

# **ENTSO-E'S RESPONSE TO THE PUBLIC CONSULTATION ON ALL TSO'S' PROPOSAL ON DEFINITION OF THE CAPACITY CALCULATION REGIONS IN ACCORDANCE WITH ARTICLE 15(1) OF THE COMMISSION REGULATION (EU) 2015/1222 OF 24 JULY 2015 ESTABLISHING A GUIDELINE ON CAPACITY ALLOCATION AND CONGESTION MANAGEMENT**

| 6 November 2020

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## **DISCLAIMER**

This document is submitted by all transmission system operators (TSOs) to ACER for information purposes only accompanying the all TSOs' proposal on definition of capacity calculation regions in accordance with article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.

## Introduction

The Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (hereinafter referred to as the “CACM Regulation”), mandates in its Article 15(1) all TSOs to develop a proposal on definition of capacity calculation regions (hereinafter referred to as the “CCR Proposal”). The CCR Proposal was approved in 2016, followed by several amendment processes.

However, by its judgments of 24 October 2019 in the cases T-332/17 and T-333/17, the General Court annulled the Board of Appeal’s Decision A-001-2017 (consolidated) of 17 March 2017 in so far as that decision dismissed the appeals brought by E-Control, Austrian Power Grid AG and Vorarlberger Übertragungsnetz GmbH against ACER’s Decision No 06/2016 regarding the determination of CCRs. Following those judgments, the Board of Appeal has relaunched the procedure to review ACER’s Decision No 06/2016 and issued a respective Decision on 22 May 2020, by which the case is remitted to ACER. According to this Decision, ACER’s Decision No 06/2016 should be reviewed based on current circumstances and will remain in force until its amendment, replacement or confirmation.

Hence, there was a need of replacing ACER’s Decision No 06/2016 by a new CCRs Decision. Therefore, on the 5<sup>th</sup> of June 2020, ACER’s Director sent a letter inviting all TSOs to “*prepare an updated proposal for capacity calculation regions (CCRs) and formally submit it to ACER for approval*” in the shortest time possible. Following this request, all TSOs prepared an updated proposal for CCRs.

In accordance with the Article 12 of the CACM Regulation, The CCR Proposal was formally consulted via formal web-based consultation between 19 August and 19 September<sup>1</sup>. During this public consultation, ENTSO-E received responses from 7 stakeholders.

This document lists all TSOs’ assessment of the comments provided to the public consultation of the CCR Proposal. Rather than providing responses per individual comment received, an assessment of all input received is done on a clustered basis per topic, in order to give a coherent view on all TSOs’ approach towards the CCR Proposal.

This document is not legally binding. It only aims at clarifying the assessment of the comments received from stakeholders during the formal public consultation of the CCR Proposal. This document is not supplementing the CCR Proposal document, nor can it be used as a substitute to it.

All TSO’ acknowledges and thank stakeholders for the effort that they have invested in providing feedback for the consultation on the CCR Proposal; this feedback is a major contributor to bringing improvements and transparency to the process.

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<sup>1</sup>[https://consultations.entsoe.eu/markets/ccr\\_proposal/](https://consultations.entsoe.eu/markets/ccr_proposal/)

