

DECISION No 04/2019
OF THE AGENCY FOR THE COOPERATION OF
ENERGY REGULATORS

of 1 April 2019

ON THE ELECTRICITY TRANSMISSION SYSTEM OPERATORS' PROPOSAL
FOR AMENDMENTS OF THE DETERMINATION OF
CAPACITY CALCULATION REGIONS

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

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

Having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and, in particular, Articles 8(1) thereof,

Having regard to Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management², and, in particular, Article 9(11) and (13) thereof,

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

Having regard to the favourable opinion of the Board of Regulators of 20 March 2019, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

Whereas:

1. INTRODUCTION

- (1) Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management ('CACM Regulation') laid down a range

¹ OJ L211, 14.8.2009, p. 1.

² OJ L197, 25.7.2015, p. 24.

of requirements for cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets in electricity. These also include specific requirements for capacity calculation regions ('CCRs').

- (2) For the determination of CCRs, Article 9(1) and (6)(b) and Article 15(1) of the CACM Regulation require that all transmission system operator ('TSOs') develop a proposal and that the regulatory authorities approve the proposed determination of CCRs. In case the regulatory authorities disagree or upon their joint request, the Agency becomes responsible for deciding on the TSOs' proposal according to Article 9(11) and (12) of the CACM Regulation. The same process applies according to Article 9(13) of the CACM Regulation if the TSOs propose to amend the approved determination of CCRs.
- (3) On 17 November 2016, the Agency issued its Decision No 06/2016 on the TSOs' proposals for the determination of CCRs.
- (4) On 18 September 2017, upon a proposal of the TSOs to amend the determination of CCRs, all regulatory authorities reached an agreement to approve the proposal for amendment. Following this agreement, the regulatory authority adopted the decisions approving the amendment.
- (5) The present Decision of the Agency follows from a further proposal of the TSOs to amend the determination of the CCRs and from the regulatory authorities' joint request that the Agency adopts a decision on that proposal. Annex I to this Decision ('Second Amendment') sets out the amendments of the capacity calculation regions, pursuant to Article 15(1) of the CACM Regulation, as approved by the Agency.

2. PROCEDURE

2.1. Proceedings before regulatory authorities

- (6) On 9 November 2017, 'ENTSO-E' on behalf of all TSOs, having obligations pursuant to the CACM Regulation, published an 'All TSOs' proposal for amendment on the determination of capacity calculation regions' ('second proposal for amendment') for public consultation. The consultation lasted from 15 November until 20 December 2017 and did not receive any comment or requests for changes.
- (7) By 23 May 2018, all TSOs, having obligations pursuant to the CACM Regulation, submitted the second proposal for amendment to their respective regulatory authorities.

2.2. Proceedings before the Agency

- (8) In a letter dated 2 October 2018 and received by the Agency on the same day, the Chair of the Energy Regulators' Forum, on behalf of all regulatory authorities, informed the Agency that all regulatory authorities agreed to request the Agency to adopt a decision on the second proposal for amendment, pursuant to Article 9(11) of the CACM Regulation.

- (9) According to this letter, all regulatory authorities have not been able to agree on the allocation of the new bidding zone border between the bidding zones of Denmark 1 and of the Netherlands (i.e. the DK1-NL bidding zone border). While the second proposal for amendment attributed this bidding zone border to the Hansa CCR, one regulatory authority had a strong preference to attribute the DK1-NL and the DK1-DE/LU bidding zone borders to the Core CCR instead. All regulatory authorities could not agree to request such an amendment from all TSOs, as some regulatory authorities disagreed with the attribution of the DK1-NL and the DK1-DE/LU bidding zone borders to the Core CCR.
- (10) In a letter of 19 December 2018, the Chair of the Energy Regulators' Forum further requested on behalf of all regulatory authorities to update, in the course of the Agency's decision on the second proposal for amendment, the GRIT CCR in order to account for the bidding zone review performed by the Italian regulatory authority in accordance with Article 32(1)(d) of the CACM Regulation.
- (11) According to this letter, the bidding zone review resulted in the adoption of a new Italian bidding zone configuration, which entered into force on 1 January 2019 and does not affect the bidding zone borders of the Italy North CCR or other CCRs. The abolition of the Italian virtual bidding zones Foggia, Priolo and Brindisi results in (i) a bidding zone border change from Italy BRNN – Greece to Italy SUD – Greece and (ii) the cancellation of the bidding zone borders Italy SUD – Italy BRNN, Italy SUD – Italy FOGN and Italy SICI – Italy PRGP.
- (12) During the process of adoption of this Decision, the Agency closely cooperated with all regulatory authorities and all TSOs and consulted them on the possible amendments to the second proposal for amendment during numerous teleconferences and meetings and through exchanges of draft texts. In particular, the following procedural steps were taken:
- a. 7 November 2018: discussion with all regulatory authorities during the CACM Task Force meeting³;
 - b. 9 November 2018: teleconference with all regulatory authorities;
 - c. 15 November 2018: dissemination of the proposed amendments to the second proposal for amendment to all regulatory authorities, resulting from the outcome of the preceding teleconference;
 - d. 18 December 2018: discussion with all regulatory authorities during the CACM Task Force meeting;

³ The Agency's and regulatory authorities' platform for discussing issues connected to the CACM Regulation.

- e. 21 December 2018: dissemination of the proposed amendments to the second proposal for amendment to all TSOs;
 - f. 17 January 2019: teleconference with all TSOs and all regulatory authorities;
 - g. 12 February 2019: discussion with all regulatory authorities during the CACM Task Force meeting; and
 - h. 28 February 2019: teleconference with all TSOs and all regulatory authorities.
- (13) During the meetings described above, the Agency facilitated a solution by which i) the possible reallocation of the DK1-NL and the DK1-DE/LU bidding zone borders would be analysed by TSOs and ii) based on the outcome of such analysis, the TSOs would submit a proposal for amendment to the determination of CCRs. As the reallocation of the DK1-NL and the DK1-DE/LU bidding zone borders to the Core CCR is aiming to address the problem of coordination between CCRs, where such CCRs have significant physical impact on each other, the Agency proposed that the scope of such analysis be extended to the Channel and Baltic CCRs.
- (14) Based on the above discussion, the Agency proposed amendments to the second proposal for amendment and launched a public consultation on these proposed amendments on 28 January 2019. Stakeholders were invited to submit their comments by 17 February 2019. The consultation document asked stakeholders to provide views on the two relevant topics: (i) the Agency's proposal to find the most efficient bidding zone border allocation around the Hansa, Channel and Baltic CCRs and (ii) the amendments resulting from the Italian bidding zone review. The summary and evaluation of the responses received are presented in Annex II of this Decision.

3. THE AGENCY'S COMPETENCE TO DECIDE ON THE SECOND PROPOSAL FOR AMENDMENT

- (15) According to Article 9(11) of the CACM Regulation, where the regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies within six months following the receipt of the proposal for such terms and conditions or methodologies by the last regulatory authority concerned, or upon the regulatory authorities' joint request, the Agency shall adopt a decision concerning the submitted proposal within six months and in line with Article 8(1) of Regulation (EC) No 713/2009.
- (16) According to Article 9(13) of the CACM Regulation, the proposals for amendment to the approved terms and conditions or methodologies shall be approved in accordance with the procedure set out in Article 9 of the same Regulation.
- (17) According to the letter of the Chair of the Energy Regulators' Forum of 2 October 2018, all regulatory authorities agreed to request the Agency to adopt a decision on the second proposal for amendment pursuant to Article 9(11) of the CACM Regulation.

- (18) Therefore, under the provisions of Article 9(11) in conjunction with Article 9(13) of the CACM Regulation, the Agency has become responsible to adopt a decision concerning the second proposal for amendment by the referral of 2 October 2018.

4. SUMMARY OF THE SECOND PROPOSAL FOR AMENDMENT

- (19) The second proposal for amendment includes the following elements:
- a. a 'Whereas' section, which describes the processes resulting in the previously approved CCR determination, the reasons for the new amendments and the expected impact of the proposed amendments on the objectives set out in Article 3 of the CACM Regulation;
 - b. the proposed amendments to the Hansa, Core and Channel CCRs, in Article 1 to 3;
 - c. some final provisions, including on the implementation of the amendments and on the applicable language, in Articles 4 and 5; and
 - d. an appendix with the updated Hansa CCR map.

5. ASSESSMENT OF THE SECOND PROPOSAL FOR AMENDMENT

5.1. Legal framework

- (20) Article 9(6)(b) of the CACM Regulation requires that the determination of CCRs in accordance with Article 15(1) be approved by all regulatory authorities.
- (21) Article 15 of the CACM Regulation sets out specific requirements for the common proposal regarding the determination of CCRs.
- (22) According to Article 15(2) of the CACM Regulation, each bidding zone border shall be assigned to one CCR and TSOs shall be assigned to all CCRs in which they have bidding zone borders.
- (23) According to Article 15(3) of the CACM Regulation, CCRs applying flow based capacity calculation shall be merged if their transmission systems are directly linked to each other, they participate in the same single day-ahead or intraday coupling area and merging them is more efficient than keeping them separate. The competent regulatory authorities may request a joint cost-benefit analysis from the TSOs concerned to assess the efficiency of the merger.
- (24) As a general requirement, Article 9(9) of the CACM Regulation demands that every proposal for terms and conditions or methodologies includes a proposed timescale for their implementation and a description of their expected impact on the objectives of Article 3 of the CACM Regulation.

- (25) According to Article 9(13) of the CACM Regulation, the TSOs responsible for developing a proposal for methodologies may request amendments of these methodologies, which shall be subject to consultation in accordance with Article 12 of the CACM Regulation.
- (26) According to its Recital (33), the CACM Regulation supplements Annex I to Regulation (EC) No 714/2009, in accordance with the principles set out in Article 16 of that Regulation. Accordingly, the common proposal must be consistent also with the requirements of Regulation (EC) No 714/2009, including Article 16 and Annex I thereto.

5.2. Assessment of legal requirements

5.2.1. Assessment of the requirements for the determination of capacity calculation regions (Articles 9 and 15 of the CACM Regulation)

- (27) The second proposal for amendment fulfils the requirements of Article 15(2) of the CACM Regulation, as it assigns each additional bidding zone border to a specific CCR and extended the list of TSOs in a CCR where relevant.
- (28) Article 4 of the second proposal for amendment states that the amendments shall be applied as soon as the second proposal for amendment is approved and further describes provisions in case the listed TSOs are not certified by the time of the approval. Therefore, the second proposal for amendment fulfils the requirements of Article 9(9) of the CACM Regulation.

5.2.2. Assessment of the expected impact on the objectives of the CACM Regulation

- (29) Recitals (11) and (12) of the second proposal for amendment describe the expected impact of the proposed CCRs on the objectives listed in Article 3 of the CACM Regulation. They explicitly mention the impact of amendments to the Channel, Core and Hansa CCRs on the objectives referred to in Article (3)(b), (c) and (d) of the CACM Regulation.
- (30) While the Agency agrees with the described impact as regards the amendments to the Channel and Core CCRs, it is not fully convinced that the amendments with regard to the Hansa CCR have a positive impact on the objectives referred to in Article (3)(b) and (d) of the CACM Regulation. For this reason, the Agency amended the description of this impact to clarify that these amendments may not best contribute to the objectives of Article 3(b) and (d) of the CACM Regulation, while they may be acceptable when considering the objective of Article 3(g) of the CACM Regulation.. The Agency also clarified that the second proposal for amendments does not have any impact on the objectives of Article 3(a), (e), (f), (h), (i) and (j) of the CACM Regulation.
- (31) Therefore, the Agency deemed it necessary to amend recitals (11) and (12) of the second proposal for amendment and improve the description of the impact of the amendment to

the Hansa CCR. In addition, the Agency has provided a description of the impact on the objective referred to in Article 3(g) of the CACM Regulation. Finally, a specific reference with regard the absence of impact on the other objectives of the CACM Regulation has been added.

