- (d) the CCC shall use the  $I_{max}$  of each CNEC to calculate  $F_{max}$  for each CNEC, which describes the maximum admissible active power flow on a CNEC.  $F_{max}$  shall be calculated by the given formula:

$$F_{max} = \sqrt{3} \cdot I_{max} \cdot U \cdot \cos(\varphi)$$

Equation 1

- (e) where  $I_{max}$  is the maximum admissible current of a critical network element (CNE),  $U$  is a fixed reference voltage for each CNE, and  $\cos(\varphi)$  is the power factor.
- (f) the CCC shall, by default, set the power factor  $\cos(\varphi)$  to 1 based on the assumption that the CNE is loaded only by active power and that the share reactive power is negligible (i.e.  $\varphi = 0$ ). If the share of reactive power is not negligible, a TSO may consider this aspect during the validation phase in accordance with Article 19.
3. The Core TSOs shall aim at gradually phasing out the use of seasonal limits pursuant to paragraph 2(a)(i) and replace them with dynamic limits pursuant to paragraph 2(a)(ii), when the benefits are greater than the costs. If applicable, after the end of each calendar year, each TSO shall analyse for all its CNEs for which seasonal limits are applied and have a non-zero shadow price at least in 0.1% of ID CC MTUs in the previous calendar year, the expected increase in the economic surplus in the next 10 years resulting from the implementation of dynamic limits, and compare it with the cost of implementing dynamic limits. Each TSOs shall provide this analysis to Core regulatory authorities. If the cost benefit analysis, taking into account other planned investments, is positive, the concerned TSO shall implement the dynamic limits within three years after the end of the analysed calendar year. In case of interconnectors, the concerned TSOs shall cooperate in performing this analysis and implementation when applicable.
4. TSOs shall regularly review and update operational security limits in accordance with Article 22.

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<sup>6</sup> Uncertainties in capacity calculation are covered on each CNEC by the flow reliability margin (*FRM*) in accordance with Article 8 and adjustment values related to validation in accordance with Article 19.



## Article 7. Methodology for allocation constraints

- (1) In case operational security limits cannot be transformed efficiently into  $I_{max}$  and  $F_{max}$  pursuant to Article 6, the Core TSOs may transform them into allocation constraints. For this purpose, the Core TSOs may only use external constraints as a specific type of allocation constraint that limits the maximum import and/or export of a given Core bidding zone within the SIDC.
- (2) The Core TSOs may apply external constraints as one of the following two options:
  - (a) a constraint on the Core net position (the sum of cross-zonal exchanges within the Core CCR for a certain bidding zone in the SIDC), thus limiting the net position of the respective bidding zone with regards to its imports and/or exports to other bidding zones in the Core CCR. This option shall be applied until option (b) can be applied.
  - (b) a constraint on the global net position (the sum of all cross-zonal exchanges for a certain bidding zone in the SIDC), thus limiting the net position of the respective bidding zone with regards to all CCRs, which are part of the SIDC. This option shall be applied when:
    - (i) such a constraint is approved within all intraday capacity calculation methodologies of the respective CCRs, (ii) the respective solution is implemented within the SIDC algorithm and (iii) the respective bidding zone borders are participating in SIDC.
- (3) External constraints may be used by ELIA, TenneT B.V. and PSE during a transition period of two years following the implementation of this methodology in accordance with Article 26(3)(b) and in accordance with the reasons and the methodology for the calculation of external constraints as specified in Annex 1 to this methodology. During this transition period, the concerned Core TSOs shall:
  - (a) calculate the value of external constraints on a daily basis for each ID CC MTU (for PSE only) or at least on a quarterly basis and publish the results of the underlying analysis (this obligation is for ELIA and TenneT B.V. only);
  - (b) if applicable and in case the external constraint had a non-zero shadow price in more than 0.1% of hours in a quarter, provide to the CCC a report analysing: (i) for each DA CC MTU when the external constraint had a non-zero shadow price the loss in economic surplus due to external constraint and the effectiveness of the allocation constraint in preventing the violation of the underlying operational security limits and (ii) alternative solutions to address the underlying operational security limits. The CCC shall include this report as an annex in the quarterly report as defined in Article 25(5);
  - (c) if applicable and when more efficient, implement alternative solutions referred to in point (b).
- (4) In case the concerned Core TSOs could not find and implement alternative solutions referred to in the previous paragraph, they may, by eighteen months after the implementation of this methodology in accordance with Article 26(3)(b), together with all other Core TSOs, submit to all Core regulatory authorities a proposal for amendment of this methodology in accordance with Article 9(13) of CACM Regulation. Such a proposal shall include the following:
  - (a) the technical and legal justification for the need to continue using the external constraints indicating the underlying operational security limits and why they cannot be transformed efficiently into  $I_{max}$  and  $F_{max}$ ;
  - (b) the methodology to calculate the value of external constraints including the frequency of recalculation.

In case such a proposal has been submitted by all Core TSOs, the transition period referred to in paragraph 3 shall be extended until the decision on the proposal is taken by all Core regulatory authorities.

- (5) For the SIDC fallback procedure, pursuant to Article 21, all external constraints, shall be modelled as constraints limiting the Core net position as referred to in paragraph 2(a).
- (6) A Core TSO may discontinue the use of an external constraint. The concerned Core TSO shall communicate this change to all Core regulatory authorities and to the market participants at least one month before discontinuation.
- (7) The Core TSOs shall review and update allocation constraints in accordance with Article 22.

### **Article 8. Reliability margin methodology**

1. The *FRMs* shall cover the following forecast uncertainties:
  - (a) cross-zonal exchanges on bidding zone borders outside the Core CCR;
  - (b) generation pattern including specific wind and solar generation forecast;
  - (c) generation shift key;
  - (d) load forecast;
  - (e) topology forecast;
  - (f) unintentional flow deviation due to frequency containment process; and
  - (g) flow-based capacity calculation assumptions including linearity and modelling of external (non-Core) TSOs' areas.
2. The Core TSOs shall aim at reducing uncertainties by studying and tackling the drivers of uncertainty.
3. The *FRMs* shall be calculated in two main steps. In the first step, the probability distribution of deviations between the expected power flows at the time of the capacity calculation and the realised power flows in real time shall be calculated. To calculate the expected power flows ( $F_{exp}$ ), for each ID CC MTU of the observation period, the historical CGMs and GSKs used in capacity calculation shall be used. The historical CGMs shall be updated with the deliberated Core TSOs' actions (including at least the RAs considered during the capacity calculation) that have been applied in the relevant ID CC MTU<sup>7</sup>. The power flows of such modified CGMs shall be recalculated ( $F_{ref}$ ) and then adjusted to take into account the realised commercial exchanges inside the Core CCR. The latter adjustment shall be performed by calculating *PTDFs* according to the methodology as described in Article 12, but using the modified CGMs and the historical GSKs. The expected power flows at the time of the capacity calculation shall therefore be calculated using the final realised commercial exchanges in the Core CCR which are reflected in realised power flows. This above calculation of expected power flows ( $F_{exp}$ ) is described with Equation 2.

$$\vec{F}_{exp} = \vec{F}_{ref} + \mathbf{PTDF} (\overline{NP}_{real} - \overline{NP}_{ref})$$

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<sup>7</sup> These actions are controlled by the Core TSOs and thus not considered as an uncertainty.

Equation 2

with

$\vec{F}_{exp}$	expected power flow per CNEC in the realised commercial situation in Core CCR
$\vec{F}_{ref}$	flow per CNEC in the CGM updated to take deliberate TSO actions into account
<b>PTDF</b>	power transfer distribution factor matrix calculated with updated CGM
$\overline{NP}_{real}$	Core net position per bidding zone in the realised commercial situation
$\overline{NP}_{ref}$	Core net position per bidding zone in the updated CGM

4. The expected power flows on each CNEC of the Core CCR shall then be compared with the realised power flows observed on the same CNEC. When calculating the expected (respectively realised) flows for CNECs, the expected (resp. realised) flows shall be the best estimate of the expected (resp. realised) power flow which would have occurred, should the outage have taken place. Such estimate shall take curative remedial actions into account where relevant. All differences between these two flows for all ID CC MTUs of the observation period shall be used to define the probability distribution of deviations between the expected power flows at the time of the capacity calculation and the realised power flows;
5. In the second step, the 90<sup>th</sup> percentiles of the probability distributions of all CNECs shall be calculated<sup>8</sup>. This means that the Core TSOs apply a common risk level of 10% and thereby the *FRM* values cover 90% of the historical forecast errors within the observation period. Subject to the proposal pursuant to paragraph 6, the *FRM* value for each CNEC shall either be:
  - (a) the 90<sup>th</sup> percentile of the probability distributions calculated for such CNEC;
  - (b) the 90<sup>th</sup> percentile of the probability distributions calculated for the CNEs underlying such CNEC.
6. Each TSO may reduce the *FRM* values resulting from the second step for its own CNECs if it considers that the underlying uncertainties have been over-estimated. For CNECs used within both the Core day-ahead and intraday capacity calculations, the *FRM* values calculated pursuant to this methodology shall not be higher than the *FRM* values for the same CNECs used within the Core day-ahead capacity calculation.
7. No later than eighteen months after the implementation of this methodology in accordance with Article 26(3)(b), the Core TSOs shall jointly perform the first *FRM* calculation pursuant to the methodology described above and based on the data covering at least the first year of operation of this methodology. By the same deadline, all Core TSOs shall submit to all Core regulatory authorities a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation as well as the supporting document as referred to in paragraph 9 below.
8. The proposal for amendment of this methodology pursuant to the previous paragraph shall specify whether the *FRM* value shall be calculated for each CNEC based on the underlying probability distribution, or whether all CNECs with the same underlying CNE shall have the same *FRM* value calculated based on the probability distribution calculated for the underlying CNE. In case the proposal suggests calculating the *FRMs* at CNEC level, the proposal shall describe in detail how

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<sup>8</sup> This value is derived based on experience in existing flow-based market coupling initiatives.

to estimate the expected and realised flows adequately, including the RAs that would have been triggered in order to manage the contingency when relevant.

9. The supporting document for the proposal for amendment of this methodology pursuant to paragraph 7 above shall include at least the following:
  - (a) the FRM values for all CNECs calculated at the level of CNE and CNEC; and
  - (b) an assessment of the benefits and drawbacks of calculating the FRM at the level of CNE or CNEC.
10. Until the proposal for amendment of this methodology pursuant to paragraph 7 has been approved by all Core regulatory authorities, the Core TSOs shall use the following *FRM* values:
  - (a) for CNECs already used in existing flow-based capacity calculation initiatives, the *FRM* values shall be equal to the *FRM* values used in these initiatives at the time of adoption of this methodology; and
  - (b) for CNECs not already used in existing flow-based capacity calculation initiatives, the *FRM* values shall be equal to 10% of the  $F_{max}$  calculated under normal weather conditions.
11. After the proposal for amendment of this methodology pursuant to paragraph 7 has been approved by all Core regulatory authorities, the *FRM* values shall be updated at least once every year based on an observation period of one year in order to reflect the seasonality effects. The *FRM* values shall then remain fixed until the next update.

### **Article 9. Generation shift key methodology**

1. Each Core TSO shall define for its bidding zone and for each ID CC MTU a GSK, which translates a change in a bidding zone net position into a specific change of injection or withdrawal in the CGM. A GSK shall have fixed values, which means that the relative contribution of generation or load to the change in the bidding zone net position shall remain the same, regardless of the volume of the change.
2. For a given ID CC MTU, the GSK shall only include actual generation and/or load<sup>9</sup> present in the CGM for that ID CC MTU. The Core TSOs shall take into account the available information on generation or load available in the CGM in order to select the nodes that will contribute to the GSK.
3. The GSKs shall describe the expected response of generation and/or load units to changes in the net positions. This expectation shall be based on the observed historical response of generation and/or load units to changes in net positions, clearing prices and other fundamental factors, and thereby contributing to minimising the FRM.
4. The GSKs shall be updated and reviewed on a daily basis or whenever the expectations referred to in paragraph 3 change. The Core TSOs shall review and update the application of the generation shift key methodology in accordance with Article 22.
5. The Core TSOs belonging to the same bidding zone shall jointly define a common GSK for that bidding zone and shall agree on a methodology for such coordination. For Germany and Luxembourg, each TSO shall calculate its individual GSK and the CCC shall combine them into a single GSK for the whole German-Luxembourgian bidding zone, by assigning relative weights

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<sup>9</sup> And other elements connected to the network, such as storage equipment.

to each TSO's GSK. The German and Luxembourgian TSOs shall agree on these weights, based on the share of the generation in each TSO's control area that is responsive to changes in net position, and provide them to the CCC.

6. Within eighteen months after the implementation of this methodology in accordance with Article 26(3)(b), all Core TSOs shall develop a proposal for further harmonisation of the generation shift key methodology and submit it by the same deadline to all Core regulatory authorities as a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation. The proposal shall at least include:
  - (a) the criteria and metrics for defining the efficiency and performance of GSKs and allowing for quantitative comparison of different GSKs; and
  - (b) a harmonised generation shift key methodology combined with, where necessary, rules and criteria for TSOs to deviate from the harmonised generation shift key methodology.

### **Article 10. Methodology for remedial actions in intraday capacity calculation**

1. In accordance with Article 25(1) of the CACM Regulation and Article 20(2) of the SO Regulation, the Core TSOs shall individually define the RAs to be taken into account in the intraday capacity calculation.
2. In case a RA made available for the intraday capacity calculation in the Core CCR is also made available in another CCR, the TSO having control on this RA shall take care, when defining it, of a consistent use in its potential application in both CCRs to ensure operational security.
3. In accordance with Article 25(2) and (3) of the CACM Regulation, these RAs will be used for the coordinated optimisation of cross-zonal capacities while ensuring operational security in real-time.
4. For the purpose of the NRAO, all Core TSOs shall provide to the CCC all expected available non-costly RAs.
5. In accordance with Article 25(4) of the CACM Regulation, a TSO may withhold only those RAs, which are needed to ensure operational security in real-time operation and for which no other (costly) RAs are available, or those offered to the intraday capacity calculation in other CCRs in which the concerned TSO also participates. The CCC shall monitor and report in the annual report on systematic withholdings, which were not essential to ensure operational security in real-time operation.
6. The intraday capacity calculation may only take into account those non-costly RAs which can be modelled. These non-costly RAs can be, but are not limited to:
  - (a) changing the tap position of a phase-shifting transformer (PST); and
  - (b) a topological action: opening or closing of one or more line(s), cable(s), transformer(s), bus bar coupler(s), or switching of one or more network element(s) from one bus bar to another.
7. In accordance with Article 25(6) of the CACM Regulation, the RAs taken into account are the same for day-ahead and intra-day capacity calculation, depending on their technical availability.
8. The RAs can be preventive or curative, i.e. affecting all CNECs or only pre-defined contingency cases, respectively.

9. The optimised application of non-costly RAs in the intraday capacity calculation is performed in accordance with Article 17.
10. TSOs shall review and update the RAs taken into account in the intraday capacity calculation in accordance with Article 22.

## TITLE 4 – Update of intraday cross-zonal capacities

### Article 11. Update of intraday cross-zonal capacities remaining after the SDAC

1. The CCC shall use the final flow-based parameters resulting from day-ahead capacity calculation and the net positions resulting from already allocated capacities in the SDAC to calculate the updated day-ahead cross-zonal capacities, in the form of flow-based parameters, to be used as intraday cross-zonal capacities at the intraday cross-zonal gate opening time. For the updated intraday flow-based parameters, the PTDF values shall be the final PTDFs resulting from the day-ahead capacity calculation, and the RAM shall be derived as:

$$\overrightarrow{RAM}_{UID} = \overrightarrow{RAM}_f - \mathbf{PTDF}_f \overrightarrow{NP}_{AAC}$$

*Equation 3*

with

$\overrightarrow{RAM}_{UID}$	updated remaining available margin for intraday cross-zonal capacities
$\overrightarrow{RAM}_f$	final remaining available margin resulting from the day-ahead capacity calculation
$\mathbf{PTDF}_f$	final power transfer distribution factor matrix resulting from the day-ahead capacity calculation
$\overrightarrow{NP}_{AAC}$	net positions resulting from already allocated capacities in SDAC

2. For each CNEC, each TSO may decrease the  $RAM_f$  by decreasing the  $AMR_{DA}$  and  $LTA_{margin,DA}$  as calculated pursuant to the day-ahead capacity calculation methodology while ensuring compliance with Article 16 of Regulation (EU) 2019/943 in order to avoid undue discrimination between internal and cross-zonal exchanges as referred to in Article 21(1)(b)(ii) of the CACM Regulation.
3. Irrespective of the options provided to each TSO pursuant to this paragraph, each TSO shall ensure that on each bidding zone border, the long-term capacities that are in effect taken into account in the  $LTA_{margin,DA}$ , are between 0.001 MW and 1500 MW.
4. Until six months after the implementation of intraday capacity calculation pursuant to Article 4(2)(b), the Core TSOs may set to zero the cross-zonal capacities calculated pursuant to Article 4(2)(a), including those calculated pursuant to a transitional solution for updating the cross-zonal capacities remaining after the day-ahead capacity allocation pursuant to Article 26(6). Intraday cross-zonal capacities may be set to zero until the target start of allocation as defined in Article 4(2)(b) and on the condition that offering non-zero cross-zonal capacities pursuant to Article 4(2)(a) could endanger operational security.
  - (a) In case the final cross-zonal capacities, calculated in accordance with this Article and taking into account Article 21(1), are in the form of ATCs, such a decision may be made per bidding zone border by the competent TSOs;



- (b) In case the final cross-zonal capacities, calculated in accordance with this Article and taking into account Article 21(1) are in the form of flow-based parameters, such a decision shall be coordinated among all Core TSOs. Further details on the application of transitional solution are defined in Annex 2 to this methodology.

