

## Network Code on Forward Capacity Allocation

### Summary of changes from preliminary version (12/11/12) to 1st Draft version (17/01/13)

Article Nr. OLD version	Article Nr. NEW version	Change	Rationale for change
1	1	1.1. Replaced "timeframe" with NC, 1.2. added "Platforms for secondary trading"	Improved wording. Additional role necessary.
2	2	<p>Definitions added to preliminary NC version.</p> <p><i>The following changes/additions have been introduced compared to the FCA NC definitions and cost recovery document sent to the SAG on the 21/12/2012.</i></p> <p>The definitions in grey from CACM have been updated with the final version of CACM: Bidding Zone, Capacity Calculation, Countertrading, Cross Zonal Capacity, Operational Security Constraints</p> <p>The definitions of Allocation Platform and of Auction have been updated.</p> <p>Wording improvements for definitions of: Auction Specification, Harmonized Auction Rules, Long Term Firmness Deadline, Nomination, Physical Transmission Rights, PTR holder, Secondary Market, Secondary Trading, Secondary Trading Platform, Single Platform for Secondary Trading, Use it or sell it (UIOSI)</p> <p>The new definition of Market Spread has been introduced New definition of Market Time Period copied from CACM</p>	<p>Consistency.</p> <p>Update necessary to reflect new terminology. More appropriate to define auction input as "cross zonal capacity" instead of "long term transmission right" (auction output).</p> <p>Clarity.</p> <p>As required by new Firmness text .</p> <p>Consistency. Necessary because of Article 46 .</p>
3	-	deleted	Unnecessary.
5	4	4.1 alignment with CACM amendment suggested by ACER	Consultation not limited to stakeholder committee, proposal to be consulted in all MS.

		<p>4.1 added “at least” the following proposals  4.1 added Long Term Transmission Rights Volume Determination Methodology  4.1. new numbering of article references  5.2 deleted</p> <p>4.4 addition of paragraph 4 which makes references to correction of errors or update of issues with no legal impact</p>	<p>List may not be exhaustive  Willingness to increase level of consultation as requested by stakeholders.  Consistency. No item will not be consulted. Long Term Firmness deadline will be approved as part of firmness principles (Art. 64.1.f and 64.2.f).  Suggested by Legal group for the sake of completeness.</p>
6	5	<p>6.2 deleted  5.2 deletion of “reasonable endeavours” and addition of “transparent”</p>	<p>No item left for no consultation.  Need of more firm obligation and to stress transparency.</p>
8	7	<p>7.3 addition of point a)   7.3 updated numbering  7.4 point b) moved up from former 8.5  8.5 deleted  7.8 improved wording compared to old 8.9   7.10 added paragraph which makes references to correction of errors or update of issues with no legal impact  7.11 added paragraph</p>	<p>Need to approve decision of establishment of Single platforms.  Consistency.  More appropriate to be approved at regional level.  Consistency with CACM legal provisions as recommended by ACER.  Suggested by Legal group for the sake of completeness.   Consistency with CACM legal provisions.</p>
9-10	8	<p>Merged 2 old articles  Improved wording (“loyally” and “fulfilling”)</p>	<p>Readability.  Consistency with CACM legal provisions.</p>
11	9	<p>9.1 Added “competent”</p>	<p>Consistency with CACM legal provisions.</p>
12	10	<p>12.3 shortened and simplified  12.4 deleted</p>	<p>Use of stakeholder committee currently challenged by ACER in CACM. Full public consultation may be more appropriate.  Also depending on outcome of governance guideline text.</p>
13	-	<p>deleted</p>	<p>Reference to CACM not necessary because relevant articles included in the text for readability purposes.</p>
-	12-21, 23-28, 32-36	<p>Addition of CACM articles in grey</p>	<p>For readability purposes to better show FCA NC amendments to Capacity Calculation articles of CACM.</p>
-	13	<p>Modification of paragraph 1 compared to CACM NC (removal of “based on their own judgement or following a request by all NRAs”)</p>	<p>Based on ACER recommendation.</p>
-	17	<p>Modification of paragraph 1 compared to CACM NC (as above)</p>	<p>Based on ACER recommendation.</p>
-	20	<p>Adaptation of CACM article 22 text to take into account long term specific requirements into CC inputs and CC approach</p>	<p>Uncertainties in the long term timeframe need to be reflected in the CC methodology.</p>
-	21	<p>Modification of paragraph 1 compared to CACM NC (as for 13 and 17)</p>	<p>Based on ACER recommendation.</p>
17	22	<p>22.2 added new paragraph specific to Flow Based Approach, now subject to fulfillment of 3 prerequisites</p>	<p>FBA not considered on an equal footing for LT CC as requested by stakeholders.</p>