## Responses to public consultation comments

Stakeholder	Comment/Proposal	All TSOs response/decision
Oesterreichs Energie	<p>Oesterreichs Energie has repeatedly commented on the split of the AT-DE border and we have expressed our disapproval of the same. The bottleneck exists within DE and not at the AT-DE border. The split of the former AT-DE bidding zone led to increased costs for market participants and consumers, lower market liquidity, increased barriers for market entry and market integration. The congestion management at the border also prevents efficient integration of renewables and compromises CO<sub>2</sub>-emission reduction targets as especially pumped storage cannot be efficiently used. Establishing a single, efficient and integrated European electricity market must enlarge bidding zones, splitting bidding zones contradicts the completion of the intended internal market in electricity.</p>	<p>This CCR proposal includes the previous changes in CCR determinations (the status quo situation), namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019.</p> <p>In order to provide a stable, basis and safeguard the implementation of CORE CCR, TSOs decided to reflect the existing situation with regards to the AT-DE bidding zone border in the CCR proposal.</p> <p>Regarding your arguments, there are processes in place, that continuously evaluate efficiency and social welfare of bidding zones (e.g. the bidding zone review). This evaluation is not and cannot be part of the CCR proposal.</p> <p>A decision on bidding zone (border) changes should first be taken as a result of those processes. Afterwards, the CCR configuration can be amended accordingly. As such change decision are not apparent currently, no such changes in the CCR proposal are included.</p>
EiCom (Swiss NRA)	<p>We appreciate the possibility to involve non-EU countries in an appropriate manner as outlined in part (12) of the "Whereas"-section. Since such inter-TSO or intergovernmental agreements are crucial for ensuring the regional grid security we propose to shift part (12) of the "Whereas"-section to an article of the main body of this methodology. Alternatively only a sentence could be added to the main body allowing for such inter-TSO agreements.</p> <p>Having the possibility of an inter-TSO agreement in the main body provides better legal certainty for EU TSOs as well as for non-EU TSOs. It is also in line with similar provisions in network codes and guidelines (e.g. art. 13 SOGL) and with the letter of Mr. Borchardt sent on 16.07.2019 regarding capacity calculation and third countries.</p>	<p>All-TSOs have discussed in which part of the CCR proposal third countries should be mentioned. It is decided by All-TSOs to mention third countries in the "Whereas" section. "Whereas"-section (12) will therefore not be shifted to the main body.</p>