## TITLE 5 - Description of the intraday capacity calculation process

### Article 12. Calculation of power transfer distribution factors and reference flows

1. The flow-based calculation is a centralised calculation, which delivers two main classes of parameters needed for the definition of the flow-based domain: the power transfer distribution factors (*PTDFs*) and the remaining available margins (*RAMs*).
2. In accordance with Article 29(3)(a) of the CACM Regulation, the CCC shall calculate the impact of a change in the bidding zones net position on the power flow on each CNEC (determined in accordance with the rules defined in Article 5). This influence is called the zone-to-slack *PTDF*. This calculation is performed from the CGM and the *GSK* defined in accordance with Article 9.
3. The zone-to-slack *PTDFs* are calculated by first calculating the node-to-slack *PTDFs* for each node defined in the *GSK*. These nodal *PTDFs* are derived by varying the injection of a relevant node in the CGM and recording the difference in power flow on every CNEC (expressed as a percentage of the change in injection). These node-to-slack *PTDFs* are translated into zone-to-slack *PTDFs* by multiplying the share of each node in the *GSK* with the corresponding nodal *PTDF* and summing up these products. This calculation is mathematically described as follows:

$$\mathbf{PTDF}_{\text{zone-to-slack}} = \mathbf{PTDF}_{\text{node-to-slack}} \mathbf{GSK}_{\text{node-to-zone}}$$

*Equation 4*

with

<b><math>\mathbf{PTDF}_{\text{zone-to-slack}}</math></b>	matrix of zone-to-slack <i>PTDFs</i> (columns: bidding zones; rows: CNECs)
<b><math>\mathbf{PTDF}_{\text{node-to-slack}}</math></b>	matrix of node-to-slack <i>PTDFs</i> (columns: nodes; rows: CNECs)
<b><math>\mathbf{GSK}_{\text{node-to-zone}}</math></b>	matrix containing the <i>GSKs</i> of all bidding zones (columns: bidding zones; rows: nodes; sum of each column equal to one)

4. The zone-to-slack *PTDFs* as calculated above can also be expressed as zone-to-zone *PTDFs*. A zone-to-slack  $PTDF_{A,l}$  represents the influence of a variation of a net position of bidding zone A on a CNEC  $l$  and assumes a commercial exchange between a bidding zone and a slack node. A zone-to-zone  $PTDF_{A \rightarrow B,l}$  represents the influence of a variation of a commercial exchange from bidding zone A to bidding zone B on CNEC  $l$ . The zone-to-zone  $PTDF_{A \rightarrow B,l}$  can be derived from the zone-to-slack *PTDFs* as follows:

$$PTDF_{A \rightarrow B,l} = PTDF_{A,l} - PTDF_{B,l}$$

*Equation 5*

5. The maximum zone-to-zone *PTDF* of a CNEC ( $PTDF_{zzzmax,l}$ ) is the maximum influence that any Core exchange has on the respective CNEC, including exchanges over HVDC interconnectors which are integrated pursuant to Article 13:

$$PTDF_{z2zmax,l} = \max \left( \max_{A \in BZ} (PTDF_{A,l}) - \min_{A \in BZ} (PTDF_{A,l}), \max_{B \in HVDC} (PTDF_{B,l}) \right)$$

Equation 6

with

$PTDF_{A,l}$	zone-to-slack <i>PTDF</i> of bidding zone A on a CNEC <i>l</i>
HVDC	set of HVDC interconnectors integrated pursuant to Article 13
$BZ$	set of all Core bidding zones
$\max_{A \in BZ} (PTDF_{A,l})$	maximum zone-to-slack <i>PTDF</i> of Core bidding zones on a CNEC <i>l</i>
$\min_{A \in BZ} (PTDF_{A,l})$	minimum zone-to-slack <i>PTDF</i> of Core bidding zones on a CNEC <i>l</i>

- The reference flow ( $F_{ref}$ ) is the active power flow on a CNEC based on the CGM. In case of a CNEC without contingency,  $F_{ref}$  is simulated by directly performing the direct current load-flow calculation on the CGM, whereas in case of a CNEC with contingency,  $F_{ref}$  is simulated by first applying the specified contingency, and then performing the direct current load-flow calculation.
- The expected flow  $F_i$  in the commercial situation *i* is the active power flow of a CNEC based on the flow  $F_{ref}$  and the deviation between the commercial situation considered in the CGM (reference commercial situation) and the commercial situation *i*:

$$\vec{F}_i = \vec{F}_{ref} + \mathbf{PTDF} (\vec{NP}_i - \vec{NP}_{ref})$$

Equation 7

with

$\vec{F}_i$	expected flow per CNEC in the commercial situation <i>i</i>
$\vec{F}_{ref}$	flow per CNEC in the CGM (reference flow)
<b>PTDF</b>	power transfer distribution factor matrix
$\vec{NP}_i$	Core net position per bidding zone in the commercial situation <i>i</i>
$\vec{NP}_{ref}$	Core net position per bidding zone in the reference commercial situation

### Article 13. Integration of HVDC interconnectors on bidding zone borders of the Core CCR

- The Core TSOs shall apply the evolved flow-based (EFB) methodology when including HVDC interconnectors on the bidding zone borders of the Core CCR<sup>10</sup>. According to this methodology, a

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<sup>10</sup> EFB is different from AHC. AHC imposes the capacity constraints of one CCR on the cross-zonal exchanges of another CCR by considering the impact of exchanges between two capacity calculation regions. E.g. the influence of exchanges of a bidding zone which is part of a CCR applying a coordinated net transmission capacity approach is taken into account in a



cross-zonal exchange over an HVDC interconnector on the bidding zone borders of the Core CCR is modelled and optimised explicitly as a bilateral exchange in capacity allocation, and is constrained by the physical impact that this exchange has on all CNECs considered in the final flow-based domain used in capacity allocation.

2. In order to calculate the impact of the cross-zonal exchange over a HVDC interconnector on the CNECs, the converter stations of the cross-zonal HVDC shall be modelled as two virtual hubs, which function equivalently as bidding zones. Then the impact of an exchange between two bidding zones A and B over such HVDC interconnector shall be expressed as an exchange from the bidding zone A to the virtual hub representing the sending end of the HVDC interconnector plus an exchange from the virtual hub representing the receiving end of the interconnector to the bidding zone B:

$$PTDF_{A \rightarrow B, l} = (PTDF_{A, l} - PTDF_{VH_1, l}) + (PTDF_{VH_2, l} - PTDF_{B, l})$$

Equation 8

with

$PTDF_{VH_1, l}$  zone-to-slack  $PTDF$  of Virtual hub 1 on a CNEC  $l$ , with virtual hub 1 representing the converter station at the sending end of the HVDC interconnector located in bidding zone A

$PTDF_{VH_2, l}$  zone-to-slack  $PTDF$  of Virtual hub 2 on a CNEC  $l$ , with virtual hub 2 representing the converter station at the receiving end of the HVDC interconnector located in bidding zone B

3. The PTDFs for the two virtual hubs  $PTDF_{VH_1, l}$  and  $PTDF_{VH_2, l}$  are calculated for each CNEC and they are added as two additional columns (representing two additional virtual bidding zones) to the existing  $PTDF$  matrix, one for each virtual hub.
4. The virtual hubs introduced by this methodology are only used for modelling the impact of an exchange through a HVDC interconnector and no orders shall be attached to these virtual hubs in the coupling algorithm. The two virtual hubs will have a combined net position of 0 MW, but their individual net position will reflect the exchanges over the interconnector. The flow-based net positions of these virtual hubs shall be of the same magnitude, but they will have an opposite sign.

#### Article 14. Consideration of non-Core bidding zone borders

1. Where critical network elements within the Core CCR are also impacted by electricity exchanges outside the Core CCR, the Core TSOs shall take such impact into account with a standard hybrid coupling (SHC) and where possible also with an advanced hybrid coupling (AHC).
2. In the standard hybrid coupling, the Core TSOs shall consider the electricity exchanges on bidding zone borders outside the Core CCR as fixed input to the intraday capacity calculation. These electricity exchanges, defined as best forecasts of net positions and flows for HVDC lines, are defined and agreed pursuant to Article 19 of the CGMM and are incorporated in each CGM. They impact the  $F_{ref}$  and  $F_{0, Core}$  on all CNECs and thereby increase or decrease the  $RAM$  of the Core CNECs in order for those CNECs to accommodate the flows resulting from those exchanges.

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bidding zone which is part of a CCR applying a flow-based approach. EFB takes into account commercial exchanges over the cross-border HVDC interconnector within a single CCR applying the flow-based method of that CCR.

Uncertainties related to the electricity exchanges forecasts are implicitly integrated within the *FRM* of each CNEC.

3. In the AHC, the CNECs of the intraday capacity calculation methodology shall limit not only the net positions of the Core bidding zone borders, but also the electricity exchanges on the bidding zone borders of adjacent CCRs.
4. No later than eighteen months after the implementation of this methodology in accordance with Article 26(3)(b), the Core TSOs shall jointly develop a proposal for the implementation of the AHC and submit it by the same deadline to all Core regulatory authorities as a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation. The proposal for the implementation of the AHC shall aim to reduce the volume of unscheduled allocated flows on the CNECs of the Core CCR resulting from electricity exchanges on the bidding zone borders of adjacent CCRs. If before the implementation of this methodology, the AHC has been implemented on some bidding zone borders in existing flow-based capacity calculation initiatives, it may continue to be applied on those bidding zone borders as part of the day-ahead capacity calculation carried out according to this methodology until the amendments pursuant to this paragraph are implemented.
5. Until the AHC is implemented, the Core TSOs shall monitor the accuracy of non-Core exchanges in the CGM. The Core TSOs shall report in the annual report to all Core regulatory authorities the accuracy of such forecasts.

#### **Article 15. Initial flow-based calculation**

1. As a first step in the intraday capacity calculation process, the CCC shall merge the individual lists of CNECs provided by all Core TSOs in accordance with Article 5(4) into a single list, which shall constitute the initial list of CNECs.
2. Subsequently, the CCC shall use the initial list of CNECs pursuant to paragraph 1, the CGM pursuant to Article 4(7) and the GSK for each bidding zone in accordance with Article 9 to calculate the initial flow-based parameters for each ID CC MTU.
3. The initial flow-based parameters shall be calculated pursuant to Article 12 and shall consist of the  $\mathbf{PTDF}_{init}$  and  $\vec{F}_{ref,init}$  values for each initial CNEC.

#### **Article 16. Definition of final list of CNECs and MNECs for intraday capacity calculation**

1. The CCC shall use the initial list of CNECs determined pursuant to Article 15 and remove those CNECs, for which the maximum zone-to-zone  $PTDF_{init}$  is not higher than 5%. The remaining CNECs shall constitute the final list of CNECs.
2. The CCC shall use the lists of MNECs submitted by the Core TSOs and merge them into a common list of MNECs, which shall be monitored during the NRAO process, based on information provided by the Core TSOs pursuant to Article 5. In accordance with Article 17(3)(d)(vi), the additional loading resulting from the application of the NRAO process on the MNECs may be limited during the NRAO process, while ensuring that a certain additional loading up to the defined threshold is always accepted.

#### **Article 17. Non-costly remedial actions optimisation**

1. The NRAO process coordinates and optimises the use and application of non-costly RAs pursuant to Article 10, with the aim of enlarging and securing the flow-based domain around the expected operating point of the grid, represented by the reference net positions and exchanges.
2. The NRAO shall be an automated, coordinated, and reproducible optimisation process performed by the CCC that applies non-costly RAs defined in accordance with Article 10.
3. The NRAO shall consist of the following objective function, variables and constraints:

- (a) the objective function of the NRAO is to maximise the smallest relative RAM of all limiting CNECs. External constraints shall not be included in this objective function.

$$\min_{\text{limiting CNECs}} (RAM_{rel}) \rightarrow \text{to be maximised}$$

- (b) the optimisation process iterates<sup>11</sup> over switching states (i.e. activated or not-activated) of topological measures and PST tap positions in order to maximise this objective. Preventive RAs may jointly be associated with all CNECs, whereas curative RAs may be optimised independently for each contingency.
- (c) for a given state of the optimisation, the  $RAM_{nrao}$  of a CNEC takes into account flows coming from reference net positions and exchanges as well as switching states of RAs. As a result, the  $PTDF_{nrao}$  and  $F_{nrao}$  are updated for each CNEC during each optimisation iteration. The calculations of  $RAM_{nrao}$  and relative  $RAM_{nrao}$  for a given CNEC are expressed in Equation 9 and Equation 10, and rely on  $F_{max}$ ,  $FRM$  and  $F_{ref,init}$ .

$$\overline{RAM}_{nrao} = \vec{F}_{max} - \overline{FRM} - \vec{F}_{ref,init} + \vec{F}_{nrao}$$

Equation 9

with

$\overline{RAM}_{nrao}$	RAM per CNEC during the NRAO optimisation process
$\vec{F}_{ref,init}$	Reference flow per CNEC in the CGM in the initial flow-based calculation
$\vec{F}_{nrao}$	Flow change per CNEC due to preventive and/or curative RAs, derived from simulations conducted on the CGM (and initially zero)

$$RAM_{rel} = \frac{RAM_{nrao}}{\sum_{(A,B) \in \text{neighbouring Core bidding zones pairs}} |PTDF_{A \rightarrow B, nrao}|} \text{ if } RAM_{nrao} \geq 0$$

$$RAM_{rel} = RAM_{nrao} \text{ if } RAM_{nrao} < 0^{12}$$

Equation 10

with

$PTDF_{A \rightarrow B, nrao}$	The zone-to-zone PTDFs for the current optimisation iteration
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<sup>11</sup> A global optimisation finding the optimal solution in one iteration would also be acceptable, as long as the final optimisation result is at least as good as the one obtained through the described iterative process, i.e. would lead to a higher value of the objective function while fulfilling all constraints.

<sup>12</sup>  $RAM_{rel}$  ignores PTDFs for overloaded CNECs, in order to solve the largest absolute overloads first.

- (d) The constraints of the NRAO are:
- i.  $F_{max}$ ,  $FRM$  and  $F_{ref,init}$  per CNEC;
  - ii. the available range of tap positions of each PST;
  - iii. parallel PSTs, as defined by TSOs, shall have equal tap positions;
  - iv. a RA may only be associated with a CNEC, if it has a minimum positive impact on the objective function or constraint;
  - v. the maximum number of activated curative non-costly remedial actions per CNEC (with contingency);
  - vi. the  $RAM_{nrao}$  of the MNECs shall be positive. A minimum initial  $RAM_{nrao}$  (at reference point, without RAs) of 25 MW shall be applied for MNECs;
  - vii. the loop flow on each cross-zonal CNEC, which is equal to  $F_{0,all}$  calculated pursuant to point (e), shall not increase above either:
    - d.vii.1. the initial value of  $F_{0,all}$  of the considered CNEC before the NRAO in case this value is higher than or equal to the loop flow threshold;
    - d.vii.2. the loop flow threshold in case the initial value of  $F_{0,all}$  of the considered CNEC before the NRAO is lower than the loop flow threshold;
- (e) The loop flow on each cross-zonal CNEC  $F_{0,all}$  is a flow on each CNEC in a situation without any commercial exchange between bidding zones within Continental Europe, and between bidding zones within Continental Europe and bidding zones from other synchronous areas. For this calculation, the CCC shall set all exchanges on HVDC interconnectors between Continental Europe and other synchronous areas to zero, and then calculate the zonal PTDFs for all bidding zones within Continental Europe for each CNEC. For this calculation, the CCC shall use the GSKs provided by the concerned TSOs to the Common Grid Model platform, and when these are not available, the CCC shall use a GSK where all nodes with positive injections participate to shifting in proportion to their injection. Subsequently the CCC shall calculate  $F_{0,all}$  with the following equation:

$$\vec{F}_{0,all} = \vec{F}_{ref} - \mathbf{PTDF}_{all} \overline{NP}_{ref,all}$$

Equation 11

with

$\vec{F}_{0,all}$	flow per CNEC in a situation without any commercial exchange between bidding zones within Continental Europe and between bidding zones within Continental Europe and bidding zones of other synchronous areas
$\mathbf{PTDF}_{all}$	power transfer distribution factor matrix for all bidding zones within Continental Europe and all Core CNECs
$\overline{NP}_{ref,all}$	total net positions per bidding zone within Continental Europe included in the CGM

4. As a result of the NRAO, a set of RAs is associated with each CNEC.  $PTDF$  and  $F_{ref}$  are updated as follows:

(a)  $PTDF_f = PTDF_{nrao}$  directly from the optimisation results;

(b)  $\vec{F}_{ref} = \vec{F}_{ref,init} - \vec{F}_{nrao}$ , based on the RAs associated with each CNEC by the NRAO.