18	<b>29</b>	29.1 added "6 months" 29.3 replaced "principles" with "rules"  29.4 added paragraph 4 to describe rules applied to the methodology (volume split, coordination during validation, reporting procedures)	Precision on deadline. Rules are more well defined than principles. Increased level of detail as requested by stakeholders.
22	<b>34</b>	Replaced Long Term Transmission Rights with Cross Zonal Capacity	Terminology adapted throughout the NC for consistency reasons: "transmission rights" only after allocation process.
23	<b>35</b>	Replaced Long Term Transmission Rights with Cross Zonal Capacity	Terminology adapted throughout the NC for consistency reasons: "transmission rights" only after allocation process.
25	<b>38</b>	38.2 deletion of point d  38.2 replacement of "relevant" with "each" 38.2 Replaced Long Term Transmission Rights with Cross Zonal Capacity	Revenue Adequacy is not an appropriate objective as requested by stakeholders. More legally precise wording. Consistency.
26	<b>39</b>	general wording improvements	Consistency and legal precision.
27	<b>40</b>	40.1 added "6 months" 40.1/2 wording improvements	Precision on deadline. Clarity.
28-29	<b>41</b>	Merged articles 28-29 into 41 41.1 wording improvement and addition of "six months" 28.2 moved to 41.3 and reworded 28.3 deleted 41.2 wording improvement and additional information	Readability. Legal precision.  Legal precision. Not requested by framework guidelines. Increased level of detail.
30	<b>42</b>	42.1 & 42.2 wording improvement 30.3 moved to new article 41 41.3 addition of 3 months	Legal precision. Readability. Precision on deadline.
31	<b>43</b>	43.1 added "volume" 43.2 removed "Revenue Adequacy"	Readability. Unnecessary, as requested by stakeholders.
32	<b>44</b>	44.1 removed "Revenue Adequacy"  44.2 shortened list of preconditions	Unnecessary, as requested by stakeholders. Previous conditions were too strict, as requested by stakeholders.
33	<b>45</b>	45.1 removed "Revenue Adequacy"  45.2 list of preconditions shortened  45.3 rewording	Unnecessary, as requested by stakeholders. Previous conditions were too strict, as requested by stakeholders. Consistency and clarity.
34	<b>46</b>	General wording improvements 46.1 merger of paragraphs 34.1 and 34.2 46.2 addition of 6 months 46.3 addition of 6 months	Consistency. Readability. Precision on deadline. Precision on deadline.
35	<b>47</b>	47.1 wording improvement 47.2 addition of 12 months 47.2 addition of additional necessary information in the Nomination Rules	Clarity and legal precision. Precision on deadline. Increased level of detail as requested by stakeholders