<p>European Federation of Energy Traders (EFET)</p>	<p>The European Federation of Energy Traders (EFET) would like to thank ENTSO-E for the opportunity to comment on the updated transmission system operators' (TSOs) proposal for the determination of capacity calculation regions (CCRs), developed in accordance with Article 15(1) of Commission Regulation (EU) 2015/1222 establishing a Guideline on Capacity Allocation and Congestion Management (CACM GL). The definition of CCRs is an important topic for us, as we expect that the benefit from increased coordination will lead, over time, to more cross-zonal capacity being made available to the market by the TSOs and thus, to deeper integration of European electricity markets.</p> <p>We are generally supportive of the proposal and acknowledge that the approval process will be subject to the new methodology required under Art. 5(2) of Regulation (EU) 2019/942, meaning that the proposal will be submitted directly to the Agency for the Cooperation of Energy Regulators (ACER) for endorsement.</p> <p>This proposal primarily aims to update the CCRs delineation in line with recent decisions. However, in the future, we would recommend that such proposals are accompanied by a thorough impact assessment of the proposed delineation of CCRs and an evaluation of alternatives, as this would help market participants to make better-informed comments.</p> <p>We understand that there are some ongoing assessments (e.g. for the Hansa and Channel CCRs) which may necessitate further amendments to the definition of CCRs and we welcome such a comprehensive approach. We would also suggest a regular/ periodic review of the overall delineation of CCRs, e.g. every four or five years, accompanied by a full impact assessment of the current situation and the potential need for changes.</p> <p>Below, you can find some more concrete comments on the proposal at hand.</p> <p><u>Hansa and Channel CCRs:</u> The Sweden-Germany border should be allocated to the Hansa CCR. This border is still not allocated, which is not acceptable. The related interconnector is operated by Baltic Cable AB, and this company was certified as a TSO last year. In fact, such an inclusion was already announced in the original proposal - the explanatory document of 2015 states the following: "The geographical border SE4-DE/AT/LU will be included in the CCR Hansa after the legal entity operating the interconnection connecting the respective bidding zones becomes a certified TSO" (<a href="#">link</a>). There is no reason to further postpone this inclusion and the proposal shall be amended accordingly.</p>	<p><u>Regarding Baltic Cable:</u> This CCR proposal includes the previous changes in CCR determinations (the status quo situation), namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019. As the legal status for Baltic cable in Sweden was not fully clear to ENTSO-E, the proposal sent for consultation did not include the bidding zone border SE4-DE/LU.</p> <p>In coordination with ACER, ENTSO-E, Baltic Cable and the relevant TSOs and NRAs, clarification on the certification status of Baltic Cable AB in Germany and Sweden has been given. Consequently, it has been decided to include the SE4-DE/LU bidding zone border in the CCR Proposal after the public consultation.</p> <p><u>Regarding the optimal determination of CCRs:</u> In case changes in the CCR configuration arise from either the ongoing analysis on the optimal determination of CCRs (e.g. as a result of ACER decision 04/2019) or other processes (e.g. the bidding zone review), a decision on bidding zone (border) changes should first be taken as a result of those processes.</p> <p>Afterwards, the CCR configuration can be amended accordingly. As such change decisions are not apparent currently, no such changes in the CCR proposal are included. Only exception to this is the change in the Italian bidding zones, which is an agreed upon change as a result of a bidding zone review.</p> <p><u>Regarding CCR Channel, CCR IU and the position of the UK in the IEM post-Brexit:</u> All-TSOs acknowledge that Brexit likely necessitates amendments to the CCR configuration (indeed, both CCR Channel and CCR IU) and/or to the way these bidding zone borders are handled in the CCR configuration. However, there is currently no definitive clarity on the future trading agreements (mostly applicable agreements on electricity trading) after Brexit. This makes it impossible to include any Brexit related changes currently.</p>
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	<p>Furthermore, we welcome the ongoing analysis of the optimal determination of CCRs with respect to CCR Hansa and CCR Channel, carried out by TSOs as per ACER Decision 04/2019. We also appreciate that there is a fixed deadline for the completion of this assessment report, i.e. 1 October 2020, and a requirement for an indicative timeline for the merger of CCRs, should such a need be identified.</p> <p>In our view, the number of CCRs should be progressively reduced in the coming years. In particular with respect to the Channel and Hansa CCRs, we see them as “buffer regions,” which should be thought of as temporary. They isolate the interconnectors between Continental Europe and the Nordic region / the British Isles and seem to have been introduced to facilitate and speed up the adoption of specific methodologies linked to the lack of redundancies of the HVDC cables.</p> <p>With respect to CCR Channel, we do not see any reference to the fact that the UK has left the EU and that the transition period will end by the end of 2020. It is likely that the status of the CCR will have to be reviewed also in this relation. This issue is of relevance to the Ireland and United Kingdom (IU) CCR as well. To continue ensuring system security and efficiency, however, we would recommend keeping bidding zone borders with the UK in the CCRs.