5. The non-costly RAs applied at the end of the NRAO shall be transparent to all TSOs of the Core CCR, and also of adjacent CCRs, and shall be taken as an input to the coordinated operational security analysis established pursuant to Article 75 of the SO Regulation.
6. An exchange of foreseen RAs in each CCR, with sufficient impact on the cross-zonal capacity in other CCRs, shall be coordinated among CCCs. The CCC shall take this information into account for the coordinated application of RAs in the Core CCR;
7. Every year after the implementation of this methodology in accordance with Article 26(3)(b), the CCC, in coordination with the Core TSOs, shall analyse the efficiency of the NRAO and present the results of this analysis in the annual report. This analysis shall contain an ex-post analysis on whether the NRAO effectively increased cross-zonal capacity in the most valuable market direction. The analysis shall focus on data from the last year of operation, and shall include at least the following information:
- (a) an assessment of the availability of non-costly RAs provided by the Core TSOs, including the average number of non-costly RAs provided by each Core TSO;
- (b) for the Core TSOs which did not provide non-costly RAs, a justification why they did not do so;
- (c) for each CNEC with non-zero shadow price, if applicable:  $\overline{PTDF}_{init}$ ,  $\overline{PTDF}_f$ ,  $F_{ref,init}$  and  $F_{nrao}$ ; and
- (d) an estimate of the market clearing point (and related market welfare) which may have occurred, should the NRAO not have taken place (but including other capacity calculation steps such as minRAM, LTA inclusion and an estimate of the validation phase).
8. Based on the conclusion of the analysis mentioned in the previous paragraph, the Core TSOs may propose changes to the NRAO by submitting to all Core regulatory authorities a proposal for amendment of this methodology in accordance with Article 9(13) of the CACM Regulation.

### Article 18. Calculation of flow-based parameters before validation

1. Based on the initial flow-based domain and on the final list of CNECs, the Core CCC shall calculate for each CNEC the RAM before validation, relying on the following sequential steps:

(a) the calculation of  $F_{ref}$  and  $PTDF_f$  through NRAO according to Article 17;

(b) the calculation of RAM before validation as follows:

$$\overline{RAM}_{bv} = \vec{F}_{max} - \overline{FRM} - \vec{F}_{ref}$$

Equation 12

with

$\vec{F}_{max}$	Maximum active power flow pursuant to Article 6
$\overrightarrow{FRM}$	Flow reliability margin pursuant to Article 8
$\vec{F}_{ref}$	Flow resulting from the net positions described in the CGM after NRAO, pursuant to Article 17(4)(b)
$\overrightarrow{RAM}_{bv}$	Remaining available margin before validation

2. In case an external constraint restricts the Core net positions pursuant to Article 7(2)(a), it shall be added as an additional row to the  $\mathbf{PTDF}_f$  matrix and the  $\overrightarrow{RAM}_{bv}$  vector as follows:
  - (a) the *PTDF* value in the column related to the bidding zone applying the concerned external constraint is set to 1 for an export limit and -1 for an import limit, respectively;
  - (b) the *PTDF* values in the columns related to all other bidding zones are set to zero; and
  - (c) the *RAM* value is set to the amount of the external constraint, corrected for the net position included in the CGM.

### **Article 19. Validation of flow-based parameters**

1. The Core TSOs shall validate and have the right to correct cross-zonal capacity for reasons of operational security during the validation process.
2. Each Core TSO shall validate and have the right to decrease the *RAM* for reasons of operational security during the individual validation. The adjustment due to individual validation is called ‘individual validation adjustment’ (*IVA*) and it shall have a positive value, i.e. it may only reduce the *RAM*. *IVA* may reduce the *RAM* only to the minimum degree that is needed to ensure operational security considering all expected available costly and non-costly RAs, in accordance with Article 22 of the SO Regulation. The individual validation adjustment may be done in the following situations:
  - (a) an occurrence of an exceptional contingency or forced outage as defined in Article 3(39) and Article 3(77) of the SO Regulation;
  - (b) when all available costly and non-costly RAs are not sufficient to ensure operational security;
  - (c) a mistake in input data, that leads to an overestimation of cross-zonal capacity from an operational security perspective; and/or
  - (d) a potential need to cover reactive power flows on certain CNECs.
3. If all available costly and non-costly RAs are not sufficient to ensure operational security on an internal network element with a specific contingency, which is not defined as CNEC and for which the maximum zone-to-zone *PTDF* is above the *PTDF* threshold referred to in Article 16(1), the competent Core TSO may exceptionally add such internal network element with associated contingency to the final list of CNECs. The *RAM* on this exceptional CNEC shall be the highest *RAM* ensuring operational security considering all available costly and non-costly RAs.
4. When performing the validation, the Core TSOs shall consider the operational security limits pursuant to Article 6(1). While considering such limits, they may consider additional grid models,

and other relevant information. Therefore, the Core TSOs shall use the tools developed by the CCC for analysis, but may also employ verification tools not available to the CCC.

5. In case of a required reduction due to situations as defined in paragraph 2(a), a TSO may use a positive value for *IVA* for its own CNECs or adapt the external constraints, pursuant to Article 7, to reduce the cross-zonal capacity for its bidding zone.
6. In case of a required reduction due to situations as defined in paragraph 2(b), (c), and (d), a TSO may use a positive value for *IVA* for its own CNECs. In case of a situation as defined in paragraph 2(c), a Core TSO may, as a last resort measure, request a common decision to launch the default flow-based parameters pursuant to Article 20.
7. After individual validation adjustments, the final  $\overrightarrow{RAM}_f$  shall be calculated by the CCC for each CNEC and external constraint according to Equation 13:

$$\overrightarrow{RAM}_f = \overrightarrow{RAM}_{bv} - \overrightarrow{IVA}$$

*Equation 13*

with

- $\overrightarrow{RAM}_f$  final remaining available margin
- $\overrightarrow{RAM}_{bv}$  remaining available margin before validation
- $\overrightarrow{IVA}$  individual validation adjustment

8. The CCC shall remove those  $\overrightarrow{RAM}_f$  and  $\mathbf{PTDF}_f$  values which are redundant, and may therefore be removed without impacting the possible allocation of cross-zonal capacity. The pre-solved CNECs and external constraints shall thus ensure that the capacity allocation shall not exceed any limiting CNEC or external constraint.
9. Any reduction of cross-zonal capacities during the validation process shall be communicated and justified to market participants and to all Core regulatory authorities in accordance with Article 23 and Article 25, respectively.
10. Every three months, the CCC shall provide in the quarterly report all the information on the reductions of cross-zonal capacity. The quarterly report shall include at least the following information for each CNEC of the pre-solved domain affected by a reduction and for each ID CC MTU:
  - (a) the identification of the CNEC;
  - (b) all the corresponding flow components pursuant to Article 23(2)(b)(vi);
  - (c) the volume of reduction and, if applicable, the shadow price of the CNEC resulting from SIDC and the estimated market loss of economic surplus due to the reduction;
  - (d) the detailed reason(s) for reduction, including the operational security limit(s) that would have been violated without reductions, and under which circumstances they would have been violated;
  - (e) the forecast flow in the CGM used for D-1 capacity calculation, in the CGM considered for the intraday capacity calculation within which the capacity reduction occurred, in the

first CGM established after the considered intraday calculation and the realised flow, before (and when relevant after) contingency;

- (f) if an internal network elements with a specific contingency was exceptionally added to the final list of CNECs during validation: a justification why adding the network elements with a specific contingency to the list was the only way to ensure operational security, the name or the identifier of the internal network elements with a specific contingency, the DA CC MTUs for which the internal network elements with a specific contingency was added to the list and the information referred to in points (b), (c) and (e) above;
- (g) the remedial actions included in the CGM before the intraday capacity calculation;
- (h) in case of reduction due to individual validation, the TSO invoking the reduction; and
- (i) the proposed measures to avoid similar reductions in the future.

11. The quarterly report shall also include at least the following aggregated information:

- (a) statistics on the number, causes, volume and estimated loss of economic surplus of applied reductions by different TSOs; and
- (b) general measures to avoid cross-zonal capacity reductions in the future.

12. When a given Core TSO reduces capacity for its CNECs in more than 1% of ID CC MTUs of the analysed quarter, the concerned TSO shall provide to the CCC a detailed report and action plan describing how such deviations are expected to be alleviated and solved in the future. This report and action plan shall be included as an annex to the quarterly report.

13. The final flow-based parameters shall consist of  $\mathbf{PTDF}_f$  and  $\overline{RAM}_f$  for CNECs and external constraints of the pre-solved domain.

## **Article 20. Intraday capacity calculation fallback procedure**

According to Article 21(3) of the CACM Regulation, when the intraday capacity calculation for specific ID CC MTUs does not lead to the final flow-based parameters due to, *inter alia*, a technical failure in the tools, an error in the communication infrastructure, or corrupted or missing input data, the Core TSOs and the CCC shall define the missing parameters by calculating the default flow-based parameters. The calculation of default flow-based parameters shall be based on previously calculated flow-based parameters for the same delivery market time unit. The latest (intraday or day-ahead) available flow-based domain for the considered delivery hour is first converted to zero Core balance. The RAM on each CNEC (including allocation constraints) is then decreased by the adjustments for minRAM and LTA inclusion (if present). The redundant constraints are removed, and pre-solved constraints are adjusted for the Core net positions resulting from the SDAC and the SIDC.

## **Article 21. Calculation of ATCs for SIDC fallback procedure**

1. In case the SIDC is unable to accommodate flow-based parameters, the CCC shall convert them into available transmission capacities (hereafter referred as “ATCs for SIDC fallback procedure”) for each Core oriented bidding zone border and each DA CC MTU. The Core TSOs may delegate this responsibility to a third party.
2. The flow-based parameters shall serve as the basis for the determination of the ATCs for SIDC fallback procedure. As the selection of a set of ATCs from the flow-based parameters leads to an



infinite set of choices, the algorithm provided in paragraph 5 determines the ATCs for SIDC fallback procedure.

3. The following inputs are required to calculate ATCs for SIDC fallback procedure for each ID CC MTU:
  - (a) final flow-based parameters ( $\mathbf{PTDF}_f$  and  $\overrightarrow{RAM}_f$ ) as calculated pursuant to Article 19 or final flow-based parameters ( $\mathbf{PTDF}_f$  and  $\overrightarrow{RAM}_{UID}$ ) as calculated pursuant to Article 11;
  - (b) if defined, the global allocation constraints shall be assumed to constrain the Core net positions pursuant to Article 7(5), and shall be described following the methodology described in Article 18(2). Such constraints shall be adjusted for offered cross-zonal capacities on the non-Core bidding zone borders.
4. The following outputs are the outcomes of the calculation for each MTU:
  - (a) ATCs for SIDC fallback procedure; and
  - (b) constraints with zero margin after the calculation of ATCs for SIDC fallback procedure.
5. The calculation of the ATCs for SIDC fallback procedure is an iterative procedure, which gradually calculates ATCs for each DA CC MTU, while respecting the constraints of the final flow-based parameters pursuant to paragraph 3:
  - (a) The initial ATCs are set equal to zero for each Core oriented bidding zone border, i.e.:

$$\overrightarrow{ATC}_{k=0} = 0$$

with

$$\overrightarrow{ATC}_{k=0} \quad \text{the initial ATCs before the first iteration}$$

- (b) the remaining available margin of the final flow-based parameters ( $\overrightarrow{RAM}_f$ ) have to be adjusted for the flows resulting from net positions or already allocated capacities resulting from the SIDC in accordance with Article 4(5)(b):

$$\overrightarrow{RAM}_{ATC}(0) = \overrightarrow{RAM}_f - \mathbf{PTDF}_f \overrightarrow{NP}_{SIDC}$$

*Equation 14*

with

$$\overrightarrow{RAM}_{ATC}(0) \quad \text{remaining available margin for ATC calculation at iteration } k=0$$

$$\overrightarrow{RAM}_f \quad \text{remaining available margin of the flow-based parameters pursuant to paragraph 3.}$$

$$\mathbf{PTDF}_f \quad \text{PTDF matrix of the final flow-based parameters}$$

$$\overrightarrow{NP}_{SIDC} \quad \text{Core net positions resulting from SIDC which are not already included in the CGM}$$

(c) The iterative method applied to calculate the ATCs for SIDC fallback procedure consists of the following actions for each iteration step  $k$ :

- i. for each CNEC and external constraint of the flow-based parameters pursuant to paragraph 3, calculate the remaining available margin based on ATCs at iteration  $k-1$

$$\overrightarrow{RAM}_{ATC}(k) = \overrightarrow{RAM}_{ATC}(0) - \mathbf{pPTDF}_{zone-to-zone} \overrightarrow{ATC}_{k-1}$$

with

$\overrightarrow{RAM}_{ATC}(k)$  remaining available margin for ATC calculation at iteration  $k$

$\overrightarrow{ATC}_{k-1}$  ATCs at iteration  $k-1$

$\mathbf{pPTDF}_{zone-to-zone}$  positive zone-to-zone power transfer distribution factor matrix

- ii. for each CNEC, share  $\overrightarrow{RAM}_{ATC}(k)$  with equal shares among the Core oriented bidding zone borders with strictly positive zone-to-zone power transfer distribution factors on this CNEC;
- iii. from those shares of  $\overrightarrow{RAM}_{ATC}(k)$ , the maximum additional bilateral oriented exchanges are calculated by dividing the share of each Core oriented bidding zone border by the respective positive zone-to-zone PTDF. The maximum additional bilateral oriented exchanges may be negative, i.e. it may lead to decrease the exchange capacity;
- iv. for each Core oriented bidding zone border,  $\overrightarrow{ATC}_k$  is calculated by adding to  $\overrightarrow{ATC}_{k-1}$  the minimum of all maximum additional bilateral oriented exchanges for this border obtained over all CNECs and external constraints as calculated in the previous step;
- v. go back to step i;
- vi. iterate until the difference between the sum of ATCs of iterations  $k$  and  $k-1$  is smaller than 1 kW;
- vii. the resulting ATCs for SIDC fallback procedure stem from the ATC values determined in iteration  $k$ , after rounding down to integer values;
- viii. at the end of the calculation, there are some CNECs and external constraints with no remaining available margin left. These are the limiting constraints for the calculation of ATCs for SIDC fallback procedure.

(d) positive zone-to-zone PTDF matrix ( $\mathbf{pPTDF}_{zone-to-zone}$ ) for each Core oriented bidding zone border shall be calculated from the  $\mathbf{PTDF}_f$  as follows (for HVDC interconnectors integrated pursuant to Article 13, Equation 8 shall be used):

$$pPTDF_{zone-to-zone,A \rightarrow B} = \max(0, PTDF_{zone-to-slack,A} - PTDF_{zone-to-slack,B})$$

Equation 15

with

$pPTDF_{zone-to-zone,A \rightarrow B}$  positive zone-to-zone *PTDFs* for Core oriented bidding zone border *A* to *B*

$PTDF_{zone-to-slack,m}$  zone-to-slack *PTDF* for Core bidding zone border *m*

## **TITLE 6 – Updates and data provision**

### **Article 22. Reviews and updates**

1. Based on Article 3(f) of the CACM Regulation and in accordance with Article 27(4) of the same Regulation, all TSOs shall regularly and at least once a year review and update the key input and output parameters listed in Article 27(4)(a) to (d) of the CACM Regulation.
2. If the operational security limits, critical network elements, contingencies and allocation constraints used for intraday capacity calculation inputs pursuant to Article 5 and Article 7 need to be updated based on this review, the Core TSOs shall publish the changes at least 1 week before their implementation.
3. In case the review proves the need for an update of the reliability margins, the Core TSOs shall publish the changes at least one month before their implementation.
4. The review of the common list of RAs taken into account in the intraday capacity calculation shall include at least an evaluation of the efficiency of specific PSTs and the topological RAs considered during the RAO.
5. In case the review proves the need for updating the application of the methodologies for determining GSKs, critical network elements and contingencies referred to in Articles 22 to 24 of the CACM Regulation, changes have to be published at least three months before their implementation.
6. Any changes of parameters listed in Article 27(4) of the CACM Regulation shall be communicated to market participants, all Core regulatory authorities and the Agency.
7. The Core TSOs shall communicate the impact of any change of allocation constraints and parameters listed in Article 27(4)(d) of the CACM Regulation to market participants, all Core regulatory authorities and the Agency. If any change leads to an adaptation of the methodology, the Core TSOs shall make a proposal for amendment of this methodology according to Article 9(13) of the CACM Regulation.

### **Article 23. Publication of data**

1. In accordance with Article 3(f) of the CACM Regulation aiming at ensuring and enhancing the transparency and reliability of information to all regulatory authorities and market participants, all Core TSOs and the CCC shall regularly publish the data on the intraday capacity calculation process pursuant to this methodology as set forth in paragraph 2 on a dedicated online communication platform where capacity calculation data for the whole Core CCR shall be published. To enable market participants to have a clear understanding of the published data, all Core TSOs and the CCC shall develop a handbook and publish it on this communication platform.

This handbook shall include at least a description of each data item, including its unit and underlying convention.

