

# Forward Capacity Allocation Network Code

## ***DRAFT STRUCTURE***

*Version 3.0 (1/10/2012)*

***I) II) III) IV) V)... = Titles***

### **CHAPTERS**

**Sections**

**1. 2. 3. 4. etc. = Articles**

### ***Purpose and Objectives + Whereas***

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### ***I) General Provisions (Title 1)***

- 1. Subject Matter and Scope**
- 2. Definitions (glossary)**
- 3. Confidentiality Obligations**
- 4. Objectives of Congestion Management and Capacity Allocation**
- 5. Consultation**
- 6. Publication of information regarding Congestion Management and Capacity Allocation Methods**
- 7. Transparency of Information**
- 8. Regulatory approvals**

### ***II) Governance (Title 2)***

- 9. Functions in Capacity Allocation & Congestion Management**
- 10. Assignment of Functions to Transmission System Operators**
- 11. Delegation of Functions**

### **Chapter X Committees**

- 12. Common Committee Tasks**
- 13. The Forward Markets Operational Committee**
- 14. Stakeholder Committee**

### ***III) Requirements ( Title 3)***

#### **CHAPTER 1 CAPACITY CALCULATION**

##### **Section 1 GENERAL REQUIREMENTS**

15. Amendments of Capacity Calculation Regions

##### **Section 2 THE COMMON GRID MODEL**

16. Generation and Load Data Provision Methodology

17. Amendment of the Generation and Load Data Provision Methodology

18. Common Grid Model Methodology

19. Amendment of the Common Grid Model Methodology

20. Scenarios

21. Individual Grid Model

##### **Section 3 CAPACITY CALCULATION METHODOLOGIES**

22. Capacity Calculation Methodologies

23. Amendments to Capacity Calculation Methodologies

24. Capacity Calculation Approaches

25. Reliability Margin

26. Size of Reliability Margin

27. Operational Security Constraints

28. Allocation Constraints

29. Generation Shift Keys

30. Remedial actions in Capacity Calculation

31. Cross Zonal Capacity Validation

#### **Section 4 THE CAPACITY CALCULATION PROCESS**

32. General Provisions

33. Creation of the Common Grid Model

34. Regional Calculations of Cross Zonal Capacities

35. Validation Cross Zonal Capacities and Delivery of Transmission Rights for Forward Allocation

#### **Section 5 VOLUMES AND SPLIT OVER TIMEFRAMES**

36. Establishment of Transmission Rights Volume Determination Methodology

37. Amendment of Transmission Rights Volume Determination Methodology

38. *Regulatory* Approval of TRs Volume Determination Methodology

39. Volume of Transmission Rights for relevant Forward Allocation Timeframe

40. Publication of TR Volumes

#### **Section 6 Biennial Report on Capacity Calculation**

41. Biennial Report on Capacity Calculation

### **CHAPTER 2 BIDDING ZONES**

#### **Section 1 GENERAL PROVISIONS**

42. Reviewing bidding zone configuration

43. Criteria to Define and Assess the Efficiency of Alternative Bidding Zone Configurations

#### **Section 2 BIENNIAL REPORT**

44. Biennial Assessment of the Current Bidding Zone Configuration

45. Biennial Technical Report

### **Chapter 3 THE FORWARD CAPACITY MARKET**

#### **Section 1 OBJECTIVES**

46. Objectives of Forward Capacity Allocation

47. Inputs and results of the forward capacity market

#### **Section 2 OPTIONS FOR CROSS-ZONAL TRANSMISSION RISK HEDGING**

48. Products Accommodated

49. Regulatory Decision regarding interconnectors offering Cross Zonal Financial Hedging Products

50. Process for the review of interconnections offering Cross Zonal Financial Hedging Products

51. Physical Transmission Rights with use-it-or-sell-it provision

52. Financial Transmission Rights – Options

53. Financial Transmission Rights – Obligations

54. Principles for LTRs pay-out

55. Choice of Products

#### **Section 3 NOMINATION PROCEDURES FOR PTRs**

56. Scope of PTRs Nominations

57. Entitlement to Nominate

58. Nomination Processes

59. Definition of nomination timings requiring harmonisation

60. Definition of nomination timings requiring compatibility

## **Section 4 PROCESSES AND OPERATION**

- 61. Provision of input data**
- 62. Operation of the Forward Capacity Allocation**
- 63. Pricing of the Forward Capacity**
- 64. Establishment of Fallback Procedures**
- 65. Secondary Market**
- 66. Delivery of Results**
- 67. Initiation of Fallback Procedures**
- 68. Publication of market information**

## **Chapter 4 AUCTION PLATFORM & SECONDARY TRADING**

- 69. Tasks of the Single Platform for Primary Allocation and Secondary Trading**
- 70. Requirements in relation to the Single Platform for Primary Allocation and Secondary Trading**
- 71. Establishment of the Single Platform for Primary Allocation and Secondary Trading**
- 72. Amendment and Adoption of Requirements for the Single Platform for Primary Allocation and Secondary Trading**

## **Chapter 5 ALLOCATION RULES**

- 73. General Requirements for the Establishment of Harmonized Auction Rules**
- 74. Minimum Harmonized Requirements common for PTRs and FTRs Auction rules**
- 75. Minimum Harmonized Requirements specific for PTRs Auction Rules**
- 76. Minimum Harmonized Requirements specific for FTRs Auction Rules**
- 77. Determination of the Process for Introduction of a Single Set of Allocation Rules**

**78. Amendments to the Single Set of Allocation Rules**

**79. Regulatory Approval of the Single Set of Allocation Rules**

**80. Preconditions for Using a Regional Set of Allocation Rules**

**81. Principles for Harmonized Allocation Rules**

## **Chapter 6 Firmness**

**82. General Provisions**

**83. The Long Term Firmness Deadline**

**84. Amendment of the Long Term Firmness Deadline**

**85. The Day Ahead Firmness Deadline**

**86. Amendment of the Day Ahead Firmness Deadline**

**87. Firmness of Long Term Capacity & Allocation Constraints**

**88. Firmness of Day Ahead Capacity & Allocation Constraints**

**89. Compensation arrangements in case of curtailments in all different timeframes**

**90. Firmness in the case of Force Majeure or Emergency Situations**

**91. Firmness Derogations**

## **Chapter 7 Congestion Income Distribution**

**92. Establishment of Congestion Income Distribution Arrangements**

**93. Amendments to Congestion Income Distribution Arrangements**

## **Chapter 8 Cost Recovery**

**94. General provisions**

**95. Cost of Establishing a Single Auction Platform for Primary and Secondary Trading**

**96. Cost Recovery for Single Platform Operational Costs**

**97. Costs of Establishing and Operating Coordinated Capacity Calculation Process**

**98. Cost of ensuring Firmness**

#### ***IV) Transitional Arrangements (Title 4)***

**99. General Provisions**

**100. Regional Auction Platforms**

**101. Phase out of Regional Auction Platforms**

#### ***V) Final Provisions***

**102. Entry into Force**

**103. Applicability**