5.2.3. Assessment requirements for consultation, transparency and stakeholder involvement

- (32) The second proposal for amendment was consulted Union-wide with stakeholders from 15 November until 20 December 2017 and did not result in any request for changes by stakeholders.
- (33) Therefore, the second proposal for amendment has been subject to a public consultation in accordance with Article 12 of the CACM Regulation and complies with Article 9(13) of the same Regulation.
- (34) The GRIT CCR amendments have been subject to a public consultation in the course of the Italian bidding zone review pursuant to Article 32(1)(d) of the CACM Regulation.
- (35) Therefore, also the changes related to the results of the Italian bidding zone review have been consulted on from 6 March 2018 until 16 April 2018, in accordance with Article 12 of the CACM Regulation. The Agency's consultation on this topic is presented in recitals (14) and (54).

5.3. Assessment of the point of disagreement among regulatory authorities

- (36) Article 1 of the second proposal for amendment introduces the new bidding zone border between Denmark and the Netherlands (i.e. the DK1-NL bidding zone border) as a part of the Hansa CCR.
- (37) The TSOs argued that this bidding zone border and other Hansa CCR bidding zone borders *'will interact in a combined manner both on the interconnected Danish, Norwegian and Swedish networks as well as on the interconnected Dutch, German and Polish networks.'* For this reason, all TSOs were of the opinion that the future DK1-NL bidding zone border should be assigned to the Hansa CCR.
- (38) As at least one regulatory authority challenged the proposal and the opinion of all TSOs, the Agency finds it important to establish a clear criterion for deciding on the optimal assignment of new bidding zone borders to CCRs.
- (39) In the Agency's view, the main guiding principle for deciding on the assignment of borders in CCRs stems from point 3.1 of Annex I to Regulation (EC) No 714/2009, which states that *'[I]n cases where commercial exchanges between two countries (TSOs) are expected to affect physical flow conditions in any third-country (TSO) significantly, congestion-management methods shall be coordinated between all the TSOs so affected through a common congestion-management procedure.'* This requirement of coordination between bidding zone borders necessitates that all bidding zone borders

having significant mutual physical impact should be assigned to the same CCR while only a set of bidding zone borders which is not significantly impacting another set of bidding zone borders can be established as a separate CCRs. This principle is contributing to the objectives of optimising the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation) and ensuring optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) since it ensures that the impact a new bidding zone border will have on bidding zones outside a CCR to which it is assigned, is minimised. This is because exchanges on a bidding zone border within a CCR may cause unscheduled allocated flows on bidding zone borders outside its CCR, which, in turn, reduce the optimality of cross-zonal capacity calculation and allocation and the efficient use of infrastructure.

- (40) While the Agency considers this to be a key criterion for deciding on the optimal assignment of new bidding zone borders to CCRs, other considerations may also be relevant for deciding on such an assignment. In the present case, short-term considerations, such as the impact on existing implementation projects and initiatives that need to be implemented in such CCRs, may also play an important role when deciding on the assignment of new bidding zone borders. Therefore, a step-wise implementation of these projects and initiatives and a gradual approach towards optimal determination of CCRs may be a preferred path. In the long run, while it may be efficient, on a purely technical level, to merge existing CCRs, if such mergers result in excessively large CCRs, the resulting requirement for close coordination among a large number of TSOs and/or regulatory authorities may represent a significant barrier to the efficient management and governance of regional congestion management processes. Both considerations aim to contribute 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).
- (41) The new bidding zone border consists of high voltage direct current ('HVDC') interconnector. Assigning this border to the Hansa CCR would imply that cross-zonal exchanges on this border are considered as fixed from the viewpoint of the Core CCR, and they may create significant physical flows on critical network elements of the Core CCR. These physical flows are called unscheduled allocated flows (they result from capacity allocation in the Hansa CCR, but are not scheduled on the critical network elements of the Core CCR). The cross-zonal exchanges on this bidding zone border assigned to the Hansa CCR will therefore get priority access to the capacity of the critical network elements within the Core CCR and thereby restrict the amount of cross-zonal capacity available for capacity allocation in the Core CCR. Conversely, if the new bidding zone border were assigned to the Core CCR, this would create some unscheduled allocated flows in the Hansa CCR and/or in the Nordic CCR.
- (42) The second proposal for amendment does not provide any supporting evidence with regard to the assessment of the criteria referred above. With regard to the objectives of Article 3(b) and (d) of the CACM Regulation, the proposal explains that *'the assignment of the DK1 - NL bidding zone border to the existing Hansa Region enables the cross-*

zonal capacity calculation in the Hansa CCR to account for combined interactions of the future Denmark 1 – The Netherlands (DK1 – NL), Denmark 1 - Germany/Luxembourg (DK1-DE/LU), Denmark 2 - Germany/Luxembourg (DK2-DE) and Sweden 4 – Poland (SE4-PL) bidding zone borders, which together constitute the bidding zone borders between the Nordic region (CCR Nordic) and the continental region (CCR Core)’. In this conclusion, all TSOs do not consider the impact of the proposed solution on other borders of the Core CCR (namely the NL-DE/LU bidding zone border), nor the impact of the alternative solutions, e.g. to assign the new border to the Core CCR.

- (43) When comparing the two alternatives above, the Agency understands that a new interconnector between the Netherlands and Denmark establishes a strong interdependency of the following three bidding zone borders: DK1-DE/LU, DE/LU-NL and DK1-NL. These three borders represent a sort of triangle where cross-zonal exchanges on the DK1-NL border may automatically create physical flows over the DK1-DE/LU and DE/LU-NL borders as they are connected via alternating current (AC) interconnectors. Furthermore, all three bidding zone borders are within the same synchronous area, which further strengthens the interdependence between these three bidding zone borders due to common frequency regulation. As the DE/LU-NL bidding zone border cannot be outside the Core CCR (as it is further interdependent with other bidding zone borders in the Core CCR), the Agency understands that the optimal solution would be to assign the DK1-DE/LU, DE/LU-NL and DK1-NL bidding zone borders all together to the Core CCR. The second proposal for amendment implies a separation of these three borders such that DK1-DE/LU and DK1-NL bidding zone borders are assigned to the Hansa CCR, while the DE/LU-NL bidding zone border is assigned to the Core CCR. This will have a significant negative impact at least on coordination between these three borders (as well as on the relevant critical network elements which are significantly impacting the level of cross-zonal capacity on these borders). In contrast, assigning all these three borders to the Core CCR is not expected to have such significant negative impact on the bidding zone borders of the Hansa and the Nordic CCRs.
- (44) Given the above understanding and based on currently available information, the Agency is of the opinion that assigning the DK1-DE/LU, DE/LU-NL and DK1-NL bidding zone borders to the Core CCR would be the optimal solution when considering the criteria of point 3.1 of the Annex I to Regulation (EC) No 714/2009 and the objective of Article 3(b) and (d) of the CACM Regulation. However, the Agency also understands that such a solution would imply that the composition of the Core CCR would be increased by two additional bidding zone borders and one TSO, whereas the composition of the Hansa CCR would be reduced by one bidding zone border and one TSO. In the Agency’s view, these changes might significantly interfere with the already ongoing implementations projects and initiatives (such as the development, adoption and implementation of capacity calculation methodologies). Thus, the assignment of the DK1-NL bidding zone border and the reassignment of the DK1-DE/LU bidding zone border to the Core CCR would risk delaying these implementation projects and initiatives, since this CCR aims to apply the flow-based capacity calculation approach, which requires extensive coordination at CCR level. In contrast, the assignment of the DK1-NL bidding zone

border to the Hansa CCR is deemed to have a much lower negative impact on the existing projects and initiatives as this CCR applies the coordinated net transmission capacity approach to capacity calculation, which requires significantly less coordination between bidding zone borders within a CCR.

- (45) Under these circumstances, while the new DK1-NL bidding zone border should be ideally assigned, together with the DK1-DE/LU bidding zone border, to the Core CCR, this might create a disproportionate risk of significantly interfering with and delaying existing projects and initiatives which are important for 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). Therefore, the Agency finds it reasonable that the new DK1-NL bidding zone border is temporally assigned to the Hansa CCR.
- (46) However, the second proposal for amendment cannot be approved without addressing the question of when and how the optimal determination of CCRs could be achieved. For this purpose, the Agency has introduced a new Article 6 of the Second Amendment, which establishes a process for evaluating and establishing an optimal solution for the determination of CCRs. This process first aims to reassess whether assigning the DK1-NL and DK1-DE/LU bidding zone borders to the Core CCR is indeed an optimal solution as the Agency currently understands. In addition, it also provides an opportunity to assess the optimal determination of CCRs with regard to other bidding zone borders of the Hansa and the Channel CCRs, which are currently expected to create a significant level of unscheduled allocated flows in the Core CCR. Following this assessment, all TSOs should develop a proposal for amendment of the determination of CCRs, which should establish (i) the optimal assignment of bidding zone borders and (ii) the implementation timeline for the proposed amendments in order to consider and minimise the impact of these amendments on the existing implementation projects and initiatives.
- (47) Article 6(1) of the Second Amendment requires the assessment of the optimal determination of CCRs with regard to the Hansa and Channel CCRs within eighteen months after the entry into force of the Second Amendment. If this assessment shows that amendments to the determination of CCRs are needed with regard to the Hansa and Channel CCRs, all TSOs should submit a new proposal for amendment of the determination of CCRs in accordance with Article 9(13) of the CACM Regulation. The deadline of eighteen months for this assessment and submission of a proposal was chosen to provide TSOs with sufficient time to assess the different alternatives for the DK1-NL and DK1-DE/LU bidding zone borders, as well as other bidding zone borders of the Hansa and Channel CCRs and to draft an implementation plan for the potential reassignment of bidding zone borders, taking into account possible interferences with ongoing implementation projects and initiatives.
- (48) Article 6(2) of the Second Amendment provides requirements for the assessment of the optimal assignment of bidding zone borders with regard to the alternatives to avoid negative impacts of unscheduled allocated flows. The Agency understands that such alternatives could either be: (i) the reassignment of bidding zone borders or (ii) the

implementation of advanced hybrid coupling. The latter is a solution where the capacity of critical network elements in the Core CCR, instead of being reserved in advance to accommodate the expected physical flows resulting from cross-zonal exchanges in the Hansa CCR, is allocated simultaneously to cross-zonal exchanges in the Hansa and Core CCRs within the single coupling algorithms. The former solution has essentially the same effect on the allocation of cross-zonal capacities and economic surplus resulting from cross-zonal trade, with the only difference that the bidding zone borders competing for the capacity of critical network elements are attributed to the same CCR. In both alternatives, the cross zonal exchanges with the highest economic surplus are accessing the capacity of these critical network elements and thereby ensuring optimal calculation and allocation of cross-zonal capacity and use of transmission infrastructure.

- (49) As the problem of unscheduled allocated flows is equally valid for the bidding zone borders within the Hansa and Channel CCRs, the TSOs' assessment should equally focus on the bidding zone borders of these two CCRs⁴. When conducting this assessment, TSOs shall take into account the scope of existing and potential future unscheduled allocated flows on bidding zone borders, investigate the legal aspects of the alternatives and perform a qualitative assessment of their possible implementation time and effort, as well as a qualitative assessment of differences in their operational efforts (such as the requirements for the single coupling algorithms).
- (50) Article 6(3) of the Second Amendment sets the requirements for the content of the future proposal for amendment of the determination of the CCRs. The paragraph states that this proposal should assign the DK1-NL and DK1-DE/LU bidding zone borders to the Core CCR based on the current understanding that this is the optimal solution in the long-run. However, if TSOs identify new evidence or information that some other solution for these two borders is more efficient, they may also propose it as an amendment. The proposal should also provide amendments which are needed based on the outcome of the assessment of the optimal determination of CCRs with regard to other bidding zone borders of the Hansa and Channel CCRs and provide an implementation timeline for these reassignments. However, the proposal should minimise the impact on the implementation of capacity calculation methodologies within the Hansa and Channel CCRs as well as the Core and Nordic CCRs and avoid impact on the implementation of capacity calculation methodologies in other CCRs.

⁴ In the Agency's consultation as referred to in paragraphs (13) and (14), the scope of this assessment was including the Baltic CCR. However, the Agency came to the conclusion that the unscheduled flows resulting from cross-zonal exchanges on HVDC interconnectors on the Estonia - Finland and Lithuania – Sweden 4 bidding zone borders are already addressed on both sides of the interconnectors: on the side of the Baltic CCR by including these borders in the Baltic CCR together with AC borders and on the side of the Nordic CCR by planning to implement advanced hybrid coupling in the Nordic flow-based capacity calculation methodology.