2. The Core TSOs and the CCC shall publish at least the following data items (in addition to the data items and definitions of Commission Regulation (EU) No 543/2013 on submission and publication of data in electricity markets):
  - (a) cross-zonal capacities in accordance with Article 4(2) by the deadlines set therein;
  - (b) the following information for intraday cross-zonal capacity calculation and re-calculation pursuant to Article 4(2)(b) and (c) shall be published by the deadlines established therein:
    - i. maximum and minimum possible net position of each bidding zone;
    - ii. maximum possible bilateral exchanges between all pairs of Core bidding zones;
    - iii. if applicable, ATCs for SIDC fallback procedure;
    - iv. names of CNECs (with geographical names of substations where relevant and separately for CNE and contingency) and external constraints of the final flow-based parameters before pre-solving and the TSO defining them;
    - v. for each CNEC of the final flow-based parameters before pre-solving, the EIC code of CNE and Contingency;
    - vi. for each CNEC of the final flow-based parameters before pre-solving, the method for determining  $I_{max}$  in accordance with Article 6(2)(a);
    - vii. detailed breakdown of  $RAM$  for each CNEC of the final flow-based parameters before pre-solving:  $I_{max}$ ,  $U$ ,  $F_{max}$ ,  $FRM$ ,  $F_{ref,init}$ ,  $F_{nr,ao}$ ,  $F_{ref}$ ,  $F_{0,core}$ ,  $F_{0,all}$ ,  $IVA$ ;
    - viii. value of each external constraint before pre-solving;
    - ix. indication of whether default flow-based parameters were applied;
    - x. indication of whether a CNEC is redundant or not;
    - xi. information about the validation reductions:
      - the identification of the CNEC;
      - the TSO invoking the reduction;
      - the volume of reduction ( $IVA$ );
      - the detailed reason(s) for reduction in accordance with Article 19(2), including the operational security limit(s) that would have been violated without reductions, and under which circumstances they would have been violated;
      - if an internal network elements with a specific contingency was exceptionally added to the final list of CNECs during validation: (i) a justification of the reasons of why adding the internal network elements with a specific contingency to the list was the only way to ensure operational security, (i) the name or identifier of the internal network elements with a specific contingency;

- xii. for each RA resulting from the NRAO:
    - type of RA;
    - location of RA;
    - whether the RA was curative or preventive;
    - if the RA was curative, a list of CNEC identifiers describing the CNECs to which the RA was associated;
  - (c) the following forecast information contained in the CGM for each ID CC MTU shall be published by the deadlines established in Article 4(2):
    - i. vertical load for each Core bidding zone and each TSO;
    - ii. production for each Core bidding zone and each TSO;
    - iii. Core net position for each Core bidding zone and each TSO;
    - iv. reference net positions of all bidding zones in synchronous area Continental Europe and reference exchanges for all HVDC interconnectors within synchronous area Continental Europe and between synchronous area Continental Europe and other synchronous areas; and
  - (d) in case of intraday auctions, two hours after the auction, the information pursuant to paragraph 2(b)(vii) shall be complemented by with the following information for each CNEC and external constraint of the final flow-based parameters:
    - i. shadow prices;
    - ii. flows resulting from net positions resulting from intraday auctions.
  - (e) every six months, the publication of an up-to-date static grid model by each Core TSO.
3. Individual Core TSO may withhold the information referred to in paragraph 2(b)(iv), 2(b)(v) and 2(e) if it is classified as sensitive critical infrastructure protection related information in their Member States as provided for in point (d) of Article 2 of the Council Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection. In such a case, the information referred to in paragraph 2(b)(iv) and 2(b)(v) shall be replaced with an anonymous identifier which shall be stable for each CNEC across all ID CC MTUs. The anonymous identifier shall also be used in the other TSO communications related to the CNEC, including the static grid model pursuant to paragraph 2(e) and when communicating about an outage or an investment in infrastructure. The information about which information has been withheld pursuant to this paragraph shall be published on the communication platform referred to in paragraph 1.
  4. Any change in the identifiers used in paragraphs 2(b)(iv), 2(b)(v) and 2(e) shall be publicly notified at least one month before its entry into force. The notification shall at least include:
    - (a) the day of entry into force of the new identifiers; and
    - (b) the correspondence between the old and the new identifier for each CNEC.
  5. Pursuant to Article 20(9) of the CACM Regulation, the Core TSOs shall establish and make available a tool which enables market participants to evaluate the interaction between cross-zonal

capacities and cross-zonal exchanges between bidding zones. The tool shall be developed in coordination with stakeholders and all Core regulatory authorities and updated or improved when needed.

6. The Core regulatory authorities may request additional information to be published by the TSOs. For this purpose, all Core regulatory authorities shall coordinate their requests among themselves and consult it with stakeholders and the Agency. Each Core TSO may decide not to publish the additional information, which was not requested by its competent regulatory authority.

#### **Article 24. Quality of the data published**

1. No later than six months before the implementation of this methodology in accordance with Article 26(3)(b), the Core TSOs shall jointly establish and publish a common procedure for monitoring and ensuring the quality and availability of the data on the dedicated online communication platform as referred to in Article 23. When doing so, they shall consult with relevant stakeholders and all Core regulatory authorities.
2. The procedure pursuant to paragraph 1 shall be applied by the CCC, and shall consist of continuous monitoring process and reporting in the annual report. The continuous monitoring process shall include the following elements:
  - (a) individually for each TSO and for the Core CCR as a whole: data quality indicators, describing the precision, accuracy, representativeness, data completeness, comparability and sensitivity of the data;
  - (b) the ease-of-use of manual and automated data retrieval;
  - (c) automated data checks, which shall be conducted in order automatically to accept or reject individual data items before publication based on required data attributes (e.g. data type, lower/upper value bound, etc.); and
  - (d) satisfaction survey performed annually with stakeholders and the Core regulatory authorities.

The quality indicators shall be monitored in daily operation and shall be made available on the platform for each dataset and data provider such that users are able to take this information into account when accessing and using the data.

3. The CCC shall provide in the annual report at least the following:
  - (a) the summary of the quality of the data provided by each data provider;
  - (b) the assessment of the ease-of-use of data retrieval (both manual and automated);
  - (c) the results of the satisfaction survey performed annually with stakeholders and all Core regulatory authorities; and
  - (d) suggestions for improving the quality of the provided data and/or the ease-of-use of data retrieval.
4. The Core TSOs shall commit to a minimum value for at least some of the indicators mentioned in paragraph 2, to be achieved by each TSO individually on average on a monthly basis. Should a TSO fail to fulfil at least one of the data quality requirements, this TSO shall provide to the CCC within one month following the failure to fulfil the data quality requirement, detailed reasons for the failure to fulfil data quality requirements, as well as an action plan to correct past failures and

prevent future failures. No later than three months after the failure, this action plan shall be fully implemented and the issue resolved. This information shall be published on the online communication platform and in the annual report.

### **Article 25. Monitoring, reporting and information to the Core regulatory authorities**

1. The Core TSOs shall provide to the Core regulatory authorities data on intraday capacity calculation for the purpose of monitoring its compliance with this methodology and other relevant legislation.
2. At least, the information on non-anonymized names of CNECs for final flow-based parameters before pre-solving as referred to in Article 23(2)(b)(iv) and (v) shall be provided to all Core regulatory authorities on a monthly basis for each CNEC and each ID CC MTU. This information shall be in a format that allows easily to combine the CNEC names with the information published in accordance with Article 23(2).
3. The Core regulatory authorities may request additional information to be provided by the TSOs. For this purpose, all Core regulatory authorities shall coordinate their requests among themselves. Each Core TSO may decide not to provide the additional information, which was not requested by its competent regulatory authority.
4. The CCC, with the support of the Core TSOs where relevant, shall draft and publish an annual report satisfying the reporting obligations set in Articles 10, 14, 17, 24 and 26 of this methodology:
  - (a) according to Article 10(5), the Core TSOs shall report to the Core CCC on systematic withholdings which were not essential to ensure operational security in real-time operation.
  - (b) according to Article 14(5), the Core TSOs shall monitor the accuracy of non-Core exchanges in the CGM.
  - (c) according to Article 17(7), the CCC shall monitor the efficiency of the NRAO.
  - (d) according to Article 24(3), the CCC shall monitor and report on the quality of the data published on the dedicated online communication platform as referred to in Article 23, with supporting detailed analysis of a failure to achieve sufficient data quality standards by the concerned TSOs, where relevant.
  - (e) according to Article 26(3), after the implementation of this methodology, the Core TSOs shall report on their continuous monitoring of the effects and performance of the application of this methodology.
5. The CCC, with the support of the Core TSOs where relevant, shall draft and publish a quarterly report satisfying the reporting obligations set in Articles 7, 19 and 26 of this methodology:
  - (a) according to Article 7(3)(b), the CCC shall collect all reports analysing the effectiveness of relevant allocation constraints, received from the concerned TSOs during the period covered by the report, and annex those to the quarterly report.
  - (b) according to Article 19(11), the CCC shall provide all information on the reductions of cross-zonal capacity, with a supporting detailed analysis from the concerned TSOs where relevant.

- (c) according to Article 26(3), during the implementation of this methodology, the Core TSOs shall report on their continuous monitoring of the effects and performance of the application of this methodology.
6. The published annual and quarterly reports may withhold commercially sensitive information or sensitive critical infrastructure protection related information as referred to in Article 23(3). In such a case, the Core TSOs shall provide the Core regulatory authorities with a complete version where no such information is withheld.

## **TITLE 7 - Implementation**

### **Article 26. Timescale for implementation**

1. The TSOs of the Core CCR shall publish this methodology without undue delay after the decision has been taken by the Agency in accordance with Article 9(12) of the CACM Regulation.
2. The TSOs of the Core CCR shall implement this methodology within the following timeframes:
  - (a) update of cross-zonal capacities pursuant to Article 4(2)(a) by the deadline for the implementation of day-ahead capacity calculation methodology as established in the day-ahead capacity calculation methodology of the Core CCR;
  - (b) calculation of intraday cross-zonal capacities pursuant to Article 4(2)(b) by twelve months after the implementation of day-ahead capacity calculation methodology as established in the day-ahead capacity calculation methodology of the Core CCR; and
  - (c) re-calculation of intraday cross-zonal capacities pursuant to Article 4(2)(c) by twelve months after the implementation of calculation of intraday cross-zonal capacities pursuant to point (b) of this paragraph.
3. The implementation process, which shall start with the entry into force of this methodology and finish by the deadlines established in paragraph 3, shall consist of the following steps:
  - (a) internal parallel run, during which the TSOs shall test the operational processes for the intraday capacity calculation inputs, the intraday capacity calculation process and the intraday capacity validation and develop the appropriate IT tools and infrastructure;
  - (b) external parallel run, during which the TSOs will continue testing their internal processes and IT tools and infrastructure. In addition, the Core TSOs will involve the Core NEMOs to test the implementation of this methodology, and market participants to test the effects of applying this methodology on the market. In accordance with Article 20(8) of CACM Regulation, this phase shall not be shorter than 6 months.
4. During the internal and external parallel runs, the Core TSOs shall continuously monitor the effects and the performance of the application of this methodology. For this purpose, they shall develop, in coordination with the Core regulatory authorities, the Agency and stakeholders, the monitoring and performance criteria and report on the outcome of this monitoring on a quarterly basis in a quarterly report. After the implementation of this methodology, the outcome of this monitoring shall be reported in the annual report.
5. After the adoption of this methodology and until the implementation of the day-ahead capacity calculation methodology, the Core TSOs shall apply a transitional solution to compute the cross-



zonal capacities which remain after the day-ahead capacity allocation pursuant to Article 4(2)(a). This update shall be done based on day-ahead cross-zonal capacities used in existing day-ahead capacity calculation and allocation initiatives. The details on the application of this transitional solution are defined in Annex 2 to this methodology.

6. After the implementation of the day-ahead capacity calculation methodology and until the implementation of the intraday capacity calculation methodology pursuant to Article 4(2)(b), the Core TSOs shall apply a transitional solution for updating of intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a). The details on the application of this transitional solution are defined in Annex 2, Annex 3, Annex 4 and Annex 5 to this methodology. During this transition period:
  - (a) Annex 3 shall apply and replace Article 11;
  - (b) Annex 4 shall apply and replace Article 21; and
  - (c) Annex 5 shall apply.

## **TITLE 8 - Final provisions**

### **Article 27. Language**

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

## **Annex 1: Justification of usage and methodology for calculation of external constraints**

The following section depicts in detail the justification of usage and methodology currently used by each Core TSO to design and implement external constraints, if applicable. The legal interpretation on eligibility of using external constraints and the description of their contribution to the objectives of the CACM Regulation is included in the Explanatory Note.

### **1. Belgium:**

ELIA may use an external constraint to limit the import of the Belgian bidding zone.

#### **Technical and legal justification**

ELIA is facing voltage constraints and voltage collapse risks in case of low generation within the Belgium grid. Therefore ELIA requires to maintain a certain amount of power to be generated within Belgium to prevent violation of voltage constraints (i.e. to prevent voltage dropping below the lower safety limit). The risks of dynamic instability are also analysed to assess the amount of machines requested within the Belgium grid to provide a minimal dynamic stability to avoid transient phenomena. These analyses and results lead to the use of a maximum import constraint.

#### **Methodology to calculate the value of external constraints**

The value of maximum import constraint for the Belgian bidding zone shall be estimated with studies performed on a regular basis. The studies shall include a voltage collapse analysis and a stability analysis performed in line with Article 38 of the SO Regulation. The studies shall be performed and published at least on an annual basis and updated every time this external constraint had a non-zero shadow price in more than 0.1% of hours in a given quarter.

### **2. Netherlands:**

TenneT B.V. may use an external constraint to limit the import and export of the Dutch bidding zone.

#### **Technical and legal justification**

The combination of voltage constraints and limitations following from using a linearised GSK make it necessary for TenneT B.V. to apply external constraints. Voltage constraints justify the use of a maximum import constraint, because a certain amount of power needs to be generated within the Netherlands to prevent violation of voltage constraints (i.e. to prevent voltage dropping below the lower safety limit). To prevent the deviations between forecasted and realised values of generation in-feed following from the linear GSK to reach unacceptable levels, it is necessary to make use of external constraints to limit the feasible net position range for the Dutch import and export net position. This last point is explained in more detail below.

The intraday capacity calculation methodology uses a Generator Shift Key (GSK) to determine how a change in net position is mapped to the generating units in a specific bidding zone. The algorithm requires that the GSK is linear and that by applying the GSK the minimum and maximum net position ('the feasibility range') of a bidding zone can be reached. TenneT B.V. applies a GSK method that aims at establishing a realistic generator schedule for every hour and which is applicable to every possible net position within the flow-based domain. In order to realise this, generators can be divided in three groups based on a merit order: (i) rigid generators that always produce at maximum power output, (ii) idle generators that are out-of-service and (iii) 'swing generators' that provide the 'swing capacity' to reach all intermediate net positions required by the algorithm for a specific grid situation. To reach the maximum net position, all 'swing generators' shall produce at maximum power. To reach the minimum net position, all 'swing generators' shall produce at minimum power. The absolute difference between

the minimum and maximum net position thus determines the amount of required 'swing capacity', i.e. the total capacity required from 'swing generators'.

If TenneT B.V. would not apply external constraints, and higher import and export net positions would be possible, several generators that in practice operate as rigid generators (e.g. CHPs, coal fired power plants etc.) would need to be modelled as 'swing generators'. In some cases, a switch of a generator from 'idle' to 'swing' or from 'rigid' to 'swing' could mean a jump of roughly 50% in the power output of such a power plant, which in turn has significant impact on the forecasted power flows on the CNECs close to that power plant. This results in a reduced accuracy of the GSK as the generation of these plants is modelled less accurately and the deviations between the forecasted and realised flows on particular CNECs increase to unacceptable levels with significant impact on the capacity domain. The consequence of this would be that higher FRMs need to be applied to partly cover these deviations, which will constantly limit the available capacity for the market. To prevent too large deviations in generation in-feed, the total feasibility range, which should be covered by the GSK, thus needs to be limited with external constraints.

The Netherlands is a small bidding zone with, in comparison to other bidding zones, a lot of interconnection capacity which implies a very large feasibility range compared to the total installed capacity. E.g. TenneT B.V. has applied external constraints of 5 GW for both the import and export position in the past, already implying a feasibility range of 10 GW on a total of roughly 15 GW generation capacity included in the GSK at that point in time. For other bidding zones with a much higher amount of installed capacity or relatively less interconnection capacity, the relative amount of 'swing capacity' in their GSK is much lower and therefore also the deviations between forecasted and realised generation are lower. Or in other words, the maximum feasibility range which can be covered by the GSK without increasing deviations between forecasted and realised generation to unacceptable levels, is larger than the total installed interconnection capacity for these bidding zones, making it not necessary to use external constraints as a measure to limit these deviations.

### **Methodology to calculate the value of external constraints**

TenneT B.V. determines the maximum import and export constraints for the Netherlands based on studies, which combine a voltage collapse analysis, stability analysis and an analysis on the increased uncertainty introduced by the (linear) GSK during different extreme import and export situations in accordance to Article 38 of the SO Regulation. The studies shall be performed and published at least on an annual basis and updated every time this external constraint had a non-zero shadow price in more than 0.1% of hours in a given quarter.

### **3. Poland:**

PSE may use an external constraint to limit the import and export of the Polish bidding zone.

#### **Technical and legal justification**

Implementation of external constraints as applied by PSE is related to integrated scheduling process applied in Poland (also called central dispatching model) and the way how reserve capacity is being procured by PSE. In a central dispatching model, in order to balance generation and demand and ensure secure energy delivery, the TSO dispatches generating units taking into account their operational constraints, transmission constraints and reserve capacity requirements. This is realised in an integrated scheduling process as a single optimisation problem called security constrained unit commitment (SCUC) and economic dispatch (SCED).