</p> <p><u>CCR Core:</u> Together with the merger of the CWE and CEE CCRs, ACER Decision 06/2016 also included the introduction of a new bidding zone border between Austria and Germany/Luxembourg, which took effect in October 2018. EFET is aware of the sensitivities around this decision and related appeals, decisions of the Board of Appeal of ACER and the EU General Court. As mentioned in earlier contributions and public statements, in principle, we believe that any bidding zones re-delineation should be based on a thorough and forward-looking assessment of both congestion and the market impact of such a decision.</p> <p>That assessment must take into account effects not only on the day-ahead market, but also on the forward market and on retail competition. The CACM GL foresees in Articles 32 to 34 a process for the review of bidding zones delineation and ENTSO-E and ACER have launched activities in that regard. We believe that this process, provided it is conducted in a professional manner, should bring balanced conclusions as to the necessity and appropriateness of a possible bidding zones re-delineation. This process also has the advantage of allowing in-depth analysis and exchange of views between</p>	<p><u>Regarding CCR GRIT:</u> With reference to the comments on Recital 11 and Article 7 (Capacity Calculation Region 5: Greece-Italy), we would like to restate that the new zonal configuration, in force as of 1st January 2021, was approved by the Italian National Authority with the Resolution 103/2019/R/eel. The decision was taken after a formally bidding zone review performed pursuant to principles and criteria set in the CACM Regulation.</p> <p>In the study, six different Bidding Zone configurations have been considered by assessing their impact on different scenarios and their performances in terms of network security, overall market efficiency and stability and robustness.</p> <p>Further, it is worth pointing out that the Italian Control Area has been subdivided in several Bidding Zones, in accordance with Italian National Regulator, in order to correctly and efficiently reflect structural congestions in the energy markets to cope with internal structural congestions in accordance with CACM and IEM Regulation (as shown even in the 2018 ENTSO-E Technical Report ).</p> <p>In other words, thanks to the bidding zones configuration - which represents one of the distinctive features of the Italian market model - most of the internal network congestions are managed through energy markets.</p> <p><u>Regarding third country TSOs:</u> Related to the consideration on third countries, we are well aware of the importance of interconnected power systems operated by third countries TSOs. For this reason, Swissgrid has been always involved as a technical counterparty in the regional activities concerning Italy North CCR in order to coordinate the activities related to the operation of the common interconnection.</p> <p>The Norwegian bidding zone borders will be allocated to CCRs only following the proper inclusion of CACM in Norwegian legislation.</p>
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<p>regulators/ACER, TSOs/ENTSO-E, and market participants, which contributes to the consideration of all viewpoints in the final proposal to be made by ENTSO-E.</p> <p>We have already expressed our opinion regarding the creation of a bidding zone border between Austria and Germany/Luxembourg in previous papers. Going forward, if a decision (based on Articles 32 to 34 of the CACM GL) is taken to change the delineation of bidding zones in Europe, TSOs should consult market parties on how to treat the resulting new bidding zone borders at that point in time, in line with the amendment process described in Article 9(13) of CACM. This being said, and notwithstanding the comments that we made in the past, it is important to ensure that the current state of play has a firm legal basis. In this sense, we welcome the proposal of the TSOs to clarify the inclusion of this border in the Core region.</p> <p>Furthermore, work needs to continue to ensure that the different parts of the Core CCR catch up to the same level of market development. This includes market coupling of the Multi-Regional Coupling (MCR) with the 4M Market Coupling (4M MC) countries (so-called interim NTC coupling) and the effective implementation of day-ahead flow-based (FB) market coupling in the whole Core region, both without further delays.</p> <p><u>CCR GRIT:</u> We regret the decision to introduce a new zone “Calabria” as of 2021, made under the CACM review performed in 2018 and approved by the NRA in March 2019. Authorisation procedures for the necessary infrastructure interventions in Italy should be accelerated, as investments are necessary to overcome bottlenecks and ultimately, the National Single Price (PUN). In fact, the current splitting of the Italian market into multiple bidding zones, together with the existence of a system price like PUN, represents a peculiarity compared to most other European markets.</p> <p><u>Non-EU TSOs:</u> We appreciate that point 12 of the Preamble recognises the importance of interconnected power systems operated by non-EU TSOs. However, in our view, the point is of a rather general nature and its content should be substantiated further in the body of the proposal with concrete references to borders with non-EU TSOs when those are of particular importance to the functioning of the internal energy market (IEM), such as Switzerland and Norway. The case of the UK would also need to be considered in further detail, but that may have to take place after the outcome of the ongoing</p>	<p>This is pending, waiting for approval of the Norwegian parliament.</p> <p>As already indicated in the consultation response, for Serbia or Switzerland, intergovernmental agreements and the national legislation of CACM and other guidelines are a prerequisite of being included in the CCR proposal. As this is not in place currently, both are (other than Whereas recital 12) not considered in the CCR Proposal.</p>