		47.4 added 1 month	Precision on deadline.
36	<b>48</b>	48.1 wording improvement 48.2 deletion of the paragraph	Clarity. Duplication. Consultations already included in article 5.
37	<b>49</b>	Replaced Long Term Transmission Rights with Cross Zonal Capacity	Terminology adapted throughout the NC for consistency reasons: “transmission rights” only after allocation process.
38	<b>50</b>	50.1 addition of reference to the Allocation Rules and wording improvement	Increased level of detail and legal precision.
39	<b>51</b>	Replaced Long Term Transmission Rights with Cross Zonal Capacity	Terminology adapted throughout the NC for consistency reasons: “transmission rights” only after allocation process.
40	<b>52</b>	52.1 addition of 3 months	Precision on deadline.
41-45	<b>53-57</b>	general wording improvements	Consistency and legal precision.
46	<b>58</b>	58.1/2 wording improvement and deletion of explanatory text	Legal precision.
47	<b>59</b>	59.1 addition of 6 months 59.2 wording improvement, addition of new provision for the Platform “legal framework”, deletion of “intellectual property” 59.4 moved to the Regulatory Approval article	Precision on deadline. Legal precision. consistency.
48	<b>60</b>	60.1 addition of 12 months and wording improvement 60.2 wording improvement 60.3 addition of 12 months	Precision on deadline. Legal precision. Precision on deadline.
49	<b>61</b>	61 general wording improvement and 12 months added	Legal and timing precision
50	<b>62</b>	62.1 addition of 6 months and replacement of “relevant” to “their”	Precision on deadline and specification of the involved NRAs.
51	<b>63</b>	63.1 addition of 6 months and wording improvement	Consistency and precision on deadline.
52	<b>64</b>	64.1 addition of 6 months and added several new requirements  64.2 addition of 12 months and added new requirement	Precision on deadline and increasing level of detailed as requested by stakeholders. Precision on deadline and increasing level of detailed as requested by stakeholders.
53	<b>65</b>	65.1 addition of 6 months 65.2 addition of 12 months	Precision on deadline. Precision on deadline.
54	<b>66</b>	54.3 deletion of the paragraph	Consistency, it was duplication.
55	<b>67</b>	67 the article has been restructured having the compensation principles listed here	Increased clarity on the possible compensation rules that System Operators shall apply. Please note that the definition of Volume Cap and Price Cap are under still discussion.
56	<b>70</b>	addition of System Operator’s processes	The processes have to be taken into account in the proposal.

57	<b>68</b>	Splitting of previous wording into paragraphs 68.1 and 68.2 Addition of paragraph 68.3 to specify that the degree of firmness between the LT FD and the DA FD is higher than prior to the LT FD	Readability.  More clarity.
58	-	Deletion of article 58	Amendment of Long Term Firmness deadline now included in article 70.
59	<b>69</b>	New article 69 refers to rules (instead of principles and arrangements) on compensation of Long Term Transmission Rights. 59.1 Reference to Reimbursement of Initial Price Paid and to Capped compensation moved to Article 67  69.2 addition of point b on time period an timeframe. [TYPO: should be “compensation” not “comparison”]  59.3 Removal of “XX deadline”	More precision.  Consistency with new approach of a more explicit article on Firmness provisions.  More detailed obligation.  Not applicable as compensation rules are part of allocation rules
60-66	<b>71-76</b>	Included text for articles on congestion income distribution and cost recovery section. Structure and content is consistent with CACM approach. Articles 63-64 merged into article 74	Completeness.  Clarity and simplicity.
68	<b>78</b>	Replaced “Long Term Transmission Rights” with “Cross Zonal Capacity”  78.2 Stakeholder Committee replacement by “at least with stakeholders of the region”	Terminology adapted throughout the NC for consistency reasons: “transmission rights” only after allocation process Use of stakeholder committee currently challenged by ACER in CACM. General public consultation of stakeholders may be more appropriate.
69	<b>79</b>	Wording improvements and updated numbering 79.4 Introduction of “24 months deadline”	Consistency.  Legal precision.
70	<b>80</b>	80.3 Stakeholder Committee replacement by “at least with stakeholders of the region”  80.3 Introduction of “24 months deadline”	Use of stakeholder committee currently challenged by ACER in CACM. General public consultation of stakeholders may be more appropriate. Precision on deadline.
71	<b>81</b>	Minor wording adjustments	Legal precision.
-	<b>82</b>	New article 82 introduces cross reference to article 96 of CACM	To clarify that transitional arrangements for Ireland (e.g. explicit auctions for DA) are relevant also for this FCA NC. May be superfluous, to be checked with EC/ACER legal support.