

EURELECTRIC views on the ENTSO-E NC FCA

8 May 2013

**ENTSO-E Public Workshop on the NC Forward Capacity
Allocation**

General comments: scope, definitions, concepts

- NC provisions should be formulated in a clear and straightforward manner -> avoid “best endeavours”, “an approach”, “where appropriate”, “timely manner”
- **Merchant lines** should be covered by the NC
- **Generation limits** by TSOs - to delete (25.2)
- NC should not include an **obligation for FB capacity calculation** (22)
- **Stakeholder consultation**: Auction calendar (all at the same time vs. border by border)
- Market stakeholders should be given sufficient time to adapt their internal operations to new rules
- Common Forward CC process should be required in the NC and no additional elements should be left to the discretion of TSOs
- Common methodology for defining GSKs should be required in the NC
- Methodology for splitting capacities should be included in the NC
- Secondary trading platform – only for notification

Exemption (Art 45)

- There is a need to align formulations of the article with the FG requirements “unless appropriate cross-border financial hedging is offered in liquid financial markets on both side of an interconnector”, and develop an appropriate methodology
- The formulation in the NC (45.1) is not clear. What does it mean "forward financial markets are well developed", “show their efficiency” ?
- It should be possible for NRAs to determine whether to issue FTRs or not (Art 45.2), independent of whether the hedging opportunities already exist; before taking this decision, NRAs have to run a public stakeholder consultation
- EURELECTRIC suggests to investigate a possibility to extend the definition of FTRs (e.g. combination of two CfDs offered by the TSOs to the amount of XB capacity between bidding zones)

Firmness

- **Long Term Firmness Deadline:** delete
- Concepts of **Revenue adequacy** – to be deleted. Clear definitions are needed
- **Concept of allocation constraints is not needed in Forward timeframe:** delete
- **Day Ahead Firmness Deadline** means the point in time after which Cross Zonal Capacity becomes firm even in case of Force Majeure (78.1)
- TSOs should not curtail capacity at own discretion, but organize **reverse auctions** (e.g. 1 week ahead of real time), and closer to real time, TSOs should use the **secondary market** to buy back the FTRs (73.1)
- Compensation rules in case of **Force Majeure**: value of capacity set during the auction (78.3)
- TRs should be firm and not dependent on the introduction of market coupling