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	<p>negotiations on the future relation between the UK and the EU becomes clear.</p> <p>We understand and acknowledge the political complexities around this issue and the need for inter-TSO or intergovernmental agreements to be established in some cases, but we would also like to remind of the importance of safeguarding against potential risks to secure system operation in the EU or in synchronously interconnected non-EU countries. To improve system security and ensure smooth and efficient electricity trading, it is therefore important for such non-EU TSOs to take part in related coordination activities for the development of methodologies and processes on a CCR level.</p> <ul style="list-style-type: none"> <li>• Norway                     <p>As we understand, the 3rd Energy Package has been applicable in the EEA EFTA States since October 2019. Therefore, it is not clear to us why bidding zone borders with Norway are not included in the Hansa and Nordic CCRs. We would appreciate some additional information and call for the inclusion of bidding zone borders with Norway in the respective CCRs.</p> </li> <li>• Switzerland                     <p>We understand the complexities around the inclusion of Switzerland into CCR coordination processes resulting from the lack of an intergovernmental agreement between the Swiss Federation and the EU. However, in the short term we insist on ensuring the participation of Swissgrid into coordination processes and the inclusion of Swiss CNECs into capacity calculation in the Core and Italy North region through practical arrangements. In the long term, we would also like to see the inclusion of Swiss bidding zone borders into the respective CCRs and the full participation of Switzerland in the IEM, including market coupling.</p> </li> <li>• Serbia                     <p>We understand that it is not feasible to include bidding zone borders with Serbia into the CCRs until CACM is implemented in Serbia. As this will take some time, we would recommend in the short term to consider including Serbian CNECs into capacity calculation in the Core and SEE regions through practical arrangements. In the long term, we would also like to see the inclusion of Serbian bidding zone borders into the respective CCRs and the full participation of Serbia in the IEM, including market coupling.</p> </li> <li>• The UK                     <p>The status of CCRs Channel and IU would have to be reviewed in view of the UK decision to leave the EU and the forthcoming end of the transition period at the end of 2020, which would change the status of UK TSOs to non-EU TSOs. However, in our view it would be important to maintain the inclusion of bidding zone borders with the</p> </li> </ul>	
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	<p>UK into the respective CCRs.</p>	
<p>Statkraft</p>	<p>Statkraft would like to thank ENTSO-E for the opportunity to comment on the updated transmission system operators' (TSOs) proposal for the determination of capacity calculation regions (CCRs).</p> <p>It is obvious that each border must be allocated to one CCR. This is a prerequisite for a proper application of the different regional methodologies and otherwise regulatory uncertainties will remain which is not beneficial for a well-functioning market.</p> <p>In this respect Statkraft notes that some borders are not yet allocated. In particular the Sweden-Germany border should be allocated to the Hansa CCR. The interconnector is operated by Baltic Cable AB, and this company was certified as TSO last year. The inclusion of this border was already announced in the original proposal. The explanatory document of 2015 states the following: "The geographical border SE4-DE/AT/LU will be included in the CCR Hansa after the legal entity operating the interconnection connecting the respective bidding zones becomes a certified TSO." Therefore, there is no reason to further postpone this inclusion and the proposal shall be amended accordingly.</p> <p>Secondly, Statkraft notes that the Norwegian borders are not yet allocated although the 3rd Energy Package has been applicable in the EEA EFTA States since October 2019. Therefore, we propose that the borders Norway-the Netherlands and Norway-Germany are allocated to the Hansa CCR and that the Norway-Sweden and Norway-Denmark borders are allocated to the Nordic CCR. It will also be good to get a proposal regarding the allocation of the border Norway-United Kingdom with a view to the interconnectors in development.</p>	<p><u>Regarding Baltic Cable:</u> This CCRs proposal includes the previous changes in CCR determinations (the status quo situation), namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019. As the legal status for Baltic cable in Sweden was not fully clear to ENTSO-E, the proposal sent for consultation did not include the bidding zone border SE4-DE/LU.</p> <p>In the meantime it has become apparent that the legal and/or certification status is clarified in both Sweden and Germany, and ENTSO-E has therefore decided to include this bidding zone into the methodology after the public consultation.</p> <p><u>Regarding the inclusion of the Norwegian BZBs:</u> The Norwegian bidding zone borders will be allocated to CCRs only following the proper inclusion of CACM in Norwegian legislation. This is pending, waiting for approval of the Norwegian parliament.</p> <p>The future for the bidding zone border between Norway and Great Britain will depend on the future status of GB in the Internal Energy Market. This bidding zone border cannot be included in the CCR methodology until CACM is applicable in Norway and it is decided that GB shall remain a part of the IEM.</p>