- (51) With regard to the deadline by which TSOs need to perform this assessment and submit a proposal for amendments to the determination of CCRs, the timing was reduced compared to the draft proposal published for the public consultation (see Recitals (13) and (14)). The consultation version assumed this assessment to be performed twelve months after the day-ahead capacity calculation methodology, established pursuant to Article 20 of the CACM Regulation, has been implemented in the Core and Nordic CCRs. However, following the discussions with all TSOs and all regulatory authorities, the Agency changed this deadline to eighteen months after the adoption of this Decision. This shortening of the deadline was done for the following reasons:
- (a) To aim for the optimal determination of CCRs and to address the underlying problems of unscheduled allocated flows, the Agency considers it important that the results of the assessment are available rather soon in order to allow for long-term planning and visibility on the future evolution of CCRs. Since the growing problem of unscheduled allocated flows does not allow for postponing solutions until all regional implementation projects and initiatives are finalised, the changes in the determination of CCRs will inevitably interfere with some implementation projects and initiatives in existing CCRs. In order to plan for these changes and to mitigate their impact on regional implementation projects and initiatives, the timing of these changes needs to be known well in advance. Furthermore, if the assessment shows that some solutions, such as advanced hybrid coupling, require specific amendments to the CACM Regulation, such a conclusion is also needed rather soon to be able to plan for the necessary amendments to the CACM Regulation.
 - (b) The Agency understands that the assessment in question does not require simulation of capacity calculation and single coupling with the analysed alternative solutions. Therefore, waiting for the completion of all implementation projects in the Nordic and Core CCRs in order to perform such an assessment is not necessary. Furthermore, as the timing of the completion of these projects is rather uncertain, such conditioning could unreasonably delay the assessment of the solutions to address the optimal assignment of CCRs. The proposed assessment should therefore concentrate on the optimal determination of CCRs, which does not require an in-depth quantitative assessment and should therefore not be a significant burden for the TSOs.
 - (c) The deadline for the assessment and submission of the related proposal for amendment of the determination of CCRs does not yet define the implementation timeline for these amendments. This timeline should rather be established together with the assessment and then proposed within the proposal for amendment of the determination of CCRs. The deadline of the submission of the assessment will therefore not interfere with the current implementation projects and initiatives in existing CCRs.
- (52) Therefore, the Agency has deemed it necessary to provide visibility on this issue as soon as reasonably possible and considers that eighteen months after the Decision has been

issued is reasonable. Delaying the assessment and identification of the optimal determination of CCRs and its implementation timeline is not in the European interest to achieve optimal determination of CCRs in the shortest timeframe possible with minimal impact on the existing implementation projects and initiatives.

5.4. Amendments to the second proposal for amendment to address the changes of bidding zones in Italy

- (53) Article 4 of Second Amendment includes the amendments resulting from the Italian bidding zone review in accordance with Article 32(1)(d) of the CACM Regulation.
- (54) As mentioned in Recital (11), the effect of these amendments is limited to the GRIT CCR only. The amendments were already subject to a public consultation as mentioned in Recitals (34) and (35), while the process of including them in this Decision was consulted on as described in Recital (14). The responses in Annex II to this Decision show that not only all regulatory authorities support this process as presented in their letter requesting the inclusion of these amendments, but also TSOs and other stakeholders communicated their support concerning this process.
- (55) As the changes to bidding zones resulting from the Italian bidding zone review are already in effect, the Agency considered that the present Decision needs to take into account the resulting changes in the bidding zone configuration, since otherwise the amended determination of CCRs would be factually inconsistent with the current status of bidding zone configuration. Such a decision also avoids initiating a new amendment procedure to achieve the same outcome.
- (56) Therefore, the Agency took the proposed amendments from the letter from the Chair of the Energy Regulators' Forum and included them in the Second Amendment.

5.5. Assessment of other points of the second proposal for amendment

- (57) The Agency has introduced also several editorial amendments. The most significant one relates to the transformation of the document into a format which enables its enforceability. The recitals have been amended to remove all references to procedures leading to the TSOs' second proposal for amendment, such that the adopted Second Amendment is independent from the proposing entity(ies). Further, the wording and ordering of some articles and recitals has been changed in order to improve readability and clarity.
- (58) Finally, in order to facilitate better understanding of the applicable determination of CCRs, the Agency also provided in Annex III the consolidated list of capacity calculation regions with the assigned bidding zone borders and attributed TSOs, combining the determination of CCRs in Annex I to the Agency's Decision No 06/2016 on the TSOs' proposals for the determination of CCRs, as referred to in Recital (3), the approved first proposal for amendment, as referred to in Recital (4), and the second proposal for

amendment as adopted pursuant to this Decision. Annex III shall be used for information only.

6. CONCLUSION

- (59) For all the above reasons, the Agency considers the second proposal for amendment in line with the requirements of the CACM Regulation, provided that the amendments described in this Decision are integrated in the second proposal for amendment, as presented in Annex I to this Decision.
- (60) Therefore, the Agency approves the second proposal for amendment subject to the necessary amendments and to the necessary editorial amendments. To provide clarity, Annex I to this Decision sets out the second proposal for amendment as amended and as approved by the Agency,

HAS ADOPTED THIS DECISION:

Article 1

The determination of the capacity calculation regions pursuant to Article 15 of Regulation (EU) 2015/ 1222 shall be amended as set out in Annex I of this Decision.

Article 2

This Decision is addressed to:

50Hertz Transmission GmbH,
Amprion GmbH,
AS Augstsprieguma tīkls,
Austrian Power Grid AG,
BritNed Development Limited (NL),
BritNed Development Limited (UK),
C.N.T.E.E. Transelectrica S.A.,
ČEPS a.s.,
Creos Luxembourg S.A.,
EirGrid Interconnector DAC,
EirGrid plc,
Elektroenergien Systemen Operator EAD,
Elering AS,
ELES, d.o.o.,
Elia System Operator NV/SA,
Energinet.dk,
Fingrid Oyj,
HOPS d.o.o., Hrvatski operator prijenosnog sustava,



Independent Power Transmission Operator S .A.,
Kraftnät Åland Ab,
Litgrid AB,
MAVIR ZRt,
Moyle Interconnector Limited,
National Grid Electricity Interconnector Limited,
National Grid Electricity Transmission plc,
Nemo Link Limited,
Polskie Sieci Elektroenergetyczne S.A.,
Red Eléctrica de España S.A.,
Rede Eléctrica Nacional, S.A.,
Réseau de Transport d'Electricité,
Slovenská elektrizačná prenosová sústava, a.s.,
Statnett,
Svenska kraftnät,
System Operator for Northern Ireland Ltd,
TenneT TSO B.V.,
TenneT TSO GmbH,
Terna Rete Elettrica Nazionale S.p.A., and
TransnetBW GmbH.

Done at Ljubljana on 1 April 2019.


For the Agency
Director ad interim
Alberto POTOTSCHNIG

Annexes:

Annex I – Amendment of the determination of capacity calculation regions

Annex Ia – Amendment of the determination of capacity calculation regions (track-change version, for information only)

Annex II – Evaluation of responses to the public consultation on the proposal for the amendment of the determination of capacity calculation regions

Annex III - Consolidated list of capacity calculation regions with assigned bidding zone borders and attributed TSOs (for information only)

In accordance with Article 19 of Regulation (EC) No 713/2009, 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 the Agency within two months of the day of notification of this Decision.

ACER Decision on the Amendment of the determination of CCRs:
Annex I

**Amendment of the
determination of capacity calculation regions**

**in accordance with Article 9(13) of the Commission Regulation (EU)
2015/1222 of 24 July 2015 establishing a Guideline on Capacity
Allocation and Congestion Management**

1 April 2019

Whereas

- (1) This document sets the second amendment to the determination of capacity calculation regions (hereafter referred to as “CCRs”) as defined in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “Second Amendment”).
- (2) On 17 November 2015, all Transmission System Operators (hereafter referred to as “TSOs”) submitted the “All TSOs’ proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management” (hereafter referred to as the “CACM Regulation”), together with an explanatory note to their respective national regulatory authorities.
- (3) On 17 November 2016 ACER issued its decision 06/2016 on the Electricity Transmission System Operators’ Proposal for the Determination of Capacity Calculation Regions (hereafter referred to as the “CCR Decision”). Annex I to this Decision, “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” (hereafter referred to as the “Annex I of the CCR Decision”) sets out the CCRs pursuant to Article 15(1) of the CACM Regulation.
- (4) The CCRs as defined by Annex I of the CCR Decision cover all bidding zone borders where interconnectors are already in operation as well as bidding zone borders due to interconnections which were under construction at the time of approval of the CCR Decision and which were planned to be commissioned before 2018.
- (5) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs submitted to all NRAs a first proposal for amendment of the Annex I of the CCR Decision in order to assign the Belgium - Great Britain bidding zone border to the Channel CCR. On 18 September 2017, all NRAs agreed to approve the first proposal for amendment of the Annex I of the CCR Decision and subsequently adopted decisions to approve the proposed amendment. In this methodology, the Annex I of the CCR Decision amended by the approved first proposal for amendment is hereinafter referred to as the ‘Determination of CCRs’.
- (6) Timely definition of future bidding zone borders, their attribution to CCRs and the assignment of respective TSOs to a CCR is of utmost importance to:
 - (a) facilitate the development and implementation of regional terms and conditions or methodologies, stemming from the CACM Regulation and Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (hereafter referred to as “FCA Regulation”), for the concerned CCR; and
 - (b) provide a clear framework for the implementation of regional terms and conditions or methodologies stemming from the CACM and the FCA Regulations for the future bidding zone borders.
- (7) This Second Amendment encompasses four CCRs with the aim of streamlining the process outlined in Article 9(13) of the CACM Regulation by combining all foreseeable amendments in one proposal and thus reducing the number of proposals to the minimum needed.

- (8) Due to developments of new interconnectors, the Determination of CCRs needs to be updated, to take into account the following new interconnectors:
- (a) The future Cobra Cable interconnection between bidding zones of Denmark 1 and the Netherlands will create a new bidding zone border DK1 - NL. This interconnection is currently under construction and is planned to be commissioned during the first quarter of 2019 and will be operated by Energinet.dk, and TenneT TSO B.V.;
 - (b) Two future interconnectors on the France - Great Britain (FR - GB) bidding zone border, which are currently under construction:
 - i. Eleclink interconnection, which is planned to be commissioned at the end of 2019 and will be operated by Eleclink Limited;
 - ii. IFA2 interconnection, which is planned to be commissioned at the end of 2020 and which will be operated by National Grid IFA2 Limited and RTE - Réseau de Transport d'Electricité.; and
 - (c) The future ALEGrO interconnection on the bidding zone border Belgium - Germany/Luxembourg (BE - DE/LU), which is planned to be commissioned in 2020 and will be operated by Amprion GmbH and Elia System Operator NV/SA.
- (9) The new interconnector between Denmark and the Netherlands is establishing a new bidding zone border between bidding zones of Denmark 1 and the Netherlands (DK1 - NL). The cross-border exchanges on this bidding zone border have a significant impact on bidding zone borders of the Core CCR (namely the bidding zone border of DE/LU - NL) as well as on bidding zone borders of the Hansa CCR (namely the bidding zone border of DK1 - DE/LU). The new bidding zone border should optimally be assigned to Core CCR together with the bidding zone border DK1 - DE/LU. However, this solution would represent a significant change to the existing CCRs and could risk of interrupting and delaying the existing implementation projects and initiatives in the Hansa CCR and Core CCR. For this reason, the new bidding zone border is assigned to Hansa CCR as this solution does not require amendment of the Core CCR and only amendment of the Hansa CCR. The latter is expected to have a minor impact on the implementation projects and initiatives as it applies the coordinated net transmission capacity approach to capacity calculation, which requires significantly less coordination between bidding zone borders of a CCR. In contrast, attributing this bidding zone border to the Core CCR would risk delaying existing initiatives, since this CCR aims to apply the flow-based capacity calculation approach, which requires extensive coordination at CCR level. Nevertheless, within one year after the adoption of this Second Amendment to the Determination of CCRs, TSOs should further analyse where this bidding zone border should optimally be attributed.
- (10) The CCR Channel includes the France - Great Britain (FR - GB) bidding zone border and the TSOs RTE - Réseau de Transport d'Electricité, National Grid Electricity Transmission plc (NGET) and National Grid Electricity Interconnectors Limited (NGIC) are attributed to this border. The future interconnectors on this bidding zone border will establish new TSOs, Eleclink Limited for Eleclink interconnection and National Grid IFA2 Limited for IFA2 interconnection. Therefore, Eleclink Limited and National Grid IFA2 Limited need to be assigned additionally to the FR - GB bidding zone border and to the CCR Channel.