The integrated scheduling process starts after the day-ahead capacity calculation and SDAC and continues until real-time. This means that reserve capacity is not blocked by TSO in advance and in effect not removed from the wholesale market and SIDC. However, if balancing service providers (generating units) would already sold too much energy in the previous market timeframes because of

high exports, they may not be able to provide sufficient upward reserve capacity within the integrated scheduling process.<sup>13</sup> Therefore, one way to ensure sufficient reserve capacity within integrated scheduling process is to set a limit to how much electricity can be imported or exported in the SIDC.

The objective to limit balancing service providers to sell too much energy in the intraday market in order to be able to provide sufficient reserve capacity in the integrated scheduling process cannot be efficiently met by translating this limit into capacities of critical network elements offered to the market. If this limit was to be reflected in cross-zonal capacities offered by PSE in the form of an appropriate adjustment of cross-zonal capacities, this would imply that PSE would need to guess the most likely market direction (imports and/or exports on particular interconnectors) and accordingly reduce the cross-zonal capacities in these directions. In the flow-based approach, this would need to be done on each CNEC in a form of reductions of the RAM. However, from the point of view of market participants, due to the inherent uncertainties of market results, such an approach is burdened with the risk of suboptimal splitting of allocation constraints onto individual interconnections – overestimated on one interconnection and underestimated on the other, or vice versa. Also, such reductions of the RAM would limit cross-zonal exchanges for all bidding zone borders having impact on Polish CNECs, whereas the allocation constraint has an impact only on the import or export of the Polish bidding zone, whereas the trading of other bidding zones is unaffected.

External constraints are determined for the whole Polish power system, meaning that they are applicable simultaneously for all CCRs in which PSE has at least one bidding zone border (i.e. Core, Baltic and Hansa). This solution is the most efficient application of external constraints. Considering allocation constraints separately in each CCR would require PSE to split global external constraints into CCR-related sub-values, which would be less efficient than maintaining the global value. Moreover, in the hours when Poland is unable to absorb any more power from outside due to violated minimal downward reserve capacity requirements, or when Poland is unable to export any more power due to insufficient upward reserve capacity requirements, Polish transmission infrastructure is still available for cross-border trading between other bidding zones and between different CCRs.

#### **Methodology to calculate the value of external constraints:**

When determining the external constraints, PSE takes into account the most recent information on the technical characteristics of generation units, forecasted power system load as well as minimum reserve margins required in the whole Polish power system to ensure secure operation and forward import/export contracts that need to be respected from previous capacity allocation time frames.

External constraints are bidirectional, with independent values for each ID CC MTU, and separately for directions of import to Poland and export from Poland.

For each hour, the constraints are calculated according to the below equations:

$$\text{EXPORT}_{constraint} = P_{CD} - P_{NA} + P_{NCD} - (P_L + P_{UPres}) \quad (1)$$

$$\text{IMPORT}_{constraint} = P_L - P_{DOWNres} - P_{CDmin} - P_{NCD} \quad (2)$$

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<sup>13</sup> This conclusion equally applies for the case of lack of downward balancing capacity, which would be endangered if balancing service providers (generating units) sell too little energy in the day-ahead market, because of too high imports.

Where:

$P_{CD}$	Sum of operating generating capacities of centrally dispatched units as declared by generators <sup>14</sup>
$P_{CDmin}$	Sum of technical minima of centrally dispatched generating units in operation
$P_{NCD}$	Sum of schedules of generating units that are not centrally dispatched, as provided by generators (for wind farms: forecasted by PSE)
$P_{NA}$	Generation not available due to grid constraints (both planned outage and/or anticipated congestions)
$P_L$	Demand forecasted by PSE
$P_{UPres}$	Minimum reserve for upward regulation
$P_{DOWNres}$	Minimum reserve for downward regulation

For illustrative purposes, the process of practical determination of external constraints in the framework of the intraday capacity calculation is illustrated below in Figures 1 and 2. The figures illustrate how a forecast of the Polish power balance for each hour of the delivery day is developed by PSE in the morning of D-1 in order to determine reserves in generating capacities available for potential exports and imports, respectively, for the intraday market.

External constraint in export direction is applicable if  $\Delta\text{Export}$  is lower than the sum of cross-zonal capacities on all Polish interconnections in export direction. External constraint in import direction is applicable if  $\Delta\text{Import}$  is lower than the sum of cross-zonal capacities on all Polish interconnections in import direction.

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<sup>14</sup> Note that generating units which are kept out of the market on the basis of strategic reserve contracts with the TSO are not taken into account in this calculation.

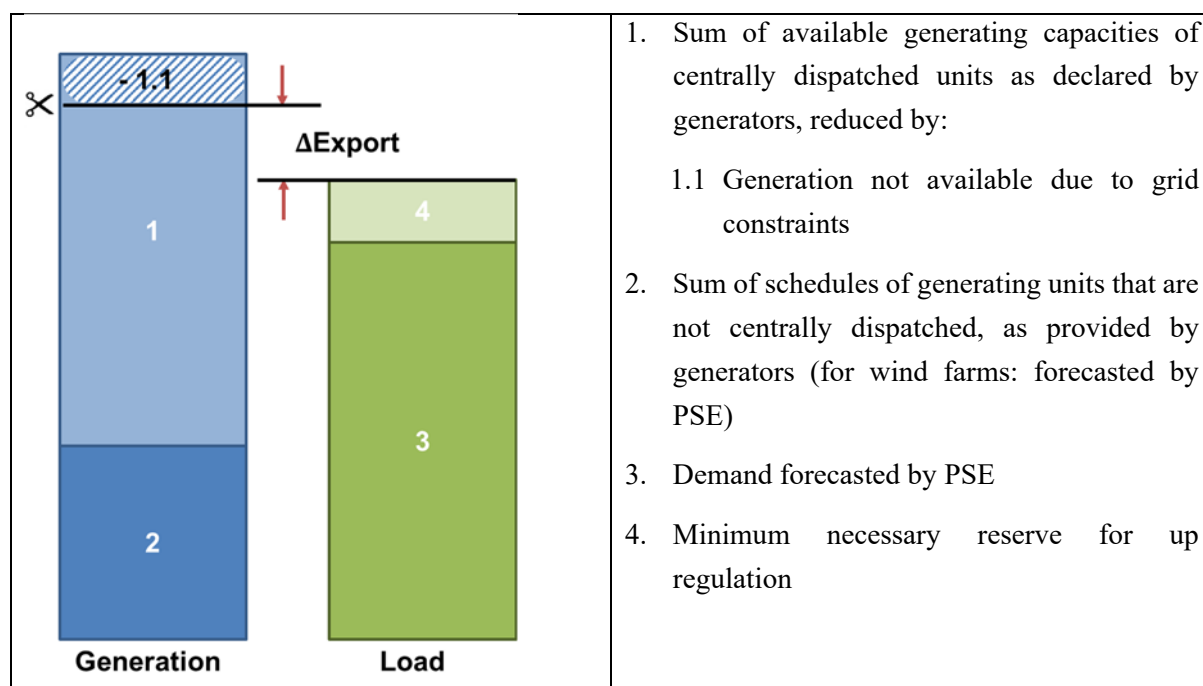


Figure 1: Determination of external constraints in export direction (generating capacities available for potential exports) in the framework of the intraday capacity calculation.

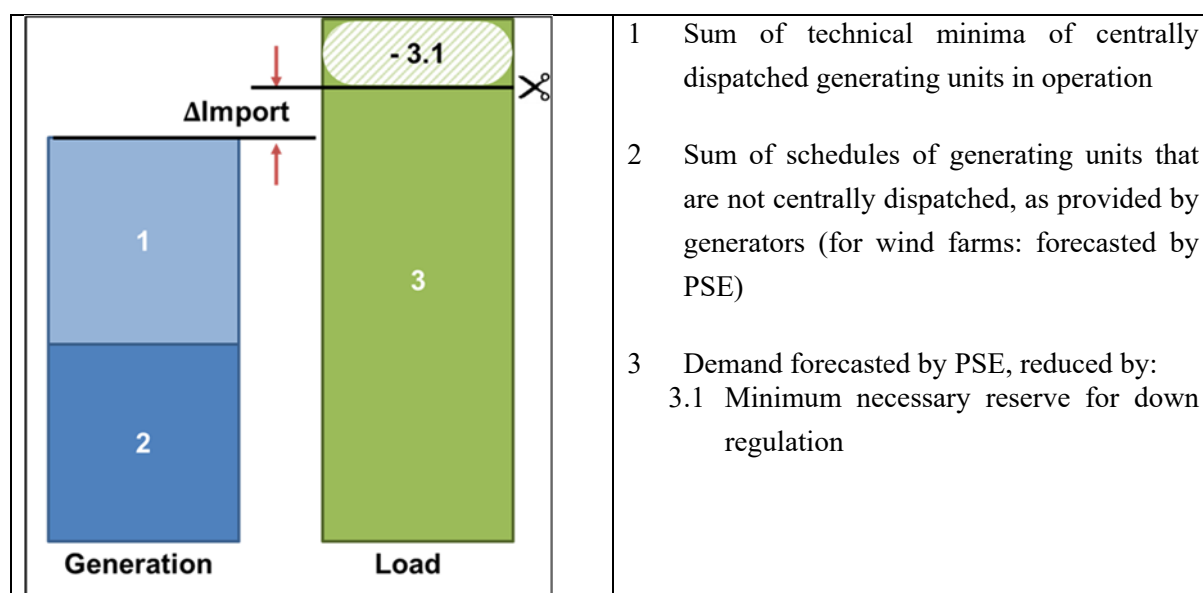


Figure 2: Determination of external constraints in import direction (reserves in generating capacities available for potential imports) in the framework of intraday capacity calculation.

### Frequency of re-assessment

External constraints are determined in a continuous process based on the most recent information, for each capacity allocation time frame, from forward till day-ahead and intra-day. In case of intraday process, these are calculated for each intraday capacity calculation timeframe in accordance with Article 4(2), resulting in independent values for each ID CC MTU, and separately for directions of import to Poland and export from Poland.

### Time periods for which external constraints are applied

**Intraday capacity calculation methodology of the Core capacity calculation region**

As described above, external constraints are determined in a continuous process for each capacity allocation timeframe, so they are applicable for all ID CC MTUs of the respective allocation day.

**Annex 2: Requirements for calculation of intraday cross-zonal capacities before full implementation of intraday capacity calculation**

<b>Intraday cross-zonal capacities</b>	<b>Before the implementation of Core DA CCM</b>	<b>Between the implementation of Core DA CCM and implementation of Core ID CCM at 22:00</b>	<b>Between the implementation of Core ID CCM at 22:00 and 6 months after the implementation of Core ID CCM at 22:00</b>	<b>After 6 months after the implementation of Core ID CCM at 22:00</b>
<b>Between intraday cross-zonal gate opening time and 22:00</b>	Leftovers from the day-ahead cross-zonal capacities based on existing DA CC initiatives pursuant to Article 26(6)  OR Zero intraday cross-zonal capacities pursuant to Article 11(3)	Leftovers from the day-ahead cross-zonal capacities based on Core DA CCM according to the transitional solution pursuant to Article 26(6) and Annexes 3, 4 and 5  OR Zero intraday cross-zonal capacities pursuant to Annex 3(4)	Leftovers from the day-ahead cross-zonal capacities based on Core DA CCM pursuant to Article 4(2)(a)  OR Zero intraday cross-zonal capacities pursuant to Article 11(3)	Leftovers from the day-ahead cross-zonal capacities based on Core DA CCM pursuant to Article 4(2)(a)
<b>From 22:00 onwards</b>	Leftovers from the day-ahead cross-zonal capacities based on existing DA CC initiatives pursuant to Article 26(6)	Leftovers from day-ahead cross-zonal capacities based on Core DA CCM according to the transitional solution pursuant to Article 26(6) and Annexes 3, 4 and 5	Intraday cross-zonal capacities from Core ID CCM at 22:00 pursuant to Article 4(2)(b)	Intraday cross-zonal capacities from Core ID CCM at 22:00 pursuant to Article 4(2)(b)



### Annex 3: Update of intraday cross-zonal capacities remaining after the SDAC in the transition period

- (1) The CCC shall use the final cross-zonal capacities resulting from day-ahead capacity calculation and the net positions resulting from already allocated capacities in the SDAC to calculate the updated day-ahead cross-zonal capacities to be used as intraday cross-zonal capacities at the intraday cross-zonal gate opening time.
- (a) In the case that the LTA inclusion in day-ahead is ensured through the LTA margin approach, the intraday cross-zonal capacities are described as flow-based parameters;
- (b) In the case that the LTA inclusion in day-ahead is ensured through the Extended LTA inclusion approach, the intraday cross-zonal capacities are described as a union of flow-based parameters and “LTA values” (LTA domain).

For the updated intraday flow-based parameters, the PTDF values shall be the final PTDFs resulting from the day-ahead capacity calculation, and the RAM shall be derived as:

$$\overrightarrow{RAM}_{UID} = \max(0, \overrightarrow{RAM}_f - \mathbf{PTDF}_f \overrightarrow{NP}_{AAC})$$

*Equation 3b*

with

$\overrightarrow{RAM}_{UID}$	updated remaining available margin for intraday cross-zonal capacities
$\overrightarrow{RAM}_f$	final remaining available margin resulting from the day-ahead capacity calculation
$\mathbf{PTDF}_f$	final power transfer distribution factor matrix resulting from the day-ahead capacity calculation
$\overrightarrow{NP}_{AAC}$	net positions resulting from already allocated capacities in SDAC

The updated LTA values, applicable if the Extended LTA inclusion approach is applied in day-ahead, shall be derived as:

$$\overrightarrow{LTA}_{UID} = \max(0, \overrightarrow{LTA}_f - \overrightarrow{SEC}_{DA})$$

*Equation 3c*

$\overrightarrow{LTA}_{UID}$	updated remaining available long-term capacities for provision to SIDC; value per oriented border
$\overrightarrow{LTA}_f$	LTA domain resulting from the day-ahead capacity calculation thus adjusted for long-term nominations; value per oriented border;
$\overrightarrow{SEC}_{DA}$	schedule exchange resulting from already allocated capacities in SDAC

- (2) In case the LTA inclusion in day-ahead is ensured through:
- (a) the LTA margin approach: for each CNEC, each TSO may decrease the  $\overrightarrow{RAM}_f$  by decreasing  $LTA_{margin,DA}$  as calculated pursuant to the day-ahead capacity calculation methodology while ensuring compliance with Article 16 of Regulation (EU) 2019/943 in order to avoid undue discrimination between internal and cross-zonal exchanges as referred to in Article 21(1)(b)(ii) of the CACM Regulation;

- (b) the Extended LTA inclusion approach: each TSO may decrease the  $LTA_f$  on its borders while ensuring compliance with Article 16 of Regulation (EU) 2019/943.

Irrespective of the options provided to each TSO pursuant to (a) and (b), each TSO shall ensure that on each bidding zone border, the long-term capacities that are in effect taken into account pursuant to (a) and (b) are between 0.001 MW and 1500 MW.

- (3) For each CNEC, each TSO may adjust the  $RAM_f$  by modifying the  $AMR_{DA}$  as calculated pursuant to the day-ahead capacity calculation methodology while ensuring compliance with Article 16 of Regulation (EU) 2019/943 in order to avoid undue discrimination between internal and cross-zonal exchanges as referred to in Article 21(1)(b)(ii) of the CACM Regulation.
- (4) During the transitional period pursuant to Article 26(6) the Core TSOs may set to zero the cross-zonal capacities calculated in period before 22h at D-1. These intraday cross-zonal capacities may be set to zero on the condition that offering non-zero cross-zonal capacities pursuant to Article 4(2)(a) could endanger operational security. Such a decision may be made per bidding zone border by the competent TSOs.