<p>EDF</p>	<p>EDF welcomes the renewed opportunity to express its views on the definition of Capacity Calculation Regions (CCR). EDF acknowledges the specific context of this consultation, as the decisions about the precedent definition of the CCR were annulled by the European Court of Justice. EDF also recognizes the need to proceed quickly with a proper re-definition.</p> <p>However, EDF regrets again the lack of justification for the definition of the CCRs, as already voiced in its response to ENTSO-E's consultation on the very first all TSOs' proposal in 2015* , as well as in the following ACER consultation in 2016.</p> <p>EDF wishes to recall its full support to the general objectives of CACM, aiming at increasing the efficiency in the use of transmission infrastructure to enhance cross-border trade in the day-ahead (DA) and intraday (ID) timeframes. Improvement of congestion management (such as intraday recalculation of cross-border capacities), as well as efficient cost allocation of redispatching and countertrading actions, should still be considered as a high priority with significant economic benefits for Europe.</p> <p>Therefore, EDF fully supports the objectives listed in Recital (14) of this methodology** . In this regard, EDF believes that the definition of the CCR should group the inter-dependent borders so that the respective cross-zonal capacities are consistently calculated. This would allow for an efficient allocation of the margin available for cross-zonal trade. However, ENTSO-E does not provide any clue that these objectives are met within the proposed delineation of CCR.</p> <p>It would be a missed opportunity, if ENTSO-E (or ACER) were to define CCR without any assessment of the learnings made since 2015 about the inter-dependency of borders, since valuable feedback data is available. For instance, EDF considers that the data gathered by ENTSO-E and ACER as part of the Bidding Zone Review technical report and of the Market Monitoring Reports could be usefully and relevantly used to assess the level of inter-dependency between borders. Indeed, by assessing the flows related to the commercial exchanges on each individual border on the Critical Network Elements (CNEs) that have actually limited cross-border trade, one could identify more objective criteria to select the borders subject to the same capacity calculation methodologies. By the way, this could also be useful to assess the potential interest of implementing flow-based capacity calculation in the same region.</p> <p>In EDF's view, this approach could at least be applied when NRAs or TSOs propose an</p>	<p><u>Regarding the optimal determination of CCRs:</u></p> <p>This CCRs proposal includes the configuration and previous changes in CCR determinations, namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019, to reflect the status quo situation and to ensure legal validity of this status quo situation, updated only with changes fully legally justified.</p> <p>In case changes in the CCR configuration arise from either the ongoing analysis on the optimal determination of CCRs (e.g. as a result of ACER decision 04/2019) or other processes (e.g. the bidding zone review), a decision on bidding zone (border) changes should first be taken as a result of those processes.</p> <p>Afterwards, the CCR configuration can be amended accordingly. As such change decisions are not apparent currently, no such changes in the CCR proposal are included. Only exception to this is the change in the Italian bidding zones, which is an agreed upon change as a result of a bidding zone review.</p> <p><u>Regarding CCR GRIT:</u></p> <p>With reference to the comments on Recital 11, we would like to restate that the new zonal configuration, in force as of 1st January 2021, was approved by the Italian National Authority with the Resolution 103/2019/R/eel. The decision was taken after a formally bidding zone review performed pursuant to principles and criteria set in the CACM Regulation.</p> <p>In the study, six different Bidding Zone configurations have been considered by assessing their impact on different scenarios and their performances in terms of network security, overall market efficiency and stability and robustness.</p> <p>Further, it is worth pointing out that the Italian Control Area has been subdivided in several Bidding Zones, in accordance with Italian National Regulator, in order to correctly and efficiently reflect structural congestions in the energy markets to cope with internal structural congestions in accordance with CACM and IEM Regulation</p>
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	<p>update of the CCR, and in particular to the borders listed in Recital 10 and 11 of the consultation document. For example, internal borders of Italy could also be grouped with Italy North, as the critical network elements limiting exchanges on Northern borders are also impacted by exchanges between the bidding zones ITALY NORD and ITALY CENTRE-NORD.</p> <p>* “Recalling that terms and conditions or methodologies should include [...] a “description of their impact on the objectives of this Regulation” pursuant to Article 9(9) of the CACM Regulation, EDF regrets that TSOs do not provide a detailed impact assessment that justifies their CCRs proposal neither in terms of observed interdependency across bidding zone borders nor in terms of optimal use of transmission infrastructure. This remark is all the more important considering that this CCRs consultation is the first of many other public consultations foreseen in the implementation process of the CACM Regulation.</p> <p>Therefore, EDF expects that all TSOs will provide in the future a detailed impact assessment backing their proposals and a comparative analysis of different options, to ensure a transparent and efficient consultation and decision process. This is necessary to enable stakeholders to provide valid inputs or comments during the implementation process of the CACM Regulation.”</p> <p>** “Within the CCR, the interdependencies between the cross-zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross-zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. The proposed CCRs configuration strikes the balance between both aspects ('larger where possible, smaller where necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation.”</p>	<p>(as shown even in the 2018 ENTSO-E Technical Report ).</p> <p>In other words, thanks to the bidding zones configuration - which represents one of the distinctive features of the Italian market model - most of the internal network congestions are managed through energy markets.</p> <p>Finally, it is worth specifying the two different Capacity Calculation Regions identified for Italy (Italy North CCR and Grit CCR) reflect the Italian system characteristics, both in terms of structure and in terms of operation, including the fact that part of the Italian network south of IT NORD bidding zone is characterised by low levels of interdependency with the rest of the continental European synchronous area.</p>
<p>Eurelectric</p>	<p>Eurelectric acknowledges the specific context of this consultation, as the decisions about the precedent definition of the CCRs were annulled by the European Court of justice. Eurelectric recognizes the need to proceed quickly with a proper re-definition.</p> <p>However, Eurelectric would like to express its disappointment about the lack of justification for the definition of the CCRs, in particular as this regret was already voiced in its response to ENTSOE’s consultation on the very first all TSOs’ proposal in 2015 .</p> <p>Eurelectric fully supports the objectives listed in Recital (14) of this methodology . In this</p>	<p><u>Regarding the current CCR proposal and optimal determination of CCRs:</u></p> <p>This CCRs proposal includes the configuration and previous changes in CCR determinations, namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019, to reflect the status quo situation and to ensure legal validity of this status quo situation, updated only with changes fully legally justified.</p> <p>In case changes in the CCR configuration arise from either the</p>