- (11) The CCR Core includes the Belgium - Germany/Luxembourg (BE - DE/LU) bidding zone border and the TSOs Elia System Operator NV/SA and Creos Luxembourg S.A. are attributed to this border. The future ALEGrO interconnection will be operated by Elia System Operator NV/SA and Amprion GmbH. Therefore, Amprion GmbH need to be attributed additionally to the BE - DE/LU bidding zone border.
- (12) Due to the results of the Italian bidding zone review, the current Determination of CCRs needs to be updated, to take into account the changes in the bidding zone configuration. The abolishment of the Italian virtual bidding zones Foggia, Priolo and Brindisi results in a bidding zone border change from Italy BRNN – Greece to Italy SUD – Greece and the cancellation of the bidding zone borders Italy SUD – Italy BRNN, Italy SUD – Italy FOGN and Italy SICI – Italy PRGP.
- (13) This Second Amendment takes into account the general principles and goals set in the CACM Regulation as well as Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Regulation (EC) No 714/2009”). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.
- (14) According to Article 9(9) of the CACM Regulation, the expected impact of the Second Proposal on the objectives of the CACM Regulation has to be described. The impact is presented below.
- (15) With regard to the amendment of the Channel and Core CCRs, this Second Amendment contributes to ensuring optimal use of the transmission infrastructure (objective of Article 3(b) of the CACM Regulation), ensuring operational security (objective of Article 3(c) of the CACM Regulation) and optimising the calculation of cross-zonal capacity (objective of Article 3(d) of the CACM Regulation), since it ensures that each new interconnector is assigned to the most relevant CCR and that all TSOs operating such an interconnectors are attributed to the relevant bidding zone borders of the same CCR. The attribution of two additional TSOs, notably National Grid IFA2 Limited (IFA2) and Eleclink Limited (Eleclink), to the France - Great Britain (FR - GB) bidding zone border of the Channel CCR enables the cross-zonal capacity calculation in the Channel CCR to account for combined interactions of all the interconnections on the France - Great Britain (FR - GB) bidding zone border. The addition of Amprion GmbH as operator of the interconnection ALEGrO to the bidding zone border Belgium - Germany/Luxembourg (BE - DE/LU) of the Core CCR supports the coordinated cross-zonal capacity calculation by the responsible TSOs and accounts for combined interactions between the interconnected Belgian and German networks.
- (16) With regard to the amendment of the Hansa CCR, the impact of the assignment of the new bidding zone border DK1 - NL to the Hansa CCR on the objectives to ensure the optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation) may not be positive. However, to avoid negative impacts on the existing implementation projects and initiatives in the current CCRs, it is acceptable to assign this new bidding zone border to the Hansa CCR and to plan a future reassessment and amendment of the Determination of CCRs. This reassessment and amendment will aim to improve the functioning of the internal electricity market and contribute to the objective of the efficient long-

term operation and development of the electricity transmission system and the electricity sector in the Union (Article 3(g) of the CACM Regulation.

- (17) This Second Amendment does not have any significant or direct impact on the other objectives referred to in Article 3 (a), (e), (f), (h), (i) and (j) of the CACM Regulation.
- (18) In conclusion, the Second Amendment contributes to the general objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

TITLE 1 - Amendments

Article 1

Amendment to the Hansa Capacity Calculation Region

1. The Hansa CCR as defined in Article 4 of the Determination of CCRs shall be amended as follows:
 - (a) The Denmark 1 - The Netherlands (DK1 - NL), bidding zone border is included in the Hansa CCR;
 - (b) The Denmark 1 - The Netherlands (DK1 - NL) bidding zone border is attributed to following TSOs: Energinet.dk, and TenneT TSO B.V.
2. Map 1 of the Appendix, shows the amended Hansa CCR and amends map no 2 of the Appendix in the Determination of CCRs accordingly.

Article 2

Amendment to the Channel Capacity Calculation Region

The France - Great Britain (FR - GB) bidding zone border of the Channel CCR as defined in Article 10(a) of the Determination of CCRs shall additionally include the following TSOs: National Grid IFA2 Limited (IFA2), and Eleclink Limited (Eleclink).

Article 3

Amendment to the Core Capacity Calculation Region

The Belgium-Germany/Luxembourg (BE - DE/LU) bidding zone border of the Core CCR as defined in Article 5(1)(e) of the Determination of CCRs shall additionally include the following TSO: Amprion GmbH.

Article 4

Amendment to the Greece-Italy (GRIT) Capacity Calculation Region

1. The GRIT CCR as defined in Article 7 of the Determination of CCRs shall be amended such that it consists of the following bidding zone borders which are attributed to the referred TSOs:
 - (a) Italy SUD - Greece (SUD - GR), TERNA Rete Elettrica Nazionale S.p.A. and Independent Power Transmission Operator S.A.;
 - (b) Italy NORD - Italy CNOR (NORD - CNOR), TERNA Rete Elettrica Nazionale S.p.A.;
 - (c) Italy CNOR - Italy CSUD (CNOR - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - (d) Italy CNOR - Italy SARD (CNOR - SARD), TERNA Rete Elettrica Nazionale S.p.A.;
 - (e) Italy SARD - Italy CSUD (SARD - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - (f) Italy CSUD - Italy SUD (CSUD - SUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - (g) Italy SUD - Italy ROSN (SUD - ROSN), TERNA Rete Elettrica Nazionale S.p.A.; and
 - (h) Italy ROSN - Italy SICI (ROSN - SICI), TERNA Rete Elettrica Nazionale S.p.A.
2. Map 2 of the Appendix shows the amended GRIT CCR and amends map no 5 of the Appendix in the Determination of CCRs accordingly.

TITLE 2 - Final Provisions

Article 5

Implementation date of the amendments

1. The TSOs shall apply the amendments provided for in Articles 1 to 4 of this Second Amendment as soon as this Second Amendment is approved in accordance with Article 9 of the CACM Regulation.
2. The TSOs shall apply the amendments provided for in Article 2 of this Second Amendment as soon as this Second Amendment is approved in accordance with Article 9 of the CACM Regulation and as soon as the National Grid IFA2 Limited (IFA2) and Eleclink Limited (Eleclink) are certified as TSOs following the provisions of Article 3 of Regulation (EC) 714/2009 and Article 10 of Directive 2009/72/EC. In case National Grid IFA2 Limited and Eleclink Limited do not become certified TSOs on the same date, the TSOs shall partially apply the amendments described under Article 2, pending the remaining certification. In that case, the bidding zone border France - Great Britain (FR - GB) of the Channel CCR shall be attributed to the TSO which has already obtained its certification, as from the date of such certification.

Article 6

Future amendments

1. No later than 18 months after the entry into force of this Second Amendment, all TSOs shall analyse the optimal determination of CCRs with regard to Hansa and Channel CCRs and submit a proposal for the amendment of the determination of those CCRs in accordance with Article 9(13) of the CACM Regulation. This proposal shall be accompanied by a document assessing the possible alternatives for the bidding zone borders of the Hansa and Channel CCR. If this analysis shows that no change of the Hansa and Channel CCRs is needed, all TSOs shall submit to the regulatory authorities the analysis without a proposal for amendment of the determination of the CCRs.
2. The analysis pursuant to paragraph 1 shall include:
 - (a) a description of the possible alternatives for minimising the unscheduled allocated flows in the neighbouring Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs;
 - (b) a qualitative assessment of the implementation time and effort of the described alternatives; and
 - (c) a qualitative assessment of the operational efforts of the described alternatives; and
 - (d) identification of changes needed to the determination of CCRs for minimising the unscheduled allocated flows in the neighbouring CCRs of the Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs.
3. The proposal pursuant to paragraph 1 shall include:
 - (a) the reassignment of the Hansa bidding zone borders DK1 - NL and DK1 - DE/LU to the Core CCR, unless proven in the supporting document that placing these two borders in another CCR is more efficient;
 - (b) based on the analysis in the supporting document, the potential reassignment of the other Hansa and Channel CCR bidding zone borders to the Core or Nordic CCR without impacting other CCRs; and
 - (c) an implementation timeline for the proposed amendments.

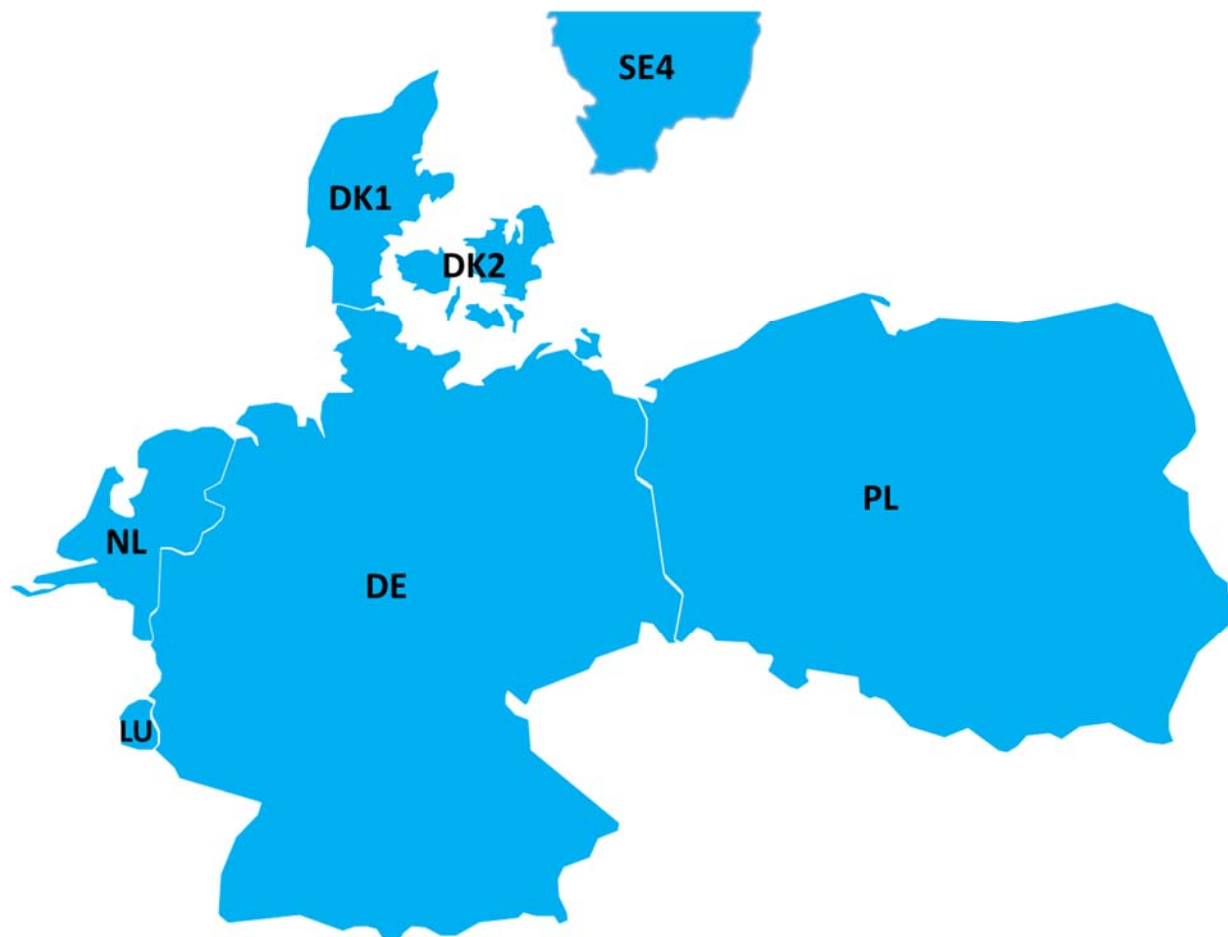
Article 7
Language

The reference language for this Second Amendment shall be English. For the avoidance of doubt, where TSOs need to translate this Second Amendment 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 TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of this Second Amendment.