#### Annex 4: Calculation of ATCs for SIDC fallback procedure in the transition period

1. In case the SIDC is unable to accommodate flow-based parameters or in case the leftovers from the day-ahead cross-zonal capacities based on Core DA CCM are used according to a transitional solution as defined in Annex 2 to this methodology, the CCC shall convert the cross-zonal capacities into available transmission capacities for each Core oriented bidding zone border and each DA CC MTU. The Core TSOs may delegate this responsibility to a third party.
2. The cross-zonal capacities shall serve as the basis for the determination of the ATCs for SIDC fallback procedure. As the selection of a set of ATCs from the cross-zonal capacities leads to an infinite set of choices, an applicable algorithm determines the ATCs for SIDC fallback procedure.
3. The following inputs are required to calculate ATCs for SIDC fallback procedure for each ID CC MTU:
  - (a) the final flow-based parameters ( $\mathbf{PTDF}_f$  and  $\overline{RAM}_{UID}$ ) and  $\overline{LT\bar{A}}_{UID}$  as calculated pursuant to Annex 3 and, if applicable,  $\overline{LT\bar{A}}_{UID}$  calculated pursuant to Annex 3;
  - (b) If defined, the global allocation constraints shall be assumed to constrain the Core net positions pursuant to Article 7(5), and shall be described following the methodology described in Article 18(2). Such constraints shall be adjusted for offered cross-zonal capacities on the non-Core bidding zone borders.
4. In case the cross-zonal capacities are described solely by flow-based parameters, the calculation of the ATCs for SIDC fallback procedure is an iterative procedure, which gradually calculates ATCs for each DA CC MTU, while respecting the constraints of the final flow-based parameters pursuant to paragraph 3:

- (a) The initial ATCs are set equal to zero for each Core oriented bidding zone border, i.e.:

$$\overline{ATC}_{k=0} = 0$$

with

$$\overline{ATC}_{k=0} \quad \text{the initial ATCs before the first iteration}$$

- (b) the remaining available margin of the final flow-based parameters ( $\overline{RAM}_f$ ) have to be adjusted for the flows resulting from net positions or already allocated capacities resulting from the SIDC in accordance with Article 4(5)(b):

$$\overline{RAM}_{ATC}(0) = \max(0, \overline{RAM}_f - \mathbf{PTDF}_f \overline{NP}_{SIDC})$$

*Equation 14*

with

$$\overline{RAM}_{ATC}(0) \quad \text{remaining available margin for ATC calculation at iteration } k=0$$

$\overrightarrow{RAM}_f$	remaining available margin of the flow-based parameters pursuant to paragraph 3, or equal to $\overrightarrow{RAM}_{UID}$ from Annex 3, if applicable.
$\mathbf{PTDF}_f$	PTDF matrix of the final flow-based parameters
$\overrightarrow{NP}_{SIDC}$	Core net positions resulting from SIDC which are not already included in the CGM

(c) The iterative method applied to calculate the ATCs for SIDC fallback procedure consists of the following actions for each iteration step  $k$ :

- i. for each CNEC and external constraint of the flow-based parameters pursuant to paragraph 3, calculate the remaining available margin based on ATCs at iteration  $k-1$

$$\overrightarrow{RAM}_{ATC}(k) = \overrightarrow{RAM}_{ATC}(0) - \mathbf{pPTDF}_{zone-to-zone} \overrightarrow{ATC}_{k-1}$$

with

$\overrightarrow{RAM}_{ATC}(k)$  remaining available margin for ATC calculation at iteration  $k$

$\overrightarrow{ATC}_{k-1}$  ATCs at iteration  $k-1$

$\mathbf{pPTDF}_{zone-to-zone}$  positive zone-to-zone power transfer distribution factor matrix

- ii. for each CNEC, share  $\overrightarrow{RAM}_{ATC}(k)$  with equal shares among the Core oriented bidding zone borders with strictly positive zone-to-zone power transfer distribution factors on this CNEC;
- iii. from those shares of  $\overrightarrow{RAM}_{ATC}(k)$ , the maximum additional bilateral oriented exchanges are calculated by dividing the share of each Core oriented bidding zone border by the respective positive zone-to-zone PTDF. The maximum additional bilateral oriented exchanges may be negative, i.e. it may lead to decrease the exchange capacity;
- iv. for each Core oriented bidding zone border,  $\overrightarrow{ATC}_k$  is calculated by adding to  $\overrightarrow{ATC}_{k-1}$  the minimum of all maximum additional bilateral oriented exchanges for this border obtained over all CNECs and external constraints as calculated in the previous step;
- v. go back to step i;
- vi. iterate until the difference between the sum of ATCs of iterations  $k$  and  $k-1$  is smaller than 1 kW;
- vii. the resulting ATCs for SIDC fallback procedure stem from the ATC values determined in iteration  $k$ , after rounding down to integer values;

- viii. at the end of the calculation, there are some CNECs and external constraints with no remaining available margin left. These are the limiting constraints for the calculation of ATCs for SIDC fallback procedure.
- (d) positive zone-to-zone PTDF matrix ( $pPTDF_{zone-to-zone}$ ) for each Core oriented bidding zone border shall be calculated from the  $PTDF_f$  as follows (for HVDC interconnectors integrated pursuant to Article 13, Equation 8 shall be used):

$$pPTDF_{zone-to-zone,A \rightarrow B} = \max(0, PTDF_{zone-to-slack,A} - PTDF_{zone-to-slack,B})$$

Equation 15

with

$pPTDF_{zone-to-zone,A \rightarrow B}$  positive zone-to-zone  $PTDFs$  for Core oriented bidding zone border  $A$  to  $B$

$PTDF_{zone-to-slack,m}$  zone-to-slack  $PTDF$  for Core bidding zone border  $m$

5. In case the cross-zonal capacities are described as the union of flow-based parameters and an LTA domain, the calculation of the ATCs for SIDC fallback procedure is a mathematical optimisation process.

The following objective function is applied:

$$\text{Maximize } [(\sum \overrightarrow{ATC}_{phys} / N_{oriented\ borders}) * W_{sum} + (\text{Min } \overrightarrow{ATC}_{phys}) * (1 - W_{sum})]$$

with

$ATC_{phys}$  Sum of the ATCs resulting from flow based parameters and possible long-term capacities, e.g. :

$$(\overrightarrow{ATC}_{phys} = \overrightarrow{ATC}_{FB} + \overrightarrow{ATC}_{LTA})$$

$N_{oriented\ borders}$  The number of oriented borders in Core CCR

$W_{sum}$  A common weighting factor applied on all Core borders to adopt between maximizing the sum of ATCs averaged across all borders and maximizing the lowest ATC across all borders; this value is a scalar between 0 and 1, initially set to 0.5.

- (a) This objective function is subject to the following constraints:

$$\overrightarrow{ATC}_{phys} = \overrightarrow{ATC}_{FB} + \overrightarrow{ATC}_{LTA}$$

$$\begin{aligned}\overrightarrow{ATC}_{LTA} &\leq (\alpha - 1) * \overrightarrow{LTA}_{UID} \\ \overrightarrow{ATC}_{FB} &\leq \alpha * \frac{\overrightarrow{RAM}_{UID}}{pPTDF_{zone-to-zone}} \\ \overrightarrow{ATC}_{FB} &\geq 0 \\ \overrightarrow{ATC}_{LTA} &\geq 0\end{aligned}$$

with

$\alpha$	A single optimization variable, between 0 and 1 used for all ATC borders
$\overrightarrow{LTA}_{UID}$	Updated remaining available long-term capacities for ATC extraction pursuant to Annex 3
$\overrightarrow{RAM}_{UID}$	Updated remaining available margin for ATC calculation provided by the FB Domain pursuant to Annex 3
$pPTDF_{zone-to-zone}$	positive zone-to-zone power transfer distribution factor matrix

## Annex 5: Other transitional arrangements

1. Each Core TSO shall have the right to perform individual validation of ID ATCs calculated and provided to Core TSOs pursuant to Annex 4. Pursuant to this validation, each Core TSO shall have the right to adjust ID ATCs on its bidding zone borders in case such adjustments are needed to maximise cross-zonal capacity and/or to maintain operational security. The maximum of ID ATC increase per bidding zone border shall be 300 MW.
2. The ID ATC on a bidding zone border shall always be the lowest value of ID ATCs set by TSOs on both sides of this bidding zone border.
3. As soon as possible after the implementation of DA CCM and no later than from four months after the adoption of this Decision, each Core TSO requiring amendment of ID ATCs shall provide to all Core TSOs the justification for each ATC adjustment. This justification shall be based on the assessment of the day-ahead or intraday congestion forecast common grid models and shall include the concerned CNECs on which the need for decrease or increase of flow or capacity was identified to maximise cross-zonal capacity and/or maintain operational security.
4. After the implementation of DA CCM, the Core TSOs shall regularly publish the following information about the update of intraday cross-zonal capacities remaining after the SDAC in the transition period:
  - (a) the percentage of LTA and AMR applied on the intraday level pursuant to Annex 3;
  - (b) applied Wsum value pursuant to Annex 4; and
  - (c) the flow-based domain and, if relevant, LTA domain used for ATC extraction pursuant to Annex 3, in particular the values:  $\overrightarrow{RAM}_f$  (before and after possible adjustment),  $\overrightarrow{NP}_{AAC} * \mathbf{PTDF}_f$ ,  $\overrightarrow{RAM}_{UID}$ ,  $\overrightarrow{LTA}_f$  (before and after possible adjustment),  $\overrightarrow{SEC}_{DA}$  and  $\overrightarrow{LTA}_{UID}$ ; and
  - (d) ID ATC adjustments pursuant to paragraph 1 including justifications as of deadline pursuant to paragraph 3;

In case the information pursuant to point (c) cannot be published at the time of implementation of DA CCM, it shall be published as soon as feasible and for all days since the implementation of DA CCM.

5. As from four months after the start of the transition period pursuant to Article 26(6), the Core CCC shall assist the Core TSOs in the ATC validation, by providing at least the following information for each Core CNEC and for each MTU, based on the CGMs from the DACF procedure:
  - (a) reference flows;
  - (b) zone-to-zone PTDFs of Core oriented borders; and
  - (c) potential maximal flows due to ID ATCs, superposed to the reference flows.

The CCC shall provide this information not later than 20:45 of D-1.

6. During the transition period pursuant to Article 26(6), the Core TSOs shall apply and implement, without the need to amend the intraday capacity calculation methodology, further adjustments of

**Intraday capacity calculation methodology of the Core capacity calculation region**

the ATC extraction methodology pursuant to Annex 4 if it better meets the objectives of the CACM Regulation and is agreed among Core TSOs.



**DECISION No 06/2022  
OF THE EUROPEAN UNION AGENCY  
FOR THE COOPERATION OF ENERGY REGULATORS**

**of 19 April 2022**

**on the 1<sup>st</sup> amendment of the core intraday common capacity calculation  
methodology**

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<sup>1</sup> ('ACER'), and, in particular, Article 5(3) and Article 6(10) thereof,

Having regard to Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, and, in particular, Article 9(5), (7)(a), (11) and (13) and Article 20(2) thereof,

Having regard to the outcome of the consultation with the concerned regulatory authorities and transmission system operators,

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

Having regard to the favourable opinion of the Board of Regulators of 13 April 2022, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

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<sup>1</sup> OJ L 158, 14.6.2019, p. 22.

## 1 INTRODUCTION

- (1) Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the ‘CACM Regulation’) laid down a range of requirements for cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets in electricity. These requirements also include the development of the capacity calculation methodology (‘CCM’) in each of the capacity calculation regions (‘CCR’) in accordance with Article 20 et seq. of the CACM Regulation.
- (2) On 21 February 2019, ACER issued its Decision No 02/2019 on the proposals of the Core transmission system operators (‘TSOs’) for the regional design of the day-ahead and intraday common capacity calculation methodologies according to Article 20(2) of the CACM Regulation;<sup>2</sup> Annex I of that Decision included the day-ahead capacity calculation methodology (‘DA CCM’), Annex II of the same Decision set out the intraday capacity calculation methodology (‘ID CCM’).
- (3) According to Article 9(13) of the CACM Regulation, TSOs responsible for developing a proposal for terms and conditions or methodologies may propose amendments to the competent regulatory authorities, which are to be approved in accordance with the procedure set out in said Article 9. Where the regulatory authorities have not been able to reach an agreement on such amendment proposal within the six-month period, or upon their joint request, ACER is to adopt the decision on the proposal in accordance with Article 9(11) of the CACM Regulation and with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (4) The present ACER’s Decision follows from the Core regulatory authorities’ request that ACER adopts a decision on the Core TSOs’ proposal for amendment of the ID CCM (‘the Proposal’<sup>3</sup>) given that those regulatory authorities could not agree on approving the Proposal. Annex I to this Decision sets out the amended ID CCM (‘ID CCM Amendment’), according to Article 20(2) of the CACM Regulation, as approved by ACER.

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[https://extranet.acer.europa.eu/Official\\_documents/Acts\\_of\\_the\\_Agency/Individual%20decisions/ACER%20Decision%2002-2019%20on%20CORE%20CCM.pdf](https://extranet.acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2002-2019%20on%20CORE%20CCM.pdf)

<sup>3</sup> The Core TSOs’ Proposal is referred to in this Decision as ‘the Proposal’. The Proposal includes the official version with amendments, and the informal integral version with track changes.

The Proposal amended by ACER and provided as Annex I to this Decision is referred to as the ‘ID CCM Amendment’, and it is provided as the official version with amendments (Annex I), and as the informal integral version (Annex II).

## **2 PROCEDURE**

### **2.1 Proceedings before the Core regulatory authorities**

- (5) By letter of 8 February 2022, the Core regulatory authorities informed ACER that the Core TSOs submitted the first amendment of the Core ID CCM in accordance with Article 9(6) of the CACM Regulation to Core regulatory authorities. As Article 9(10) of the CACM Regulation requires Core regulatory authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and make a decision within six months following receipt of submission of the proposal to the last Core regulatory authority.
- (6) The amendments proposed by the Core TSOs are linked to the application of alternative Long Term Allocation ('LTA') inclusion approach. In particular the use of the Extended LTA Inclusion approach ('ELI approach') in the Core DA CCM, instead of the LTA margin approach, as approved by Core regulatory authorities in the course of 2021<sup>4</sup>. The use of the ELI approach impacts the way intraday cross-zonal capacities will be extracted from the leftovers of the day-ahead cross-zonal capacities during an interim period stretching from the go-live of the Core DA CCM to the full implementation of the Core intraday capacity calculation based on the flow-based approach. There is thus a strong interdependency between the go-live date of the Core DA CCM (scheduled for 20 April 2022) and the approval/implementation of the Proposal.
- (7) In addition, during this interim period, some transitional intraday capacity calculation initiatives will continue to be applied on the internal borders of the Central West Europe ('CWE') region and the starting point will be the results of the Core DA CCM. An approved Core ID CCM is therefore needed to calculate intraday capacities in the CWE region.
- (8) Core TSOs publicly consulted the first amendment of the Core ID CCM from 21 October 2021 to 21 November 2021. Core regulatory authorities issued a shadow opinion on 16 November 2021 mainly asking to clarify the parameters and values resulting from the extraction of intraday capacities with the ELI approach.
- (9) During the Core IG meeting on 3 December 2021, the Polish TSO PSE expressed its concern regarding the use of LTA inclusion by ELI approach, due to uncoordinated LTA capacities, which can have a negative impact on system security. PSE subsequently expressed being against the submitted amendment with the use of LTA inclusion until the Core common long-term capacity calculation methodology is implemented.

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<sup>4</sup> CERRF position paper of 10 May 2021.

- (10) During the exchanges between Core NRAs, the Polish regulatory authority (URE) proposed some amendments to the submitted Core ID CCM to mitigate the concern of PSE with the introduction of a compulsory agreement of all Core TSOs (to be based on unanimity) on the borders allowed to use LTA inclusion from the day-ahead capacity calculation process in the intraday capacity calculation process; moreover these borders would be listed in a newly added annex in the Core ID CCM. However, some Core regulatory authorities could not accept that a non-neighbouring Core TSO could have a veto on the use of LTA inclusion on their borders and some other Core regulatory authorities were concerned with the inflexible nature of the added annex - as a change of it would require an approval process by the Core regulatory authorities.
- (11) After having consulted, closely cooperated and coordinated with each other, Core regulatory authorities unanimously agreed during their meeting of 25 January 2022 to request ACER to swiftly adopt a decision on the first amendment of the Core ID CCM pursuant to Article 9(11) of the CACM Regulation. The grounds for this request were the lack of agreement on the revision of the first amendment of the Core ID CCM and the lack of alternative to be agreed upon within the short timeline before the go-live of the Core DA CCM, foreseen by Core TSOs on 20 April 2022.
- (12) All Core regulatory authorities asked ACER to consider the urgency of a timely decision and expressed readiness to assist and fully support ACER in the process of development and adoption of its decision.
  - (a) The submission of the 1st amendment of the Core ID CCM to ACER included the following documents, dated 2 December 2021:
    - (b) First amendment of the Intra-Day Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with Articles 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('the Proposal');
    - (c) Explanatory Document to the first amendment of the Intraday Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('Explanatory document');
    - (d) Public Consultation Report to the first amendment of the Intraday Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('PC report').

## 2.2 Proceedings before ACER

- (13) By letter of 8 February 2022, the Chair of the Core Energy Regulators' Regional Forum (CERRF)<sup>5</sup>, acting on behalf of the Core regulatory authorities, referred the Proposal to ACER for a decision pursuant to Article 9(11) of the CACM Regulation. According to this letter, the Core regulatory authorities jointly concluded that they were not in a position to approve the Proposal, or request further amendments, since they were not able to find a common agreement on key aspects of the Proposal.
- (14) On 14 February 2022, the Core regulatory authorities presented to ACER a detailed description of their common positions and diverging opinions in the “Non-paper of all Core regulatory authorities on First amendment of the Intra-Day Capacity Calculation Methodology of the Core Capacity Calculation Region” (‘non-paper’), as a support for ACER’s decision. The non-paper considered the following aspects of the Proposal:
- (a) Justification of zero capacity;
  - (b) Non-negative intraday available transfer capacities;
  - (c) Clarification on application of single intraday coupling fallback procedure;
  - (d) Clarification of common weighting factor (‘Wsum’) value;
  - (e) Setup of coordinated capacity calculator (‘CCC’);
  - (f) Application of LTA inclusion without consent of all Core TSOs;
  - (g) Consideration of non-Core borders;
  - (h) New Article 26(9); and
  - (i) Additional comments.
- (15) On 9 February 2022, ACER launched a public consultation on the Proposal, inviting all interested parties to submit their comments by 2 March 2022. The summary and evaluation of the responses received are presented in Annex III to this Decision.
- (16) Between 11 February and 16 March 2022, ACER engaged in extensive discussions with the Core TSOs and the Core regulatory authorities and consulted them on the amendments to the Proposal via a number of teleconferences and exchanges of documents, including oral hearings.
- (17) In particular, the following steps have been taken:

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<sup>5</sup> CERRF is a platform of the Core regulatory authorities to consult and cooperate for reaching a unanimous agreement on NEMO’s and TSO’s proposals.