	<p>regard, Eurelectric believes that the definition of the CCR should group the inter-dependent borders so that the respective cross-zonal capacities are consistently calculated. This would allow for an efficient allocation of the margin available for cross-zonal trade.</p> <p>However, ENTSOE does not provide any clue justifying that these objectives are met. It would therefore be a missed opportunity if ENTSOE (or ACER) were to define CCR without any assessment of the learnings made since 2015 about the inter-dependency of borders.</p> <p>For instance, Eurelectric considers that the data gathered by ENTSOE and ACER as part of the Bidding Zone review technical report and of the market monitoring report could be used to assess the level of inter-dependency between borders. Indeed, by assessing the flows on the constraining Critical Network Element related to exchanges on each border, one could identify more objective criteria to select the borders subject to the same capacity calculation methodologies.</p> <p>In Eurelectric's view, this approach could at least be applied, when NRAs or TSOs propose an update of the CCR, and in particular here, to the borders listed in Recital 10 and 11 of the consultation document.</p> <p>Eurelectric appreciates the recognition of the importance of non-EU synchronously interconnected power systems in recital 12. Close cooperation with synchronously interconnected non-EU countries, such as Norway and Switzerland, and their consideration in the methodologies and processes is vital in ensuring an efficient capacity calculation and secure system operation in the region. Eurelectric would prefer, however, a direct reference to the NO-borders in the articles to the CCRs Nordic and Hansa and to the CH-borders in the articles to the CCRs Core and Italy North including an encouragement to close coordination under the condition of a technical agreement.</p>	<p>ongoing analysis on the optimal determination of CCRs (e.g. as a result of ACER decision 04/2019) or other processes (e.g. the bidding zone review), a decision on bidding zone (border) changes should first be taken as a result of those processes.</p> <p>Afterwards, the CCR configuration can be amended accordingly. As such change decisions are not apparent currently, no such changes in the CCR proposal are included. Only exception to this is the change in the Italian bidding zones, which is an agreed upon change as a result of a bidding zone review.</p> <p><u>Regarding the Third countries:</u> We are well aware of the importance of interconnected power systems operated by third countries TSOs. For this reason, Swissgrid has been always involved as a technical counterparty in the regional activities concerning Italy North CCR in order to coordinate the activities related to the operation of the common interconnection. At the same time, due to legal restriction, it is not possible to explicitly consider the Swiss borders in the Italy North configuration.</p>
<p>Baltic Cable AB</p>	<p>Firstly, we note, that Baltic Cable AB was not included in the drafting process of the proposed new determination of capacity calculation regions (hereafter referred to as "CCRs") as defined in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (CACM Guideline), although the proposal is supposed to be drafted by "all TSO" and Baltic Cable AB is a certified TSO.</p> <p>This is, as the German Federal High Court (Bundesgerichtshof) decided in its ruling of 7</p>	<p><u>Regarding the inclusion of the SE4-DE/LU bidding zone border:</u> The publicly consulted CCR proposal included the previous changes in CCR determinations (the status quo situation), namely ACER Decision 06/2016, all NRAs CCR Decision 2017 and ACER Decision 04/2019. As the legal status for Baltic cable in Sweden was not fully clear to ENTSO-E at the time of consultation, the proposal sent for consultation did not include the bidding zone border SE4-DE/LU.</p>

