SAG Meeting

Main changes made to FCA NC after the 2nd Workshop

28 August 2013

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Stakeholder Engagement

- **Over the 12months**
  - 5 SAG meeting (including this one)
  - 2 open Public Workshops
  - Open discussions
  - proposals/changes made
  - shared and published each draft and documents
- **Since the last SAG meeting in June**
  - meetings with Stakeholders
  - bi-trilateral meetings with ACER and EC

Consistency, minor changes

- Definition of “System Operator” replaced by “Transmission System Operator” – now includes Interconnectors as well
- Long term capacity calculation and Forward Capacity Allocation – it was confusing before
- Single Allocation Platform instead of Single Platform for Allocation
- CACM Objectives article added
- Minor amendments articles deleted from the General Provisions title
- ENTSO-E legal experts review lead to a more legally robust text

CACM alignment

- **Definitions removed as they are applicable by their nature**
- **Cross references are used as much as possible, grey text has been removed to deliver a “self standing” legal document.**
- **Please note that general Articles 1-9 are either common with CACM or need follow the same approach; however, the EC is reviewing CACM and has still to release an updated version since ENTSO-E submission. Such articles will be aligned with CACM once it’s adopted.**

Capacity Calculation, Bidding Zones

- **More detail on the Statistical approach which is now an alternative**
- **New coordinated curtailment process article (29)**
- **Splitting: TSOs are to provide to their NRAs a report detailing how the value of LT Cross Zonal Capacity has been determined**
- **Bidding Zones: same configuration as for DA applies on forward timeframe**

Cross Zonal Risk Hedging Opportunity

- **Each TSO issues LTR by default unless concerned NRAs decide otherwise**
- **This decision to be made 2 months after the entry into force of FCA NC (where no TRs issued already)**
- **The assessment to be used for this decision can be maximum 2 years old**
- **Reassessment is obligatory on each border at least every 3 years or earlier upon TSO or NRA request**

Nomination and Allocation Rules

- **Nomination chapter updated in order to ensure that N:M nomination can apply**
- **Former Article 69 deleted as not needed**

Platforms

- TSOs only facilitate secondary market (no operation of it) by providing a function of “bulletin board” which was supported by all Stakeholders, EC and ACER throughout all the drafting and consultation process
- Considering this limited additional function, there is no need for a separate Secondary and Primary platforms anymore, thus they have been merged
- It results a more simple text that is easier to read

Firmness

Firmness regime based on a market spread solution with caps

Initial price paid only allowed in case of Force Majeure

Long term firmness deadline is mandatory

- After LTFD higher level of firmness is guaranteed
- PTR it is equal with nomination deadline
- FTR between 19 and 2 hours before the DA gate closure time

Firmness

Based on congestion income (volume cap)

- Before LTFD congestion income from LTR allocation in the respective month
- After LTFD total congestion income in the respective month. It has priority over the one before LTFD.

Price cap

- as a minimum on the 95th percentile of the hourly Market Spread of the past three years, i.e. in 95% of the hours of the last three years the Market Spread is lower than the price cap

	Allocation	*LTFD*	*DAFD*	*Real time*
FCA NC	Market Spread Capped and/or Price Cap	Market Spread Capped and/or Price Cap	Full Firm	