- 11 February 2022 Kick-off meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 18 February 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 25 February 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 2 March 2022 Information on the Core ID CCM amendment process provided to the CACM Task Force;
- 3 March 2022 Draft Core ID CCM Amendment, including ACER's reasoning for amendments, provided to the Core TSOs and the Core regulatory authorities for the oral hearing;
- 4 March 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 9 March 2022 Information on the amendment process of the Core ID CCM provided at the Core NRAs' meeting;
- 11 March 2022 Oral hearing with the Dutch TSO TenneT B.V. and the German TSO TenneT GmbH;
- 11 March 2022 Oral hearing with the Hungarian TSO MAVIR and the Hungarian regulatory authority MEKH
- 14 March 2022 Oral hearing with Core TSOs and Core regulatory authorities;
- 15 March 2022 Oral hearing with the Belgian regulatory authority CREG
- 15 March 2022 Oral hearing with the Polish TSO PSE
- 16 March 2022 Information on the amendment process of the Core ID CCM provided to the AEWG;
- 16 March 2022 Closure of the hearing phase;
- 25 March 2022 AEWG's advice on the draft ID CCM Amendment;
- 13 April 2022 BoR's opinion on the draft ID CCM Amendment;

### **3 ACER'S COMPETENCE TO DECIDE ON THE PROPOSAL**

- (18) Pursuant to point (b) of the first subparagraph of Article 5(3) of Regulation (EU) 2019/942, all regulatory authorities of the region concerned shall unanimously agree on proposals for terms and condition or methodologies for the implementation of those network codes or guidelines that were adopted before 4 July 2019 and require the approval of all the regulatory authorities of the region concerned; pursuant to the second subparagraph of Article 5(3) of Regulation (EU) 2019/942, those regulatory authorities may refer the proposals to ACER for approval pursuant to point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942, and they shall do so pursuant to point (a) of the second subparagraph of Article 6(10) of that Regulation where they did not reach a unanimous agreement.
- (19) Pursuant to Article 9(5) and (7)(a) of the CACM Regulation, which has been adopted as a guideline before 4 July 2019, the proposal for a common capacity calculation methodology pursuant to Article 20(2) of the CACM Regulation shall be subject to approval by all regulatory authorities of the concerned region.
- (20) Pursuant to Article 9(11) of the CACM Regulation, where the regulatory authorities have not been able to reach agreement within six months, or upon their joint request, or upon ACER's request according to the third subparagraph of Article 5(3) of Regulation (EU) 2019/942, ACER shall adopt a decision concerning the submitted proposals for terms and conditions or methodologies within 6 months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (21) Pursuant to Article 9(13) of the CACM Regulation, where TSOs propose amendments of terms and conditions or methodologies to the regulatory authorities, those proposals shall be approved in accordance with the procedure set out in Article 9 of the CACM Regulation.
- (22) Pursuant to Article 9(5) of the CACM Regulation, ACER, before approving the terms and conditions or methodologies, shall revise the submitted proposals where necessary, after consulting the respective TSOs, in order to ensure that they are 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.
- (23) On 8 February 2022, the Core regulatory authorities informed ACER that they were not able to reach an agreement on the Proposal, and jointly requested ACER to take a decision on the Proposal.
- (24) Therefore, ACER is competent to decide on the Proposal based on Article 9(5), (7)(a), (11) and (13) of the CACM Regulation, and Article 5(3) and point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.



#### 4 SUMMARY OF THE PROPOSAL

- (25) The Proposal consists of the following elements. The Core TSOs' amendments provided in the Proposal were made in Title 1 (Article 2), Title 4 (Article 11) and Title 5 (Article 21).

'Whereas'	Recitals 1 to 22	The Whereas section includes general provisions, the scope of application and the definitions, as well as an introduction to cross-zonal capacities for the intraday market and intraday capacity re-calculation;  <i>No amendments were proposed by the Core TSOs.</i>
Title 1	Articles 1 to 3	The title of <b>General provisions</b> covers the subject matter and the scope of the methodology, definitions and the application of the methodology;  <i>A few amendments were proposed by the Core TSOs in the definitions.</i>
Title 2	Article 4	<b>General description of the capacity calculation methodology</b> with intraday capacity calculation process;  <i>No amendments were proposed by the Core TSOs.</i>
Title 3	Articles 5 to 10	<b>Capacity calculation inputs</b> , which include methodologies for the calculation of the inputs, i.e. the selection of CNECs, the operational security limits, the calculation of the final adjustment value, the allocation constraints, the reliability margin, the generation shift keys and the remedial actions in capacity calculation;  <i>No amendments were proposed by the Core TSOs.</i>
Title 4	Article 11	<b>Update of intraday cross-zonal capacities</b> , which include the description of update of intraday cross-zonal capacities remaining after the Single Day Ahead Coupling (SDAC)  <i>Major amendments were proposed by the Core TSOs, to enable the alternative Extended Long Term Allocation (LTA) inclusion.</i>
Title 5	Articles 12-20	<b>Description of the intraday capacity calculation process</b> , with a detailed description of the capacity calculation approach; i.e. a step-by-step mathematical description of the capacity calculation, followed by further details, including the rules on adjustment of power flows on CNECs, the consideration of non-Core CCR borders, the calculation of the



		final flow-based domain, the capacity validation methodology, and the intraday capacity calculation fallback procedure; <i>No amendments were proposed by the Core TSOs.</i>
Title 5	Article 21	This Title includes the description of the <b>calculation of available transfer capacities (ATC) for single intraday coupling (SIDC) fallback</b> procedure; <i>Major amendments were proposed by the Core TSOs, to enable the alternative ATC extraction based on optimisation.</i>
Title 6	Articles 22 to 25	This Title includes the requirements on necessary <b>updates and data provision</b> , including provisions regarding the monitoring and the provision of information to regulatory authorities <i>No amendments were proposed by the Core TSOs.</i>
Title 7	Article 26	This Title includes the <b>implementation</b> timeline; <i>No amendments were proposed by the Core TSOs.</i>
Title 8	Article 27	<b>Final provisions</b> , i.e. language; <i>No amendments were proposed by the Core TSOs.</i>
Annex 1		This Annex includes the justification of usage and methodology for calculation of external constraints. <i>No amendments were proposed by the Core TSOs.</i>
Annex 2		This Annex includes the requirements for calculation of intraday cross-zonal capacities before full implementation of intraday capacity calculation; <i>No amendments were proposed by the Core TSOs.</i>

## 5 SUMMARY OF THE OBSERVATIONS RECEIVED BY ACER

### 5.1 Initial views of the Core regulatory authorities

- (26) In the CERRF's Chair's letter of 8 February 2022, and the non-paper of 14 February 2022, the Core regulatory authorities reported their initial views and positions regarding the Proposal.
- (27) According to the non-paper, the Core regulatory authorities have reached an agreement on two aspects of the Proposal, namely:
- (a) Justification of zero capacity: the Core regulatory authorities pointed out that Core TSOs should give a justification and evidence for setting cross-zonal capacity to

zero pursuant to Article 11(3) of the Proposal and that detailed reasons for setting the capacities to zero should be published; and

- (b) Clarification on the application of the single intraday coupling fallback procedure: a majority of the Core regulatory authorities agreed to change Article 21(1) of the Proposal to clarify that the process described in Article 21 of the Proposal not only applies if SIDC is unable to accommodate flow-based parameters after implementing ID CCM with the flow-based calculation process but also as a standard process during the transitional period when leftover capacities from the day-ahead process are used.
- (28) According to the non-paper, the Core regulatory authorities failed to reach an agreement on several aspects of the Proposal, in particular:
- (a) Non-negative intraday available transfer capacities; the need for specifying that the input values for the ATC extraction are always non-negative has been pointed out by one regulatory authority;
  - (b) Clarification of common weighting factor ('Wsum') value: one regulatory authority required the fixed value on the level of Core ID CCM, while another regulatory authority preferred not to define the value of Wsum but to leave it adjustable during the implementation and application;
  - (c) Setup of the coordinated capacity calculator ('CCC'): some regulatory authorities proposed removing Article 26(2) of the Proposal as Coreso and TSCNET have already been appointed for the role of CCC, while one regulatory authority was inclined to leave this provision for consistency reasons;
  - (d) Application of LTA inclusion without the consent of all Core TSOs: this was the major topic of the Proposal and there was a different view of the Polish TSO on the principles for the LTA inclusion;
  - (e) Consideration of non-Core borders: some regulatory authorities pointed out that the Proposal should be updated in accordance with updates of the Core DA CCM with regard to the treatment of non-Core borders;
  - (f) New Article 26(9): one Core regulatory authority proposed the additional paragraph of Article 26 of the Proposal, which would require mandatory amendment of the Core ID CCM in the period of six months; and
  - (g) Additional comments: one regulatory authority pointed out the need to update the explanatory document; another major point of the Proposal underlined by some Core regulatory authorities is the concern that the simulation results indicate a reduction of the average intraday ATC and a substantial increase of zero ID ATC occurrences on the vast majority of Core borders. These regulatory authorities hence support to discuss options to mitigate this outcome within the framework of this amendment.

## **5.2 Engagement with the Core TSOs and the Core regulatory authorities**

### **5.2.1 Working meetings**

- (29) During the decision-making process, ACER engaged in in-depth discussions with the Core TSOs and the Core regulatory authorities. In particular, ACER:
- (a) has taken into account the need to provide the decision and the Core ID CCM Amendment timely, before the projected go-live of the Core DA CCM;
  - (b) has taken into account the Core TSOs' proposed amendments with regard to the application of ELI approach in Article 11 of the Proposal and the related ATC extraction in Article 21 of the Proposal;
  - (c) has taken into account the initial TSOs simulations regarding the inclusion of the minimum remaining available margin ('RAM') through the Adjustment of Minimum RAM coefficient ('AMR'), as well as LTA inclusion and consequential size of extracted ATC and occurrence of zero capacities;
  - (d) has taken into account the possible improvements of the ATC extraction algorithm which were analysed by the Core TSOs, in particular the application of a PTDF threshold for omitting small PTDFs during the ATC extraction, and the improvement of ATC extraction which would avoid or further minimise the occurrence of zero ATC values at the borders of Core CCR; and
  - (e) discussed with the Core TSOs the implementation process in detail, in order to define a feasible implementation sequence and the transitional solution in the light of required developments.

### **5.2.2 Hearing**

- (30) For the hearing, ACER initially proposed:
- (a) a proactive approach for the determination of sufficiently high initial ATC values for the intraday capacity calculation process in the transition period, by the mandatory inclusion of a 20% floor for AMR and mandatory full LTA inclusion; and
  - (b) a cross-regional ATC validation process for the transition period based on the impact of Core borders' ATCs on the CNECs of Core TSOs (determined on the basis of PTDF) and maintaining the flexibility of the approach until proper tools have been developed and operational experience has been gained by the Core TSOs. Therefore, the Core TSOs would be able to validate and influence the initially extracted ATCs not only on their borders, but also on the impacting distant Core borders.
- (31) The feedback of the Core TSOs and regulatory authorities on ACER's initial proposal during the hearing showed that:
- (a) few Core TSOs and one regulatory authority supported ACER's proposal;

- (b) the German and Dutch TSOs would be in favour of a mandatory 20% floor for both AMR and LTA inclusion;
  - (c) a few TSOs and two regulatory authorities were in favour of either gradual or voluntary AMR and LTA inclusion;
  - (d) one regulatory authority raised strong legal concerns against a mandatory inclusion of minimum RAM (through AMR);
  - (e) there was in general low support for the ACER's proposal on the cross-regional ATC validation: the TSOs claimed a lack of validation tools, procedures and experience in general;
  - (f) the TSOs from the Central West Europe (CWE) mainly stated that they would keep local transitional increase/decrease process in support of the initially extracted ID ATCs. PSE and SEPS also supported transitional national solutions in ATC validation; and
  - (g) the perspective methodological adjustments pursuant to Article (29)(d) of this Decision were widely accepted by the Core TSOs and the Core regulatory authorities, having in mind the unpreparedness of these methodological adjustments for the go-live.
- (32) On the basis of the feedback of the Core TSOs and regulatory authorities on ACER's initial proposal during the hearing, ACER has provided another proposal, which is described in detail in chapter 6.2 below and can be summarized as follows:
- (a) The LTA inclusion would be voluntary, with a cap of 1500 MW. The AMR inclusion would be voluntary. ACER expects that the TSOs which were ready to support a mandatory inclusion of a 20% cap would be also willing to voluntarily apply at least that level of LTA and AMR inclusion;
  - (b) The ATC validation would be organised bilaterally. The local transitional validation solutions should be allowed, giving the possibility to decrease ATCs in case of security concerns or to increase them up to 300 MW per border, starting from the initially extracted ATCs;
  - (c) The ATC extraction adjustments pursuant to Article (29)(d) of this Decision are supported and can be applied whenever ready, subject to the Core TSOs agreement; and
  - (d) The ID CCM Amendment would focus mainly on the transition period of Core ID CCM application, as provided in Article 26(6) of the ID CCM Amendment; other changes should be subject to a later amendment according to the Core TSOs' plan.

### **5.3 Public consultation**

- (33) Responses to ACER's public consultation (see paragraph (15) above) are summarised in Annex III to this Decision. A summary of key comments is provided below:

- (a) One stakeholder stressed the importance of considering dynamic line rating for defining the maximum admissible current during the intraday capacity calculation.
- (b) Some stakeholders were in favour of improving market functioning, including in the intraday market, but not at the detriment of cross-border capacity being given in the forward and day-ahead markets. In particular, they did not support withholding of capacity that might then remain unused, but were in favour of making more capacity available closer to real time assuming less uncertainty and thus smaller security margins for TSOs;
- (c) Some stakeholders welcomed the optimisation-based intraday ATC extraction which would be applied if ELI approach is applied on the day-ahead time frame. They were concerned about the possibility for simultaneous application of two LTA inclusion approaches in the different phases of intraday capacity update or calculation, and would omit the previous iterative LTA inclusion approach. They were also concerned about the proper implementation of the ATC extraction algorithm in order to minimise the occurrence of zero values of ATC.

#### **5.4 Consultation of the AEWG**

- (34) AEWG has broadly endorsed the draft Decision on Core ID CCM Amendment, noting that:
  - (a) The proposed voluntary approach seems to be acceptable for the transition period, with the common understanding that the TSOs would maintain ID capacities to the utmost possible extent;
  - (b) A proper level of transparency must accompany the voluntary TSO approach to enable traceability of the ID results. Related monitoring and reporting duties are crucial for the information of NRAs and market participants and build the base for the enhancement of the CCM; and
  - (c) After the Core FBMC go-live the relevant groups shall continue to work on improvements and evolve the ID CCM further.
- (35) Four regulatory authorities provided individual comments during the consultation phase. These related to:
  - (a) The concern about maintaining the fundamental principle of non-discrimination of cross-zonal and internal exchanges, i.e. the possibility that intraday cross-zonal exchanges might be blocked because of network constraints in a certain bidding zone;
  - (b) The concern if the voluntary approach in determining the LTA and AMR inclusion would ensure the appropriate level of intraday cross zonal capacities;
  - (c) The concern if the proposed limitation to the LTA inclusion would ensure sufficient coordination on LTA inclusion;

- (d) Allowing to maintain or establish the temporary bilateral, Core sub-regional or Core region-wise validation arrangements;
  - (e) Strengthening the transparency and publication requirements;
- (36) ACER has considered AEWG's advice and the individual comments to the maximum possible extent, in finalising this Decision.

## **6 ASSESSMENT OF THE PROPOSAL**

### **6.1 Legal framework**

- (37) Article 9(7)(a) and (13) of the CACM Regulation provides that TSOs' proposals of amendments to the common CCM in accordance with Article 20(2) of the CACM Regulation are to be submitted by all TSOs of the concerned CCR to all regulatory authorities of that CCR for their approval; such proposals are to be submitted to consultation in accordance with the procedure set out in Article 12 of the CACM Regulation.
- (38) Article 20 of the CACM Regulation sets general requirements regarding the development of a proposal for a common coordinated CCM and its implementation.
- (39) Article 21 of the CACM Regulation specifies various requirements for the content of the proposal for a CCM, referring to further specifications in Articles 22, 23, 24 and 25 of the same Regulation. It also includes a provision for the inclusion of a fallback procedure for the case where the initial capacity calculation does not lead to any results.
- (40) Article 22 of the CACM Regulation sets out requirements related to the reliability margin methodology to be necessarily included in the CCM.
- (41) Article 23 of the CACM Regulation lays down requirements related to operational security limits, contingencies and allocation constraints.
- (42) Article 24 of the CACM Regulation stipulates requirements related to the generation shift keys methodology.
- (43) Article 25 of the CACM Regulation specifies requirements related to the methodology for remedial actions in capacity calculation.
- (44) Article 26 of the CACM Regulation sets requirements related to the methodology for the validation of cross-zonal capacity.
- (45) Article 27 of the CACM Regulation defines general requirements related to the capacity calculation process.