Appendix: Amended map

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

Map 1: Hansa CCR



2. Capacity Calculation Region: GRIT

Map 2: GRIT CCR



ACER Decision on the Amendment of the determination of CCRs:
Annex Ia

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Amendment of the determination of capacity calculation regions

in accordance with Article 9(13) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management

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1 April 2019

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Whereas

- (1) This document ~~sets the second amendment to the determination of capacity calculation regions~~ (hereafter referred to as “CCRs”) as defined in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “~~Second Amendment~~”).
- (2) On 17 November 2015, all ~~Transmission System Operators (hereafter referred to as “TSOs”)~~, submitted the “All TSOs’ proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management” (hereafter referred to as the “CACM Regulation”), together with an explanatory note to their respective national regulatory authorities.
- (3) On 17 November 2016 ACER issued its decision 06/2016 on the Electricity Transmission System Operators’ Proposal for the Determination of Capacity Calculation Regions (hereafter referred to as the “CCR Decision”). Annex I to this ~~Decision~~, “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” (hereafter referred to as the “Annex I of the CCR Decision”) sets out the CCRs pursuant to Article 15(1) of the CACM Regulation.
- (4) The CCRs as defined by Annex I of the CCR Decision ~~cover all bidding zone borders where interconnectors are already in operation as well as bidding zone borders due to interconnections which were under construction at the time of approval of the CCR Decision and which were planned to be commissioned before 2018.~~
- (5) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs ~~submitted to all NRAs a first proposal for amendment of the Annex I of the CCR Decision in order to assign the Belgium - Great Britain bidding zone border to the Channel CCR. On 18 September 2017, all NRAs agreed to approve the first proposal for amendment of the Annex I of the CCR Decision and subsequently adopted decisions to approve the proposed amendment. In this methodology, the Annex I of the CCR Decision amended by the approved first proposal for amendment is hereinafter referred to as the ‘Determination of CCRs’.~~
- (6) ~~Timely definition of future bidding zone borders, their attribution to CCRs and the assignment of respective TSOs to a CCRs of utmost importance to:~~
- (a) facilitate the development and implementation of regional terms and conditions or methodologies, stemming from the CACM Regulation and Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (hereafter referred to as “FCA Regulation”), for the concerned CCR; and
- (b) provide a clear framework for the implementation of regional terms and conditions or methodologies stemming from the CACM and the FCA Regulations for the future bidding zone borders.
- (7) ~~This Second Amendment encompasses four CCRs with the aim of streamlining the process outlined in Article 9(13) of the CACM Regulation by combining all foreseeable amendments in one proposal and thus reducing the number of proposals to the minimum needed.~~

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(8) Due to developments of new interconnectors, the Determination of CCRs needs to be updated, to take into account the following new interconnectors:

- (a) The future Cobra Cable interconnection between bidding zones of Denmark 1 and the Netherlands will create a new bidding zone border DK1 - NL. This interconnection is currently under construction and is planned to be commissioned during the first quarter of 2019 and will be operated by Energinet.dk, and TenneT TSO B.V.;
- (b) Two future interconnectors on the France - Great Britain (FR - GB) bidding zone border, which are currently under construction:
 - i. Eleclink interconnection, which is planned to be commissioned at the end of 2019 and will be operated by Eleclink Limited;
 - ii. IFA2 interconnection, which is planned to be commissioned at the end of 2020 and which will be operated by National Grid IFA2 Limited and RTE - Réseau de Transport d'Electricité.; and
- (c) The future ALEGrO interconnection on the bidding zone border Belgium - Germany/Luxembourg (BE - DE/LU), which is planned to be commissioned in 2020 and will be operated by Amprion GmbH and Elia System Operator NV/SA.

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Regarding the attribution of new bidding zone borders to existing CCRs and/or the assignment of new or existing ... [7]

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(9) The new interconnector between Denmark and the Netherlands is establishing a new bidding zone border between bidding zones of Denmark 1 and the Netherlands (DK1 - NL). The cross-border exchanges on this bidding zone border have a significant impact on bidding zone borders of the Core CCR (namely the bidding zone border of DE/LU - NL) as well as on bidding zone borders of the Hansa CCR (namely the bidding zone border of DK1 - DE/LU). The new bidding zone border should optimally be assigned to Core CCR together with the bidding zone border DK1 - DE/LU. However, this solution would represent a significant change to the existing CCRs and could risk of interrupting and delaying the existing implementation projects and initiatives in the Hansa CCR and Core CCR. For this reason, the new bidding zone border is assigned to Hansa CCR as this solution does not require amendment of the Core CCR and and only amendment of the Hansa CCR. The latter is expected to have a minor impact on the implementation projects and initiatives as it applies the coordinated net transmission capacity approach to capacity calculation, which requires significantly less coordination between bidding zone borders of a CCR. In contrast, attributing this bidding zone border to the Core CCR would risk delaying existing initiatives, since this CCR aims to apply the flow-based capacity calculation approach, which requires extensive coordination at CCR level. Nevertheless, within one year after the adoption of this Second Amendment to the Determination of CCRs, TSOs should further analyse where this bidding zone border should optimally be attributed.

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(10) The CCR Channel includes the France - Great Britain (FR - GB) bidding zone border and the TSOs RTE - Réseau de Transport d'Electricité, National Grid Electricity Transmission plc (NGET) and National Grid Electricity Interconnectors Limited (NGIC) are attributed to this border. The future interconnectors on this bidding zone border will establish new TSOs, Eleclink Limited for Eleclink interconnection and National Grid IFA2 Limited for IFA2 interconnection. Therefore, Eleclink Limited and National Grid IFA2 Limited need to be assigned additionally to the FR - GB bidding zone border and to the CCR Channel.

(11) The CCR Core includes the Belgium - Germany/Luxembourg (BE - DE/LU) bidding zone border and the TSOs Elia System Operator NV/SA and Creos Luxembourg S.A. are attributed to this border. The future ALEGrO interconnection will be operated by Elia System Operator NV/SA and Amprion GmbH. Therefore, Amprion GmbH need to be attributed additionally to the BE - DE/LU bidding zone border.

(12) Due to the results of the Italian bidding zone review, the current Determination of CCRs needs to be updated, to take into account the changes in the bidding zone configuration. The abolishment of the Italian virtual bidding zones Foggia, Priolo and Brindisi results in a bidding zone border change from Italy BRNN - Greece to Italy SUD - Greece and the cancellation of the bidding zone borders Italy SUD - Italy BRNN, Italy SUD - Italy FOGN and Italy SIC1 - Italy PRGP.

(13) This Second Amendment takes into account the general principles and goals set in the CACM Regulation as well as Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as "Regulation (EC) No 714/2009"). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.

(14) According to Article 9(9) of the CACM Regulation, the expected impact of the Second Proposal on the objectives of the CACM Regulation has to be described. The impact is presented below.

(15) With regard to the amendment of the Channel and Core CCRs, this Second Amendment contributes to ensuring optimal use of the transmission infrastructure (objective of Article 3(b) of the CACM Regulation), ensuring operational security (objective of Article 3(c) of the CACM Regulation) and optimising the calculation of cross-zonal capacity (objective of Article 3(d) of the CACM Regulation), since it ensures that each new interconnector is assigned to the most relevant CCR and that all TSOs operating such an interconnectors are attributed to the relevant bidding zone borders of the same CCR. The attribution of two additional TSOs, notably National Grid IFA2 Limited (IFA2) and Eleclink Limited (Eleclink), to the France - Great Britain (FR - GB) bidding zone border of the Channel CCR enables the cross-zonal capacity calculation in the Channel CCR to account for combined interactions of all the interconnections on the France - Great Britain (FR - GB) bidding zone border. The addition of Amprion GmbH as operator of the interconnection ALEGrO to the bidding zone border Belgium - Germany/Luxembourg (BE - DE/LU) of the Core CCR supports the coordinated cross-zonal capacity calculation by the responsible TSOs and accounts for combined interactions between the interconnected Belgian and German networks.

(16) With regard to the amendment of the Hansa CCR, the impact of the assignment of the new bidding zone border DK1 - NL to the Hansa CCR on the objectives to ensure the optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation) may not be positive. However, to avoid negative impacts on the existing implementation projects and initiatives in the current CCRs, it is acceptable to assign this new bidding zone border to the Hansa CCR and to plan a future reassessment and amendment of the Determination of CCRs. This reassessment and amendment will aim to improve the functioning of the internal electricity market and contribute to the objective of the efficient long-term operation and development of the electricity transmission system and the electricity sector in the Union (Article 3(g) of the CACM Regulation).

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(17) This Second Amendment does not have any significant or direct impact on the other objectives referred to in Article 3 (a), (e), (f), (h), (i) and (j) of the CACM Regulation.

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(18) In conclusion, the Second Amendment contributes to the general objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

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¶ This Proposal for Amendment encompasses three CCRs with the aim of streamlining the process outlined in Article 9(13) of the CACM Regulation by combining all foreseeable amendments in one proposal and thus reducing the number of proposals to the minimum needed.

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TITLE 1 Amendments

Article 1 Amendment to the Hansa Capacity Calculation Region

- The Hansa CCR as defined in Article 4 of the Determination of CCRs shall be amended as follows:
 - The Denmark ~~1~~ The Netherlands (DK1 - NL) bidding zone border is included in the Hansa CCR;
 - The Denmark ~~1~~ The Netherlands (DK1 - NL) bidding zone border is attributed to following TSOs: Energinet.dk, and TenneT TSO B.V.
- Map 1 of the Appendix, shows the amended Hansa CCR and amends map no 2 of the Appendix in the Determination of CCRs accordingly.

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Article 2 Amendment to the Channel Capacity Calculation Region

The France - Great Britain (FR - GB) bidding zone border of the Channel CCR as defined in Article 10(a) of the Determination of CCRs shall additionally include the following TSOs: National Grid IFA2 Limited (IFA2), and Eleclink Limited (Eleclink).

Article 3 Amendment to the Core Capacity Calculation Region

The Belgium-Germany/Luxembourg (BE - DE/LU) bidding zone border of the Core CCR as defined in Article 5(1)(e) of the Determination of CCRs shall additionally include the following TSO: Amprion GmbH.

Article 4 Amendment to the Greece-Italy (GRIT) Capacity Calculation Region

- The GRIT CCR as defined in Article 7 of the Determination of CCRs shall be amended such that it consists of the following bidding zone borders which are attributed to the referred TSOs:
 - Italy SUD - Greece (SUD - GR), TERNA Rete Elettrica Nazionale S.p.A. and Independent Power Transmission Operator S.A.;
 - Italy NORD - Italy CNOR (NORD - CNOR), TERNA Rete Elettrica Nazionale S.p.A.;
 - Italy CNOR - Italy CSUD (CNOR - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - Italy CNOR - Italy SARD (CNOR - SARD), TERNA Rete Elettrica Nazionale S.p.A.;
 - Italy SARD - Italy CSUD (SARD - CSUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - Italy CSUD - Italy SUD (CSUD - SUD), TERNA Rete Elettrica Nazionale S.p.A.;
 - Italy SUD - Italy ROSN (SUD - ROSN), TERNA Rete Elettrica Nazionale S.p.A.; and
 - Italy ROSN - Italy SICI (ROSN - SICI), TERNA Rete Elettrica Nazionale S.p.A.
- Map 2 of the Appendix shows the amended GRIT CCR and amends map no 5 of the Appendix in the Determination of CCRs accordingly.

