Stakeholder Workshop on NC CACM
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Detailed comments
Capacity calculation

- **Core part of this NC, yet current version provides no added value compared to existing regulations: On all important steps TSOs will elaborate procedures, methods and/or rules at a later stage.**

→ **FG (Section 2.1.3) clearly requires TSOs to establish single CGM for at least each synchronous area (not individual TSO models stitched together at 'regional' level).**

→ **Both methods, NTC and FB should be described clearly step by step, for each timeframe separately.**

→ **Code must lay down EU approach, current draft leaves too many doors open for national/regional differences.**

→ **NC must rule out how the transmission infrastructure will be made available to the market in the most efficient way.**

→ **If necessary, ACER and/or the EC have to take additional measures to ensure that a proper capacity calculation section is drafted and put forward for consultation.**

Detailed comments:
Bidding zones

- **Insufficient process: neither TSOs nor regulators to assess whether proposed change of bidding zones really increases overall market efficiency.**
  - → **TSOs first have to do a full analysis of the technical and the efficiency issues – the criteria must be consistent with the FG (Section 2.2)***
  - → **If concrete proposal for new layout is made TSO must and explain why that is more efficient**
  - → **NRAs/ACER add their thoughts on competition and decide/ or ask TSOs for more information**

- **Too much emphasis on the existence of congestions and too little emphasis on the importance of well-functioning wholesale and retail markets with low entrance barriers.**

- **First implement the new capacity calculation process resulting in a more efficient usage of the transmission infrastructure, before assessing a new delimitation of bidding zones.**

* This includes all economic, technical and legal aspects of relevance, such as, socio economic welfare, liquidity, competition, network structure and topology, planned network reinforcement and redispatching costs.

Detailed comments:
Day Ahead and Intraday Market

- **Establishment of an Advisory Board consisting of representatives from all stakeholders to give advice to the Market Coupling Operator:**
  - **Decide on proposed amendments to the Price Coupling Algorithm and the Continuous Trading Matching Algorithm**
  - **Quality reporting, incident management**
  - **Introduction/removal of explicit intraday access to capacity management module**

- **Prior to the removal of Explicit Allocation, consultation to verify that sophisticated products fulfil Market Participants' needs (as requested by FG in Section 5, no arbitrary deadline).**

- **Establishment of Fallback Procedure for intraday**

Detailed comments:
Firmness Of Cross Zonal Capacity

The draft network code is not in line with the requirements in the FG:

- ‘**Force majeure’ is not the same thing as ‘emergency situation’.** Both must be clearly defined in Article 2 (not the recitals) in a consistent way with other network codes.
- **Curtailment is a last resort after all other measures have been exhausted**. Requirement for sufficient re-dispatching and counter-trading resources to be made available and for congestion revenues to be allocated to the objective of firmness.

Way forward

- **Decide and describe now and don't postpone to a later stage, for example:**
  - Step by step description of the methodology for capacity calculation
  - Intraday latest Gate Opening and earliest Gate Closure Time
  - ...

- **NC will be binding after commitology process and still developed procedures and rules cannot be subject to <u>national</u> regulatory approval at a later stage.**

- **Describe efficient consultation, approval and change management process**
  - NC are drafted in order to facilitate electricity trade within the EU: statement "*consult with market if appropriate*" is not appropriate
  - Advisory Board
  - In case of a common proposal of all TSOs, NRAs should approve or reject it commonly
  - ACER decision as last instance

Thanks for your attention

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