- (46) Article 28 of the CACM Regulation provides for requirements related to the creation of a common grid model. However, these are not directly relevant for the capacity calculation methodology.
- (47) Article 29 of the CACM Regulation sets requirements related to the regional calculation of cross-zonal capacity.
- (48) Article 30 of the CACM Regulation sets requirements related to the validation and delivery of cross-zonal capacity.
- (49) As a general requirement, Article 9(9) of the CACM Regulation provides for that the proposal for terms and conditions or methodologies include a proposed timescale for their implementation and a description of their expected impact on the objectives of the same Regulation.

## **6.2 Assessment of the legal requirements**

### **6.2.1 Assessment of the requirements for the development and for the content of a proposal for a capacity calculation methodology**

#### *6.2.1.1 Development and submission of the Proposal*

- (50) The Proposal fulfils the submission requirements of Articles 9(7)(a) and 9(13) of the CACM Regulation as all Core TSOs submitted the Proposal to all Core regulatory authorities.
- (51) The Proposal fulfils the requirements of Article 20(1) of the CACM Regulation as Article 4 of the Proposal defines that the flow-based approach is used for capacity calculation.
- (52) The Proposal fulfils the requirement of consultation according to Article 9(13) and Article 12 of the CACM Regulation as the Core TSOs publicly consulted the Proposal from 21 October 2021 to 21 November 2021.

#### *6.2.1.2 Required content of the proposal for a capacity calculation methodology*

- (53) The Proposal fulfils the requirements of Article 21 of the CACM Regulation as it complies with the required content of the CCM.

#### *6.2.1.3 Description of the expected impact on the objectives of the CACM Regulation*

- (54) The recitals of the Proposal provide a description of the expected impact of the methodologies on the objectives of the CACM Regulation. All the objectives set in Article 3 of the CACM Regulation are addressed in the recitals.

#### *6.2.1.4 Amendments to the general provisions*

- (55) In the Whereas section of the ID CCM Amendment:



- (a) ACER has updated the references to Regulation (EC) No 714/2009 by replacing them with the ones from Regulation (EU) 2019/943, as Regulation (EC) No 714/2009 is no longer in force and has been repealed by Regulation (EU) 2019/943; and
  - (a) ACER has added a paragraph proposed by the German regulatory authority explaining that the Core ID CCM adopted by Decision No 02/2019 is the subject of actions for annulment before the General Court (cases T-283/19 and T-631/19), but that the Proposal does not affect the parts of the Core ID CCM which are disputed in those annulment proceedings and is without prejudice to their assessment by the Union Court. This is to clarify the relation of the proposed amendments and the pending Court proceedings.
- (56) Article 2 of the ID CCM Amendment provides amendments to Definitions. ACER has amended this Article as follows:
- (a) ACER has amended the references to correct Regulations in the footnote; and
  - (b) Due to additional provisions referred to in Annex 5, ACER has added the additional definition of the day ahead congestion forecast (DACF) procedure.

*6.2.1.5 Implementation timeline (Article 26 and Annex 2)*

- (57) The Proposal does not include an amendment of Article 26. However, ACER finds it necessary to amend Article 26 for the following reasons:
- (a) Paragraph 2 of Article 26 of the Proposal is no longer applicable because the CCC has already been set up in the past. This change is also in line with the request from the non-paper;
  - (b) Paragraph 6 of Article 26 of the Proposal referred to the transitional sub-regional or national solution for capacity re-calculation pursuant to Article 4(2)(b) of the Proposal. As ACER was informed that no such transitional solution currently exists or is planned to be implemented, ACER deleted this Article.
- (58) Finally, ACER has added a new paragraph in Article 26 of ID CCM Amendment which introduces a transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of ID CCM Amendment. The Proposal included an amendment of Article 11 and Article 21, both of which are introducing the updating of cross-zonal capacities remaining after SDAC in a way which assumes that these remaining capacities exist in the form of flow-based parameters as well as LTA domain. The TSOs call this the flow-based parameters with Extended LTA inclusion.
- (59) ACER notes that such an assumption about the cross-zonal capacities remaining after SDAC is not compliant with Article 29(10) of the CACM Regulation, which clearly specifies that cross-zonal capacities can only be in the form of flow-based parameters in case of the flow-based approach or in the form of cross-zonal capacity values for each bidding zone border in case of the coordinated net transmission capacity approach. In accordance with Article 2(16) of Commission Regulation (EU) 543/2013, the flow-



based parameters are defined as available margins on critical network elements with associated power transfer distribution factors. Flow-based parameters can therefore only be defined for physical critical network elements.

- (60) The Extended LTA inclusion incorporated in Articles 11 and 21 of the Proposal therefore assumes that the cross-zonal capacities remaining after SDAC exist in the form of flow-based parameters as well as some other parameters called LTA values, which are not flow-based parameters. As this is not compliant with Article 29(10) of the CACM Regulation and Article 2(16) of Regulation (EU) 543/2013, ACER deleted all references to Extended LTA inclusion from Article 11 and Article 21.
- (61) Nevertheless, ACER understands that the Extended LTA inclusion is currently the option that TSOs can use pursuant to the DA CCM approved by the Core regulatory authorities and is planned to be implemented in this form. Removing the Extended LTA inclusion from the ID CCM would require a change in TSOs planned procedures and IT systems and would likely delay the implementation of DA CCM. Under these circumstances, ACER considers it appropriate to accept the Extended LTA inclusion in the ID CCM Amendment for a limited transition period of twelve months until the implementation of the first intraday capacity re-calculation pursuant to Article 4(2)(b) of ID CCM.<sup>6</sup> This temporary exemption from the requirements of Article 29(1) of the CACM Regulation and Article 2(16) of Regulation (EU) 543/2013 is justified based on the objectives of the CACM Regulation, most importantly the objectives in points (a), (b), (d) and (g) of Article 3 of the CACM Regulation as the delay in the implementation of the DA CCM would have significant negative impact on these objectives.
- (62) In line with the reasoning above, ACER introduced a new paragraph 6 in Article 26 of ID CCM Amendment which provides a transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of ID CCM Amendment. This transitional solution specifies its duration (until the implementation of the intraday capacity calculation methodology pursuant to Article 4(2)(b) of ID CCM Amendment), and its form, which replaces Articles 11 and 21 of ID CCM Amendment with Annexes 3 to 5, i.e. during the transition period:
- (i) Annex 3 shall replace Article 11;
  - (ii) Annex 4 shall replace Article 21; and
  - (iii) Annex 5 shall also apply.
- (63) ACER expects that, after the end of the transition period, the ID CCM Amendment would apply without the Annexes 3, 4 and 5. However, this does not exclude the right

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<sup>6</sup> As explained in paragraph (62), this transition period is not provided in Article 11 and 21, but rather in Annex 3 and Annex 4 of the ID CCM Amendment.

of the Core TSOs to propose new amendments to the ID CCM Amendment in case they see the need to amend it before the expiry of the transition period.

- (64) In line with the transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of the ID CCM Amendment and as described above, ACER also updated Annex 2 of the Proposal with the reference to this transitional solution.

*6.2.1.6 Update of intraday cross-zonal capacities remaining after the SDAC (Article 11 and Annex 3)*

- (65) In accordance with the reasons described in paragraphs (58) to (62), ACER rejected all proposed amendments of Article 11 and introduced a new Annex 3 instead, with the same content as Article 11 of the Proposal, except in the cases described below.
- (66) Paragraph 2 of Article 11 of the Proposal provided the TSOs with the right to exclude partially or completely the minimum RAM component ( $AMR_{DA}$ ), the  $LTA_{margin,DA}$  or the  $LTA_f$  all three being the components calculated pursuant to the applicable DA CCM. ACER finds it necessary to amend this provision in order to comply with Article 21(1)(b)(ii) of the CACM Regulation which requires that the ID CCM includes rules for avoiding undue discrimination between internal and cross-zonal exchanges.
- (67) As explained in ACER Decision No 02/2019, Section 6.2.3.3, the rules for avoiding undue discrimination entail two elements, namely (i) selection of critical network elements and (ii) minimum capacity available for cross-zonal exchanges. The first element of these rules is included in Article 5 of the Proposal and is not subject of this amendment. The second requirement has been addressed by amending paragraph 2 of Article 11 as well as Annex 3 of the ID CCM Amendment by providing an obligation for TSOs to comply with Article 16 of Regulation (EU) 2019/943 with respect to minimum capacity available for cross-zonal exchanges.
- (68) The requirement to maximise cross-zonal capacities and to ensure that at least a minimum amount of cross-zonal capacity is provided to the market is covered by Article 16 of Regulation (EU) 2019/943, most notably in its paragraph 1 specifying general congestion management principles, its paragraph 4 requiring maximisation of cross-zonal capacities and its paragraph 8 providing minimum requirements for cross-zonal capacities offered for capacity allocation. These paragraphs provide quite detailed and specific rules to maximise cross-zonal capacities and to ensure that at least a minimum amount of cross-zonal capacity offered for capacity allocation. Therefore, the reference to Article 16 of Regulation (EU) 2019/943 is, in this case, sufficient to comply with Article 21(1)(b)(ii) of the CACM Regulation.
- (69) Therefore, in order to avoid undue discrimination between internal and cross-zonal exchanges, ACER amended paragraph 2 of Article 11 and Annex 3 of the ID CCM Amendment by specifying that while TSOs may indeed reduce the components  $AMR_{DA}$ ,  $LTA_{margin,DA}$  and  $LTA_f$  to ensure operational security, such modifications still need to comply with the requirements of Article 16 of Regulation (EU) 2019/943.

ACER applied this amendment to both Article 11 as well as Annex 3 of the ID CCM Amendment.

- (70) The Proposal does not comply with the objective of ensuring operational security pursuant to Article 3(c) of CACM Regulation, because the LTA inclusion of excessive and non-coordinated LTA values in a form of Extended LTA inclusion approach does not allow each TSOs to control and maintain the effect of non-coordinated LTA values on their own critical network elements. As ACER's proposal on cross-regional validation of ID ATCs as referred to in paragraph (30) of this Decision was not supported by most of the Core TSOs, ACER adopted another approach which is to limit the excessive and non-coordinated LTA values by applying the cap to the LTA inclusion equal to 1500 MW. Such a cap was chosen based on expert opinions provided by Core TSOs on what are the maximum values of LTAs that are still unlikely to lead to significant operational security problems. Based on different opinions, ACER considered that the value 1500 MW is the highest value for which all Core TSOs still agree that it would likely not lead to significant operational security problems.
- (71) According to the request from the non-paper, ACER also specified in Paragraph 2 of Annex 3 of ID CCM Amendment that the calculation of updated RAM and updated LTA at intraday level is done in a way which ensures that these values are always equal or higher than zero.

*6.2.1.7 Calculation of ATCs for SIDC fallback procedure (Article 21 and Annex 4)*

- (72) In accordance with the reasons described in chapter 6.2.1.6 of this Decision, ACER rejected all proposed amendments of Article 21 of the Proposal and introduced a new Annex 4 of the ID CCM Amendment instead, with the same content as amended Article 21 of the Proposal, except in the cases described below.
- (73) According to the requests from the non-paper, ACER has applied the following amendments in Annex 4 of the ID CCM Amendment:
- (a) ACER has added the clarification of the application of SIDC fallback procedure in paragraph 1 of Annex 4;
  - (b) ACER ensured that the values for the calculation of updated RAM, updated LTA and  $RAM_{ATC}(0)$  at intraday level always higher than zero by amending the related formulae; and
  - (c) ACER has set the value of  $W_{sum}$  to 0.5, as provided by the Core TSOs in the Explanatory document.

*6.2.1.8 Other transitional arrangements (Annex 5)*

- (74) In order to address specific concerns of core TSOs and regulatory authorities about the transitional solution that ACER adopted in Annex 3 and Annex 4 of ID CCM Amendment, ACER also added Annex 5 to ID CCM Amendment. In this Annex ACER

added the requirements on validation of ID ATCs, on transparency of transitional solution as well as possible improvements in ID ATC extraction methodology.

- (75) In paragraphs 1 and 2 of Annex 5, ACER has complemented the transitional solution, with the TSOs' validation of the calculated ID ATCs. ACER has taken into account the suggestions of Core TSOs to enable the existing validation procedures such as the one in the Central Western Europe region, but also other existing or foreseen initiatives suggested by the Polish TSO PSE and the Slovakian TSO SEPS. Such validation can reduce ID ATCs in case of security concerns, but can also increase intraday ATCs if it does not lead to operational security violations. However, ACER decided that such validation is coordinated bilaterally only by TSOs on the bidding zone border in order to provide these TSOs more flexibility to increase ID ATCs and thereby reduce the risk of very low ID ATCs. On the other hand, in order to limit possible negative consequences such increase could have on other TSOs, ACER imposed a limit of 300 MW for increase of intraday ATC per border in order to limit possible negative consequences such increase could have on other TSOs. This value is already applied as the maximum increase within the current intraday capacity calculation process in the Central Western European region.
- (76) Some Core TSOs and regulatory authorities requested transparency on the validation actions during the transition period. However, most Core TSOs expressed concerns that some transparency requirements cannot be implemented at the implementation of DA CCM and would need more time for implementation in order to develop adequate tools, formats and procedures for the validation process. To address the first request, ACER provided, in paragraph 3 of Annex 5, a general obligation for Core TSOs to inform other Core TSOs on validation actions and, in paragraph 4 of Annex 5, publication requirements to ensure transparency of ID capacity calculation during the transition period. To address the second concern about the implementation timeline for these requirements, ACER provided temporary derogations for Core TSOs for the following two requirements:
- (a) to provide detailed justifications of applied validation actions; and
  - (b) to publish detailed input data for ATC extraction process.
- (77) In paragraph 5 of Annex 5, ACER has enabled the initial setup of coordinated validation within the transition period, where CCC would assist the Core TSOs with providing at least the information on reference flows and the theoretically maximal flows by the ATC values, based on DACF CGMs.
- (78) During the proceedings for this Decision, Core TSOs informed ACER that they have identified additional improvements of the ATC extraction methodology that can potentially increase the ID ATCs and thereby better achieve the objective of optimising the calculation and allocation of cross-zonal capacity pursuant to Article 3(d) of the CACM Regulation. However, these improvements are not yet fully tested and could not be adopted in the context of this Decision. To not restrict a better achievement Article 3(d) of the CACM Regulation, ACER added in paragraph 6 of Annex 5, a provision which allows further adjustments of the ATC extraction methodology, as

referred in the Article (29)(d) of this Decision, to be applied without further amending the ID CCM, if proven to be efficient and subject to agreement of Core TSOs. Given the temporary nature of the transitional solution, ACER consider that such a discretion given to TSOs as it is conditional on better fulfilment of the objectives of the CACM Regulation and any possible misuse by TSOs would be very limited in time.

### **6.3 Editorial amendments**

- (79) ACER has introduced a few editorial amendments to improve consistency and structure of the Proposal, while preserving the intended meaning of the content. These editorial amendments generally relate to amendments of wording and improvements of structure.

## **7 CONCLUSION**

- (80) For all the above reasons, ACER considers the Proposal in line with the requirements of the CACM Regulation, provided that the amendments described in this Decision are integrated in the Proposal, as presented in Annex I to this Decision. The amendments, which have been consulted with the TSOs, are necessary 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 proper functioning of the market.
- (81) Therefore ACER approves the Proposal subject to the necessary amendments and to the necessary editorial amendments. To provide clarity, Annex I to this Decision sets out the Proposal as amended and as approved by ACER,

HAS ADOPTED THIS DECISION:

### *Article 1*

The intraday capacity calculation methodology of the Core capacity calculation region, developed pursuant to Article 20 of Regulation (EU) 2015/1222, is amended as set out in Annex I to this Decision.

### *Article 2*

This Decision is addressed to:

Austrian Power Grid AG  
Elia System Operator S.A.  
ČEPS a.s.

Réseau de Transport d'Electricité  
HOPS d.o.o., Hrvatski operator prijenosnog sustava  
MAVIR ZRt  
Creos Luxembourg S.A.  
TenneT TSO B.V.  
Polskie Sieci Elektroenergetyczne S.A.  
C.N.T.E.E. Transelectrica S.A.  
ELES, d.o.o. sistemski operater prenosnega elektroenergetskega omrežja  
Slovenská elektrizačná prenosová sústava, a.s.  
50Hertz Transmission GmbH  
Amprion GmbH  
TenneT TSO GmbH  
TransnetBW GmbH

Done at Ljubljana, on 19 April 2022.

**- SIGNED -**

*For the Agency  
The Director*

C. ZINGLERSEN

Annexes:

- Annex I First amendment of the Intraday capacity calculation methodology of the Core capacity calculation region
- Annex Ia First amendment of the Intraday capacity calculation methodology of the Core capacity calculation region (track change version, for information only)
- Annex II Intraday capacity calculation methodology of the Core capacity calculation region (full amended methodology: First amendment, for information only)
- Annex IIa Intraday capacity calculation methodology of the Core capacity calculation region (track changes of the full amended methodology: First amendment, for information only)
- Annex III Evaluation of responses to the public consultation on the proposal for the First amendment of the intraday capacity calculation methodology of the Core capacity calculation region (for information only)

*In accordance with Article 28 of Regulation (EU) 2019/942, the addressees 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 addressees 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.*