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TITLE 2 Final Provisions

Article 5 Implementation date of the amendments

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1. The TSOs shall apply the amendments provided for in Articles 1 to 4 of this Second Amendment as soon as this Second Amendment is approved in accordance with Article 9 of the CACM Regulation.
2. The TSOs shall apply the amendments provided for in Article 2 of this Second Amendment as soon as this Second Amendment is approved in accordance with Article 9 of the CACM Regulation and as soon as the National Grid IFA2 Limited (IFA2) and Eleclink Limited (Eleclink) are certified as TSOs following the provisions of Article 3 of Regulation (EC) 714/2009 and Article 10 of Directive 2009/72/EC. In case National Grid IFA2 Limited and Eleclink Limited do not become certified TSOs on the same date, the TSOs shall partially apply the amendments described under Article 2, pending the remaining certification. In that case, the bidding zone border France, Great Britain (FR, GB) of the Channel CCR shall be attributed to the TSO which has already obtained its certification, as from the date of such certification.

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Article 6 **Future amendments**

1. No later than 18 months after the entry into force of this Second Amendment, all TSOs shall analyse the optimal determination of CCRs with regard to the Hansa and Channel CCRs and submit a proposal for the amendment of the determination of those CCRs in accordance with Article 9(13) of the CACM Regulation. This proposal shall be accompanied by a document assessing the possible alternatives for the bidding zone borders of the Hansa and Channel CCRs. If this analysis shows that no change of the Hansa and Channel CCRs is needed, all TSOs shall submit to the regulatory authorities the analysis without a proposal for amendment of the determination of the CCRs.
2. The analysis pursuant to paragraph 1 shall include:
 - (a) a description of the possible alternatives for minimising the unscheduled allocated flows in the neighbouring Core and Nordic CCRs due to interconnectors in the Hansa and Channel CCRs;
 - (b) a qualitative assessment of the implementation time and effort of the described alternatives; and
 - (c) a qualitative assessment of the operational efforts of the described alternatives; and
 - (d) identification of changes needed to the determination of CCRs for minimising the unscheduled allocated flows in the neighbouring CCRs of the Core and Nordic CCRs due to interconnectors in Hansa and Channel CCRs.
3. The proposal pursuant to paragraph 1 shall include:
 - a. the reassignment of the Hansa bidding zone borders DK1, NL and DK1, DE/LU to the Core CCR, unless proven in the supporting document that placing these two borders in another CCR is more efficient;
 - b. based on the analysis in the supporting document, the potential reassignment of the other Hansa and Channel CCR bidding zone borders to the Core or Nordic CCR without impacting other CCRs; and
 - c. an implementation timeline for the proposed amendments.

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Article 7 **Language**

The reference language for this Second Amendment shall be English. For the avoidance of doubt, where TSOs need to translate this Second Amendment 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 TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of this Second Amendment.

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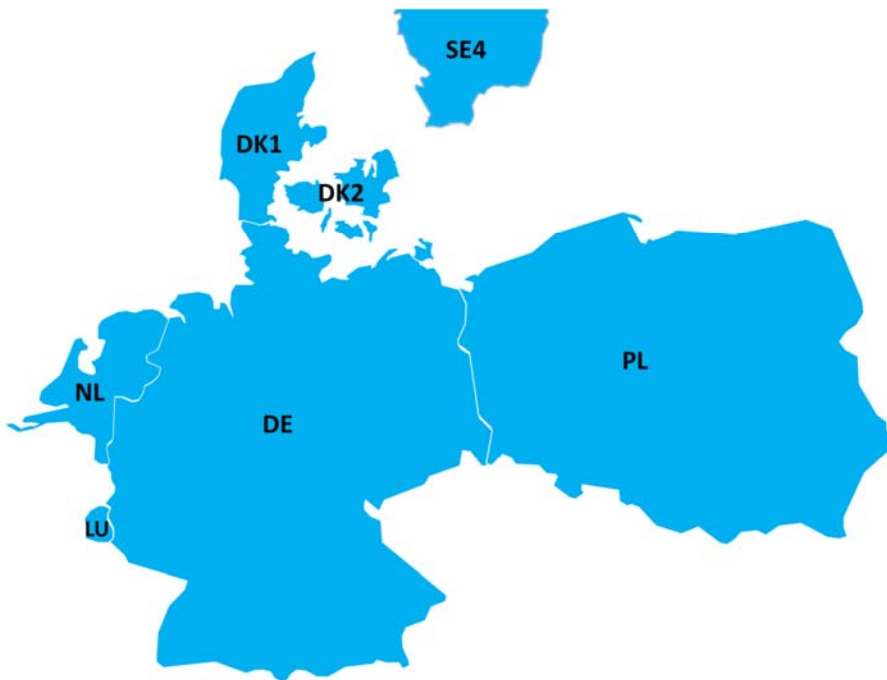
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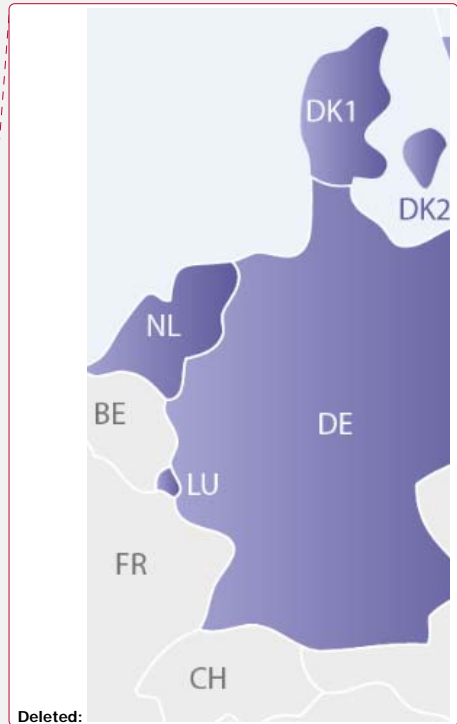
Appendix: Amended map

1. Capacity Calculation Region: Hansa (PL, DE/LU, NL, DE/LU, DK2, SE4 and DK1, DK2 bidding zone borders are not part of this CCR)

Map 1: Hansa CCR



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2. Capacity Calculation Region: GRIT

Map 2: GRIT CCR



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All TSOs' Proposal for Amendment in accordance with Article 9(13) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management on the Determination of Capacity Calculation Regions



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Regarding the attribution of new bidding zone borders to existing CCRs and/or the assignment of new or existing TSOs to CCRs in which they have existing bidding zone borders, all TSOs consider the following:

The Denmark 1 - Germany/Luxembourg (DK1-DE/LU), Denmark 2 - Germany/Luxembourg (DK2-DE) and Sweden 4 – Poland (SE4-PL) bidding zone borders are attributed to the Hansa CCR as defined by Annex I of the CCR Decision in accordance with Article 15(1) of the CACM Regulation.

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bidding zone border will be geographically located west of those three bidding zone borders. The four bidding zone borders will interact in a combined manner both on the interconnected Danish, Norwegian and Swedish networks as well as on the interconnected Dutch, German and Polish networks. All TSOs are therefore of the opinion that the future Denmark 1 – The Netherlands bidding zone border is to be assigned to the Hansa CCR.

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, which is attributed in Article 10(a) of Annex 1 of the CCR Decision to

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will be operating the Eleclink interconnection and the IFA2 interconnection respectively

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, to which the FR-GB bidding zone border has been assigned, as defined in Article 10(a) of Annex 1 of the CCR Decision; and

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All TSOs' Proposal for Amendment in accordance with Article 9(13) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management on the Determination of Capacity Calculation Regions



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In accordance with Article 9(13) of the CACM regulation, all TSOs hereby issue a Proposal for Amendment to the CCRs as defined in accordance with Article 15(1) of the CACM Regulation related to the following CCRs:

existing Hansa CCR with the objective to assign the future Denmark 1 – The Netherlands bidding zone border to this CCR;

existing Channel CCR with the objective to assign to it two additional TSOs, notably National Grid IFA2 Limited (IFA2) and Eleclink Limited (Eleclink), that have been attributed an existing bidding zone border of this CCR ; and

existing Core CCR with the objective to attribute the bidding zone border Belgium – Germany/Luxembourg (BE – DE/LU) of this CCR to one additional TSO, notably Amprion GmbH.

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This Proposal for Amendment contributes to, and does not hamper in any way, the achievement of the objectives of the CACM Regulation.

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The assignment of the future DK1 - NL bidding zone border to the existing Hansa Region enables the cross-zonal capacity calculation in the Hansa CCR to account for combined interactions of the future Denmark 1 – The Netherlands (DK1 – NL), Denmark 1 - Germany/Luxembourg (DK1-DE/LU), Denmark 2 - Germany/Luxembourg (DK2-DE) and Sweden 4 – Poland (SE4-PL) bidding zone borders, which together constitute the bidding zone borders between the Nordic region (CCR Nordic) and the continental region (CCR Core).

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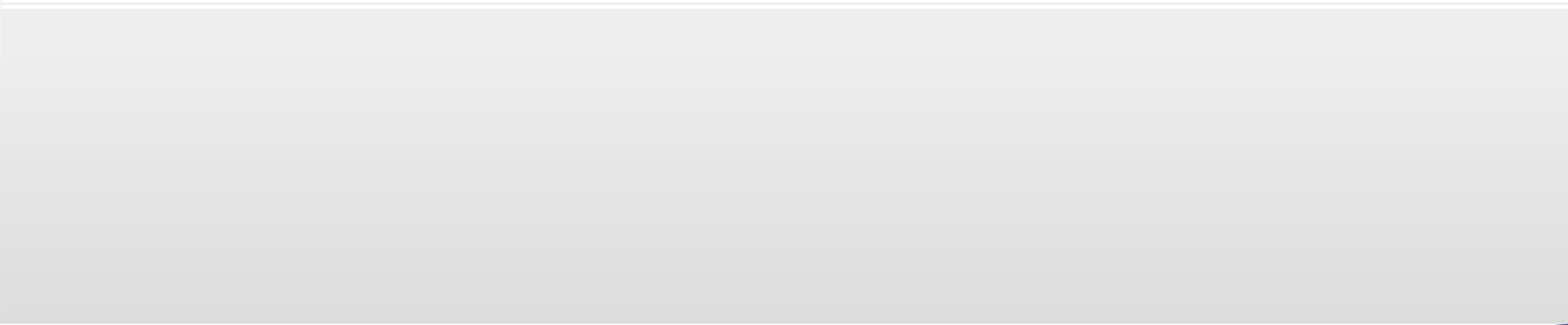


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ACER Decision on the Amendments of the determination of CCRs: Annex II

Evaluation of responses to the public consultation on the amendments of the proposal for amendment on the determination of capacity calculation regions

1 Introduction

On 23 May 2018, all transmission system operators ('TSOs') submitted a new proposal for amendment to all regulatory authorities in order to add the new bidding zone border DK1-NL and its corresponding TSOs to the Hansa capacity calculation region ('CCR'), add the TSOs National Grid IFA2 Limited and Eleclink Limited to the FR-GB bidding zone border in the Channel CCR and add the TSO Amprion to the BE-DE/LU bidding zone border in the Core CCR. On 2 October 2018, the Agency received a letter from all regulatory authorities requesting the Agency to adopt a decision on this 'second proposal for amendment' in accordance with Article 9(11) of the CACM Regulation.

The regulatory authorities informed the Agency that they could not agree on the allocation of the new bidding zone border between the bidding zones of Denmark and the Netherlands (i.e. the DK1-NL bidding zone border). One regulatory authority had a strong preference to allocate this bidding zone border to the Core CCR instead of the proposed Hansa CCR. On 19 December 2018, the Agency received another request from all regulatory authorities to update, in the course of the decision on the second proposal for amendment, the GRIT CCR in order to account for the bidding zone review performed by the Italian regulatory authority.

In order to take an informed decision, the Agency launched a public consultation on 28 January 2019 inviting all interested parties to express their views on potential amendments of the second proposal for amendment. The closing date for comments was 17 February 2019.

More specifically, the public consultation invited stakeholders to comment on the following aspects of the amendments to the CCR determination:

- (i) the proposed reassessment of the optimal bidding zone border allocation in the Hansa, Baltic and Channel CCR;
- (ii) the inclusion of amendments regarding the outcome of the Italian bidding zone review; and
- (iii) any further comments on the proposed CCR determination amendments.

2 Responses

By the end of the consultation period, the Agency received responses from 10 participants.