<p>March 2017 (ref. no. EnVR 21/16) that Baltic Cable AB qualifies as TSO. With decision of 19 November 2019 by the German Federal Network Agency (Bundesnetzagentur) Baltic Cable AB was certified as TSO according to the provisions of the ITO-Unbundling pursuant to section 10 et. seq. German Energy Industry Act (Energiewirtschaftsgesetz). Furthermore, Baltic Cable AB's TSO status was recently confirmed by the European Court of Justice (Case C 454/18).</p> <p>However, Baltic Cable AB use this public consultation in order to put forward our comments on the proposed new determination of CCRs.</p> <p>We understand that the member TSOs of ENTSO-E have cooperated to respond to a request by ACER's Board of Regulators to submit a renewed CCRs proposal, which is under consultation herewith. An information exchange between a representative of ENTSO-E and Baltic Cable AB took place in the preparatory phase of the current proposal. Baltic Cable has, however, not been invited to cooperate as other TSOs, and as All TSOs should do in the preparation of proposals of pan-European importance. In order to rectify this, Baltic Cable invites ENTSO-E to involve Baltic Cable AB more closely in the development of upcoming CCRs proposals.</p> <p>In addition to that, Baltic Cable AB expects to be directly impacted by the results of the All TSOs report on the optimal determination of CCRs with regard to CCR Hansa and CCR Channel, which is currently under development pursuant to ACER Decision 04/2019, Annex 1, Article 6. In order to ensure non-discriminatory treatment and adequate involvement of Baltic Cable AB in this process related to the CCRs proposal, we invite ENTSO-E to involve Baltic Cable AB in the preparation of said report.</p> <p>Both of the above-mentioned points are important in order to ensure one of the primary targets of the CACM Guideline, namely the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets achieved through a multitude of requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders. Such requirements to cooperate exist for Baltic Cable, too. We invite ENTSO-E to facilitate such cooperation and enable our compliance with said requirements.</p> <p>Nevertheless, Baltic Cable AB is of the opinion that the consulted CCRs proposal forms a viable way forward for the application of the CACM Guideline requirements in the near-term future, especially taking into account the nature of the proposal to satisfy the</p>	<p>In coordination with ACER, ENTSO-E, Baltic Cable and the relevant TSOs and NRAs, clarification on the certification status of Baltic Cable AB in Germany and Sweden has been given. Consequently, it has been decided to include the SE4-DE/LU bidding zone border in the CCR Proposal after the public consultation.</p> <p><u>Regarding the optimal determination of CCRs:</u> In case changes in the CCR configuration arise from either the ongoing analysis on the optimal determination of CCRs (e.g. as a result of ACER decision 04/2019) or other processes (e.g. the bidding zone review), a decision on bidding zone (border) changes should first be taken as a result of those processes.</p> <p>Afterwards, the CCR configuration can be amended accordingly. As such change decisions are not apparent currently, no such changes in the CCR proposal are included. Only exception to this is the change in the Italian bidding zones, which is an agreed upon change as a result of a bidding zone review.</p> <p><u>Regarding the involvement in All-TSOs process:</u> ENTSO-E has informed the Baltic Cable AB on the requirements that needs to be fulfilled in order to join the All TSOs process, and once fulfilled, Baltic Cable AB will have the full rights and obligations to join the all TSOs process, among which also drafting relevant methodologies and reports.</p>
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	<p>above-mentioned request. To ensure that this is also the case in the coming years, and in order to satisfy the requirement of the CCRs definition's Art. 1(1), namely that "all existing bidding zone borders within and between Member States, to which the CACM Regulation applies" are covered, Baltic Cable AB firmly believes that the bidding zone border DE/LU-SE4, constituted by the Baltic Cable, shall be considered for the inclusion and coverage in the subsequent CCRs proposal following upon the one consulted on currently.</p> <p>Baltic Cable AB is looking forward to a closer alignment with ENTSO-E on these matters and thanks for the efforts required to bring forward the present and future CCRs proposals.</p>	
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