Transitional Arrangements

- **Regional Platforms may exist only for 12 months instead of 24**

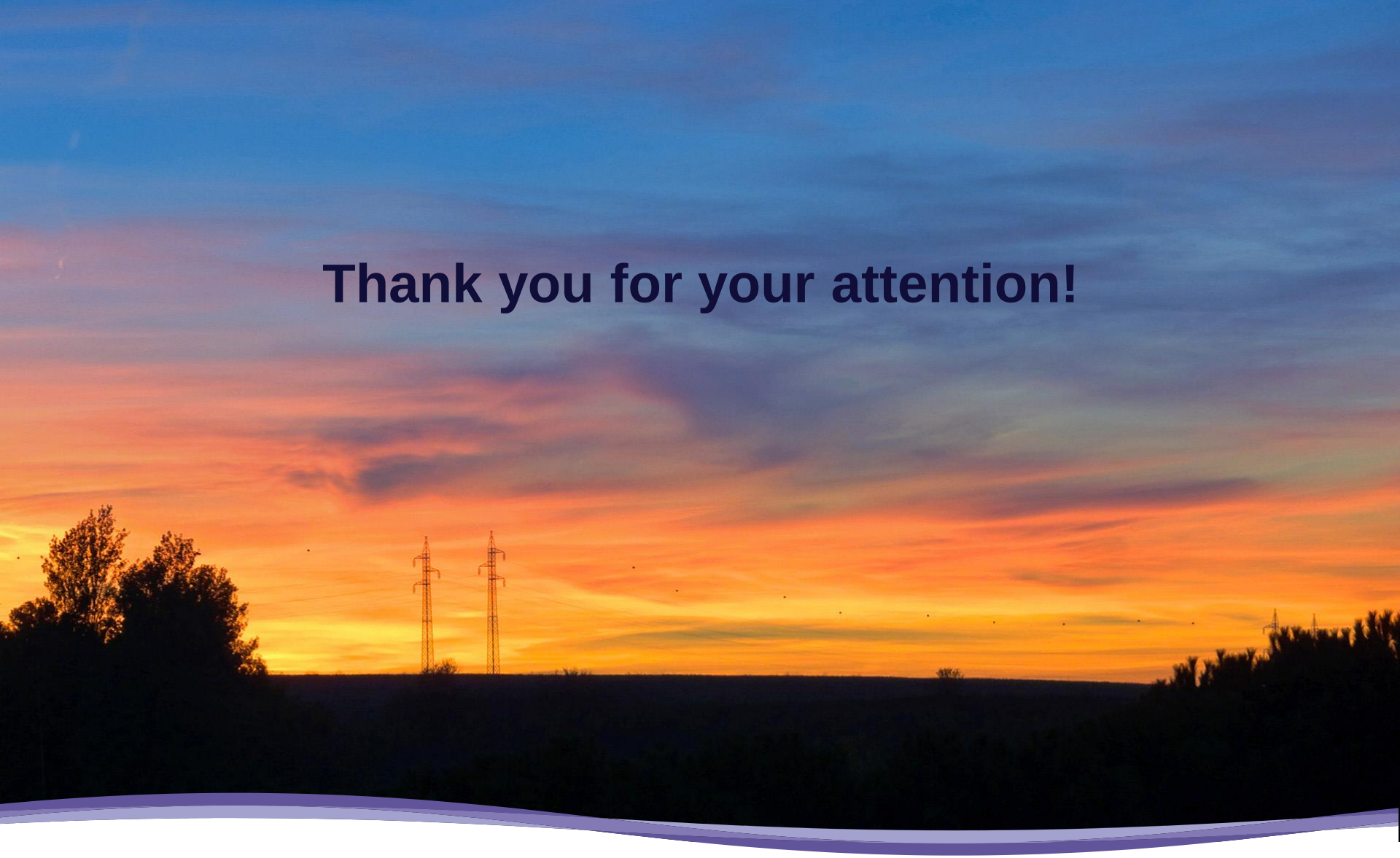
- **Transitional arrangements for firmness are not limited to Initial price paid.**

  - These can be either Initial Price paid or other transparent non-discriminatory solutions (PXs on both sides of the border but there is no Market Coupling yet)

- **Control Area based Forward Capacity Allocation: current CEE solution could apply only for 1 year after the entry into force of FCA NC**

Next Steps

- **28 August** — **SAG meeting**
- **6 September** — **ENTSO-E Market Committee meeting**
- **26 September** — **ENTSO-E Assembly meeting**
- **1 October** — **FCA Code submitted to ACER**



Thank you for your attention!

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