This evaluation paper summarises all received comments and responses to them. The table below is organised according to the consultation questions and provides the respective views from the respondents, as well as a response from the Agency clarifying the extent to which their comments were taken into account.

Respondents' views	ACER views
<p>Question 1: Please provide comments concerning the proposed reassessment of the optimal bidding zone border allocation in the Hansa, Baltic and Channel CCR. (Article 6).</p>	
<p>10 respondents provided an answer to this question.</p>	
<p>5 respondents shared their preference to place the DK1-NL bidding zone border together with the bidding zone borders DK1-DE/LU and DE/LU-NL in the Core CCR.</p> <p>3 of those respondents addressed the special state of the DK1-NL bidding zone border as it connects two bidding zones in a synchronous AC network. The integration of these borders in the Core CCR would optimise cross-border exchanges and the settings of the HVDC link consistently with the overall situation in the CCR.</p> <p>3 of those respondents state that the bidding zone borders DK1-NL, DK1-DE/LU and DE/LU-NL are linked very closely together and occurrences in one will lead to substantial influences on the others. Dealing with this optimisation in two CCRs would lead to more uncertainties, to higher reliability margins and therefore more unscheduled flows while a coordinated approach for capacity calculation and re-dispatch would result in welfare gains.</p> <p>1 of those respondents is criticising the concept of advanced hybrid coupling and is therefore of the opinion that the buffer regions in the current CCR determination are prone to either discriminate trades within these regions or in the neighbouring regions and should therefore be merged with neighbouring CCRs.</p>	<p>The Agency agrees with the expectation that the bidding zone borders DK1-DE/LU, DE/LU-NL and NL-DK1 will significantly impact each other and should therefore assigned to the same CCR. This is based on the fact that these three borders represent a sort of triangle where cross-zonal exchanges on the NL-DK1 border may automatically create physical flows over the DK1-DE/LU, DE/LU-NL borders as they are connected via AC interconnectors. As the DE-LU/NL bidding zone border cannot be outside the Core CCR, the Agency understands that the optimal solution would be to assign all three borders into the Core CCR.</p> <p>The general design of advanced hybrid coupling is not in the scope of this Decision but is shortly addressed in the last response to this question below. While the Agency does support gradual merger of CCRs in the future, it deems it important to allow TSOs to exploit all feasible measures to improve the functioning of the internal electricity market in the most efficient way while following the requirements of Regulation (EC) 714/2009 and the CACM Regulation. Therefore, the Agency does not deem it necessary to abandon the buffer regions in the current CCR determination.</p>

Respondents' views	ACER views
<p>1 respondent did not state a preferred location for the DK1-NL bidding zone border but highlighted that it is important to have the bidding zone borders DK1-NL and DK1-DE always in the same CCR since they have a big influence on each other.</p>	
<p>1 respondent recommends that the DK1-NL bidding zone border is kept in the Hansa CCR on the ground that this new bidding zone border will interact with other Hansa CCR borders, which are also placed between the Nordic and Core CCR.</p>	<p>The Agency questions the reasoning that the DK1-NL bidding zone border should be kept in the Hansa CCR due to interaction with other Hansa CCR borders. The Hansa CCR is placed between the Core and Nordic CCR. The bidding zone borders between these CCRs, hence the Hansa CCR's bidding zone borders, should affect their neighbouring CCRs cross-border flows as little as possible. As stated in the previous response, the Agency expects a lower negative impact on neighbouring CCRs if the bidding zone border DK1-NL and the bidding zone borders DK1-DE/LU and DE-NL (AC interconnectors), which form a sort of triangle, would be assigned to the Core CCR. Furthermore, the Agency notes that the TSOs' proposal did not provide a sufficient reasoning on why the assignment of the DK1-NL bidding zone border in the Hansa CCR would have a less negative impact.</p>
<p>3 respondents mentioned that assigning these borders to the Core CCR would lead to compliance with Regulation (EC) no 714/2009. 2 of those respondents quoted point 1.7 from Annex 1 of the Regulation (EC) 714/2009 on conditions for access to the network for cross-border exchanges in electricity, while the third of those respondents quoted point 3.1 from Annex 1 of the Regulation (EC) 714/2009 on coordinated congestion management if the commercial exchange between two countries affects the physical flows in a third country.</p>	<p>The Agency agrees that significant amounts of unscheduled allocated flows on a bidding zone border are not compliant with Regulation (EC) 714/2009. As described above, the Agency finds it very likely that placing the discussed bidding zone in the Core CCR would lead to a reduction of these unscheduled allocated flows. Nevertheless, the reallocation, including a possible implementation timeline, needs to be assessed to avoid an interference with critical ongoing projects to improve the functioning of the internal electricity market.</p>
<p>2 respondents appreciate to have 12 months of experience gained and real FB data to assess the configuration of the bidding zones in the concerned region. 1 of these respondents further states that the proposed Article 6 only mentions the day-</p>	<p>As described in Recital (51) of this Decision, the Agency does not agree that the proposed assessment requires 12 months of experience of day ahead flow based capacity calculation in the Core and Nordic CCRs. In the Agency's view, the assessment should be of qualitative nature and aim to analyse possible solutions to</p>

Respondents' views	ACER views
<p>ahead timeframe and stresses that at the time of the proposed assessment the implementation of the intraday capacity calculation methodology ('CCM') will be running. The assessment should therefore be triggered after the intraday CCM implementation (i.e. 12 months after the implementation of intraday CCM)</p> <p>1 respondent believes that before restructuring CCRs, regional projects like day-ahead and intraday CCM including advanced hybrid coupling needs to be fully implemented. The 12 months deadline will not provide sufficient historic data for a valid analysis. The respondent further states that the implementation of advanced hybrid coupling (i.e. target model for Hansa borders) in the Core CCR is not expected before two years after the Core CCM implementation but should be reflected in the analysis.</p>	<p>avoid unscheduled allocated flows (i.e. advanced hybrid coupling or reallocation of borders). Additionally, the assessment should come up with an implementation timeline for the possible reallocation of bidding zone borders, taking into account the ongoing implementation processes. Therefore, the proposed assessment will take into account the mentioned methodologies and their implementation but does not require a quantitative data input from this constantly changing environment.</p> <p>In order to plan for these changes and to mitigate their impact on regional implementation projects and initiatives, the timing of these changes needs to be known well in advance. Furthermore, if the assessment shows that some solutions, such as advanced hybrid coupling, require specific amendments to the CACM Regulation, such a conclusion is also needed as soon as reasonably possible to be able to plan for the necessary amendments to the CACM Regulation.</p>
<p>1 respondent is of the opinion that unscheduled allocated flows caused by adjacent CCRs are not negligible and require to be solved urgently. Critical network elements in the Netherlands face a high risk of being pre-congested due to non-coordination of capacity calculation between the CCRs. This already causes a discriminatory prioritisation of the unscheduled allocated flows resulting from import flows from Norway and export flows to UK. Such unscheduled allocated flows will even increase after the go-live of the new DK1-NL and BE-UK transmission lines.</p>	<p>The Agency acknowledges the issue of unscheduled allocated flows caused by adjacent CCRs but does not have the underlying data on current unscheduled allocated flows on the respective bidding zone borders to judge on the urgency of this issue. The Agency deems it important that the urgency of this issue is assessed while keeping prioritised implementation projects in mind. Therefore, this Decision includes a provision of assessing the issue, possible solutions and their implementation within 18 months after its adaption.</p>

Respondents' views	ACER views
<p>3 respondents oppose the proposed provision of having the DK1-NL and DK1-DE/LU bidding zone in the Core CCR as default rule. This contradicts the requirement of having an objective analysis. 1 respondent further states that it would be more logical to maintain the status quo until the analysis leads to an opposite result. One of those respondents hopes to receive clear justification of this default provision if it is kept.</p>	<p>The Agency does not share the opinion that this provision contradicts the outcome of the assessment. The qualitative assessment should neutrally assess the possible solutions for the bidding zone borders in the relevant area. As this assessment is only of qualitative nature and does not require data from operation, the default rule does not influence the assessment but presents the most likely favourable CCR determination, as justified in the first response to this question above and in Recital (43) of this Decision.</p>
<p>1 respondent is missing sufficient detail and a precise scope concerning the proposed analysis and cannot conclude if the analysis shall be qualitative or quantitative. The respondent is in strong favour of a quantitative approach and deems it important to define the exact scope of such an analysis. The respondent further stresses that not only the CACM topics should be taken into account but also SOGL and FCA issues based on the CCRs.</p>	<p>The Agency deems it sufficiently clear that its current Decision is aiming for a qualitative assessment. Given the constantly changing environment of the electricity market (CCM implementation, redispatching and countertrading methodology implementation, advanced hybrid coupling, eventually new interconnectors) a quantitative assessment would neither lead to sufficiently precise results now nor in the near future. As the discussed issue of unscheduled allocated flows is already occurring, the Agency deems it important to investigate the possible solutions rather soon while taking into account all the relevant regulations and methodologies when looking into possible implementation timelines.</p>
<p>1 respondent mentions that the Channel and Baltic CCRs has not been an open issue from the side of TSOs or NRAs and should therefore not be opened by the Agency</p>	<p>The Agency agrees that the inclusion of other CCRs was not discussed when the proposal was referred to the Agency. Nevertheless, while discussing the cause of the referral of this Decision to the Agency (i.e. unscheduled allocated flows), it became evident that this issue does not only exist for the DK1-NL bidding zone border but is a much wider problem. Therefore, the Agency deems it necessary to widen the scope of the assessment as explained in Recital (49) of this Decision.</p>

Respondents' views	ACER views
<p>2 respondents are of the opinion that the approved Hansa CCM does not give priority access to flows on the Hansa interconnectors. On the contrary, there is a clear risk that internal congestions will be shifted to the Hansa borders as the Hansa capacities will be set at the lowest value as calculated by the advanced hybrid coupling of the Core and Nordic CCMs. 1 respondent further elaborates that the limitation of Hansa interconnectors due to congestions in the Core and Nordic region is not acceptable and goes against Regulation 714/2009.</p>	<p>The Hansa CCM is out of the scope of this decision. However, the Agency wants to clarify that the current discrimination due to unscheduled allocated flows occur because the possible solutions (i.e. optimal reallocating bidding zone borders or implementing advanced hybrid coupling) are not in place yet.</p> <p>The Agency does not see a discrimination caused by the application of the concept of advanced hybrid coupling. Instead of pre-occupying capacities on critical network elements on the bidding zone borders of adjacent CCRs, the application of advanced hybrid coupling should provide a market-based solution for equal treatment of flows resulting from the exchange between bidding zones within the CCR and flows from adjacent CCRs on the relevant critical network elements on bidding zone borders. This may result in a reduction of capacities of the Hansa CCR. However, this reduction would not be caused by discrimination of Hansa bidding zone borders but by the equal treatment of cross-border flows throughout different CCRs.</p> <p>The issue of internal congestions in a bidding zone pre-occupying capacities on cross-border critical network elements are not in the scope and cannot be addressed by the CCR determination. Such priority access of flows on cross-border critical network elements, caused by internal constraints to (i.e. loop flows), are equally discriminatory as a priority access of unscheduled allocated flows caused by flows from adjacent CCRs. A reduction of cross border capacities due to internal congestions in combination with applying advanced hybrid coupling would mean that cross-border flows from both CCRs are equally discriminated against the prioritised flows caused by the internal congestion.</p> <p>Following the above described issue, the Agency concludes that solving the problem of unscheduled allocated flows by the application of advanced hybrid coupling or the reallocating bidding zone borders will not solve but partially divide the issue of discrimination through internal congestions among the linked bidding zone borders. Nevertheless, both issues need to be addressed but can only be addressed separately.</p>
<p>Question 2: Please provide comments on the inclusion of amendments regarding the outcome of the Italian bidding zone review (Article 4).</p>	

Respondents' views	ACER views
3 respondents provided an answer to this question and agreed to the proposed process to include the amendments regarding the outcome of the Italian bidding zone review.	The Agency agrees.
Question 3: Please provide any further comments on the proposed CCR determination amendments.	
3 respondents provided further comments on the proposed CCR determination amendments.	
1 respondent notes that the proposed methodologies, in the Hansa, Baltic and Channel CCRs, follow different approaches, e.g. the Channel CCM is fundamentally different from the Hansa CCM. Instead of having a common approach, the CCMs rather continue existing practices, hindering the market integration driven by common European network codes.	The Agency agrees with the target of harmonising the CCMs, yet this issue is outside the scope of this decision. However, according to Article 21(4) of the CACM Regulation, all TSOs shall use a harmonised capacity calculation methodology for flow-based and the coordinated net transmission capacity approach by 31 December 2020. While the Agency recognises that this might be difficult to achieve given the current implementation status of CCMs, it deems it important to keep this requirement of harmonisation in mind as the target model for the near future.
<p>1 respondent expressed concerns that the inclusion of a request for amendment in a decision by the Agency is not compliant with the CACM Regulation and provides the following argumentation:</p> <p>According to Article 9(13) of the CACM Regulation, only NRAs and the responsible parties for developing a proposal (i.e. TSOs) are allowed to request an amendment of already approved terms and conditions or methodologies. Only the TSOs may and shall make the proposals for amendments of the CCR determination. Hence, the Agency does not have the right to oblige TSOs to amend the already approved CCR determination.</p> <p>Additionally, NRAs are responsible for the enforcement of terms and conditions or methodologies (TCMs). For this reason,</p>	<p>Article 9(13) of the CACM Regulation does indeed not explicitly refer to the Agency as being entitled to request an amendment. However, this is not relevant in the present case.</p> <p>In the Agency's view, the assignment of the DK1-NL bidding zone border to the Hansa CCR is currently reasonable in order to avoid negative effects on the ongoing implementation projects in other CCRs. Thus, the reason for assigning this bidding zone border to the Hansa CCR depends on the progress of those implementation projects and the negative effects on them. To the extent that those factors change with the completion of the implementation projects, this has also an impact on the reason for the current assignment. Consequently, the approval of the proposed assignment of the DK1-NL bidding zone border to the Hansa CCR has to take this conditionality into account, and can only be granted subject to the requirement of a reassessment of the determination of CCRs in order to confirm that the current assignment is still justified or, otherwise, to amend the determination of CCRs accordingly. To that end,</p>

Respondents' views	ACER views
<p>the NRAs gain practical experience in the field of application and enforcement of the approved TCMs under the CACM Regulation. Consequently, NRAs may be in a better position to assess the need for an amendment.</p> <p>The Agency's competence to decide on the amendment of the CCR determination does not include the initiation of a future amendment of the approved TCMs, as done in Article on "Accommodating future developments" of the consulted decision draft.</p> <p>However, the Agency may oblige TSOs to analyse the most efficient allocation of the Hansa CCR bidding zone borders, as the implementation of the Core CCM might be a game changer in the near future.</p> <p>Therefore, we propose the following legally sound wording of Article 6:</p> <p>(1) ... all TSOs shall submit a document analysing the most efficient allocation of the Hansa, Channel and Baltic CCR bidding zone borders to all NRAs in order to allow all NRAs to decide upon whether or not they demand a proposal for amendment of the CCRs in accordance with Article 9(13) of the CACM Regulation.</p>	<p>the Agency followed the respondents' suggestion and made the assignment of the DK1-NL bidding zone border to the Hansa CCR subject to an analysis of the optimal determination of CCRs with regard to Hansa and Channel CCRs within 18 months after the entry into force of the present Decision.</p>
<p>1 respondent reminds that Baltic Cable AB is a (uncertified) TSO that is in the middle of the Hansa region, but has not been allowed to participate in the preparation of proposals for the different methodologies. Hence, recognition as part of the Hansa region and future direct involvement would be appreciated.</p>	<p>Baltic Cable AB will be assigned to the Hansa CCR (or any other appropriate CCR) once they meet the conditions to be certified as a TSO. Until that point, it is not possible formally to include it in the framework of the CCR determination. An informal involvement in the processes in the Hansa CCR is up to the listed Hansa CCR's TSOs.</p>

3 List of respondents

Organisation	Type
Bundesnetzagentur	NRA
Core TSOs	Transmission System Operators of the Core Region
EDF SA	Energy company
EFET - European Federation of Energy Traders	Association
Energie-Nederland	Energy company
Market Parties Platform (MPP)	Association
Nord Pool AS /European Market Coupling Operator AS	NEMO
Baltic Cable AB	TSO (not certified)
Authority for Consumers & Markets (ACM)	NRA
ENTSO-E	European Network of Transmission System Operators

ACER Decision on the Amendment of the determination of CCRs: Annex III

Consolidated list of capacity calculation regions with assigned bidding zone borders and attributed TSOs

1. Capacity Calculation Region 1: Nordic

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Denmark 1 - Sweden 3	DK1-SE3	Energinet.dk, Svenska kraftnät
2.	Denmark 2 - Sweden 4	DK2-SE4	Energinet.dk, Svenska kraftnät
3.	Denmark 1 - Denmark 2	DK1-DK2	Energinet.dk
4.	Sweden 4 - Sweden 3	SE4-SE3	Svenska kraftnät
5.	Sweden 3 - Sweden 2	SE3-SE2	Svenska kraftnät
6.	Sweden 2 - Sweden 1	SE2-SE1	Svenska kraftnät
7.	Sweden 3 - Finland	SE3-FI	Svenska kraftnät, Fingrid Oyj
8.	Sweden 1 - Finland	SE1-FI	Svenska kraftnät, Fingrid Oyj

2. Capacity Calculation Region 2: Hansa

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Denmark 1 - Germany/Luxembourg	DK1-DE/LU	Energinet.dk, TenneT TSO GmbH
2.	Denmark 2 - Germany/Luxembourg	DK2-DE/LU	Energinet.dk, 50Hertz Transmission GmbH
3.	Sweden 4 - Poland	SE4-PL	Svenska Kraftnät, PSE S.A.
4.	Denmark 1 - Netherlands	DK1-NL	Energinet.dk, TenneT TSO B.V.

3. Capacity Calculation Region 3: Core

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	France - Belgium	FR-BE	RTE – Réseau de transport d'électricité, Elia System Operator NV/SA
2.	Belgium - Netherlands	BE-NL	Elia System Operator NV/SA, TenneT TSO B.V.
3.	France - Germany/Luxembourg	FR-DE/LU	RTE – Réseau de transport d'électricité, Amprion GmbH, TransnetBW GmbH
4.	Netherlands - Germany/Luxembourg	NE-DE/LU	TenneT TSO B.V., TenneT TSO GmbH, Amprion GmbH
5.	Belgium - Germany/Luxembourg	BE-DE/LU	Elia System Operator NV/SA, Amprion GmbH, Creos Luxembourg S.A.
6.	Germany/Luxembourg - Poland	DE/LU-PL	50Hertz Transmission GmbH, PSE S.A.
7.	Germany/Luxembourg - Czech Republic	DE/LU-CZ	TenneT TSO GmbH, 50Hertz Transmission GmbH, ČEPS, a.s.
8.	Austria - Czech Republic	AT-CZ	Austrian Power Grid AG, ČEPS, a.s
9.	Austria - Hungary	AT-HU	Austrian Power Grid AG, MAVIR Hungarian Independent Transmission Operator Company Ltd.
10.	Austria - Slovenia	AT-SI	Austrian Power Grid AG, ELES, d.o.o.
11.	Czech Republic - Slovakia	CZ-SK	ČEPS, a.s., Slovenská elektrizačná prenosová sústava, a.s.
12.	Czech Republic - Poland	CZ-PL	ČEPS, a.s., PSE S.A.
13.	Hungary - Slovakia	HU-SK	MAVIR Hungarian Independent Transmission Operator Company Ltd., Slovenská elektrizačná prenosová sústava, a.s.
14.	Poland - Slovakia	PL-SK	PSE S.A., Slovenská elektrizačná prenosová sústava, a.s.
15.	Croatia - Slovenia	HR-SI	Croatian Transmission System Operator Ltd. (HOPS d.o.o.), ELES, d.o.o.
16.	Croatia - Hungary	HR-HU	Croatian Transmission System Operator Ltd. (HOPS d.o.o.), MAVIR Hungarian Independent Transmission Operator Company Ltd.
17.	Romania - Hungary	RO-HU	Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A., MAVIR Hungarian Independent Transmission Operator Company Ltd.
18.	Hungary - Slovenia	HU-SI	MAVIR Hungarian Independent Transmission Operator Company Ltd., ELES, d.o.o.
19.	Germany/Luxembourg - Austria	DE/LU-AT	Austrian Power Grid AG, TransnetBW GmbH, TenneT TSO GmbH, Amprion GmbH

4. Capacity Calculation Region 4: Italy North

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Italy NORD - France	NORD-FR	TERNA Rete Elettrica Nazionale S.p.A., RTE– Réseau de transport d'électricité
2.	Italy NORD - Austria	NORD-AT	TERNA Rete Elettrica Nazionale S.p.A., Austrian Power Grid AG
3.	Italy NORD - Slovenia	NORD-SI	TERNA Rete Elettrica Nazionale S.p.A., ELES, d.o.o.

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

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1	Italy SUD - Greece	SUD-GR	TERNA Rete Elettrica Nazionale S.p.A., Independent Power Transmission Operator S .A.
2	Italy NORD - Italy CNOR	NORD-CNOR	TERNA Rete Elettrica Nazionale S.p.A.
3	Italy CNOR - Italy CSUD	CNOR-CSUD	TERNA Rete Elettrica Nazionale S.p.A.
4	Italy CNOR - Italy SARD	CNOR-SARD	TERNA Rete Elettrica Nazionale S.p.A.
5	Italy SARD - Italy CSUD	SARD-CSUD	TERNA Rete Elettrica Nazionale S.p.A.
6	Italy CSUD - Italy SUD	CSUD-SUD	TERNA Rete Elettrica Nazionale S.p.A.
7	Italy CSUD - Italy ROSN	CSUD-ROSN	TERNA Rete Elettrica Nazionale S.p.A.
8	Italy ROSN - Italy SICI	ROSN-SICI	TERNA Rete Elettrica Nazionale S.p.A.

6. Capacity Calculation Region 7: South-west Europe (SWE)

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	France - Spain	FR-ES	RTE - Réseau de transport d'électricité, REE - Red Eléctrica de España, S.A.U
2.	Spain - Portugal	ES-PT	REE - Red Eléctrica de España, S.A.U., REN - Rede Eléctrica Nacional, S.A.

7. Capacity Calculation Region 8: Ireland and United Kingdom (IU)

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Great Britain- Ireland/Northern Ireland	GB-IR/NIR	National Grid Electricity Transmission plc (NGET), EirGrid, Moyle Interconnector (Moyle), SONI

8. Capacity Calculation Region 9: Channel

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	France - Great Britain	FR-GB	RTE - Réseau de transport d'électricité, National Grid Electricity Transmission plc (NGET), National Grid Interconnectors Limited (NGIC), National Grid IFA2 Limited (IFA2), Eleclink Limited (Eleclink)
2.	Netherlands - Great Britain	NL-GB	BritNed Development Limited (BritNed), TenneT TSO B.V.
3.	Belgium - Great Britain	BE-GB	Elia System Operator NV/SA, National Grid Electricity Transmission plc (NGET), Nemo Link Limited (Nemo Link)

9. Capacity Calculation Region 10: Baltic

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Estonia - Latvia	EE-LV	Elering AS, Augstsprieguma tīkls
2.	Latvia - Lithuania	LV-LT	Augstsprieguma tīkls, Litgrid AB
3.	Estonia - Finland	EE-FI	Elering AS, Fingrid Oyj
4.	Lithuania – Sweden 4	LT-SE4	Litgrid AB, Svenska kraftnät
5.	Lithuania- Poland	LT-PL	Litgrid AB, PSE S.A.

10. Capacity Calculation Region 11: South-east Europe (SEE)

No.	Bidding zone border name	Bidding zone border acronym	Attributed TSOs
1.	Greece - Bulgaria	GR-BG	Independent Power Transmission Operator S.A., Elektroenergien Systemen Operator (ESO) EAD
2.	Bulgaria - Romania	BG-RO	Elektroenergien Systemen Operator (ESO) EAD, Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A.