



Core NRA update to the MESC

17.06.2020

3.1 Update on capacity splitting in Core CCR

Process update

- Core TSOs' proposal submitted in August 2019 for splitting capacities for long-term allocation
- Core NRAs' request for amendment, issued in March 2020, focused on:
 - the submission of a review on possible adjustments to the SRM (in 6 months following LT CCM approval)
 - the submission of a report on the efficiency of the used approach (in 24 months following the SRM implementation)
- Amended proposal takes into account requests from Core NRAs
- Agreement to the approval of the amended proposal foreseen in the coming weeks
- Discussion on the introduction of a “block bids approach” (identified during Core SRM public consultation) tackled in pan-EU discussions (see next slide)

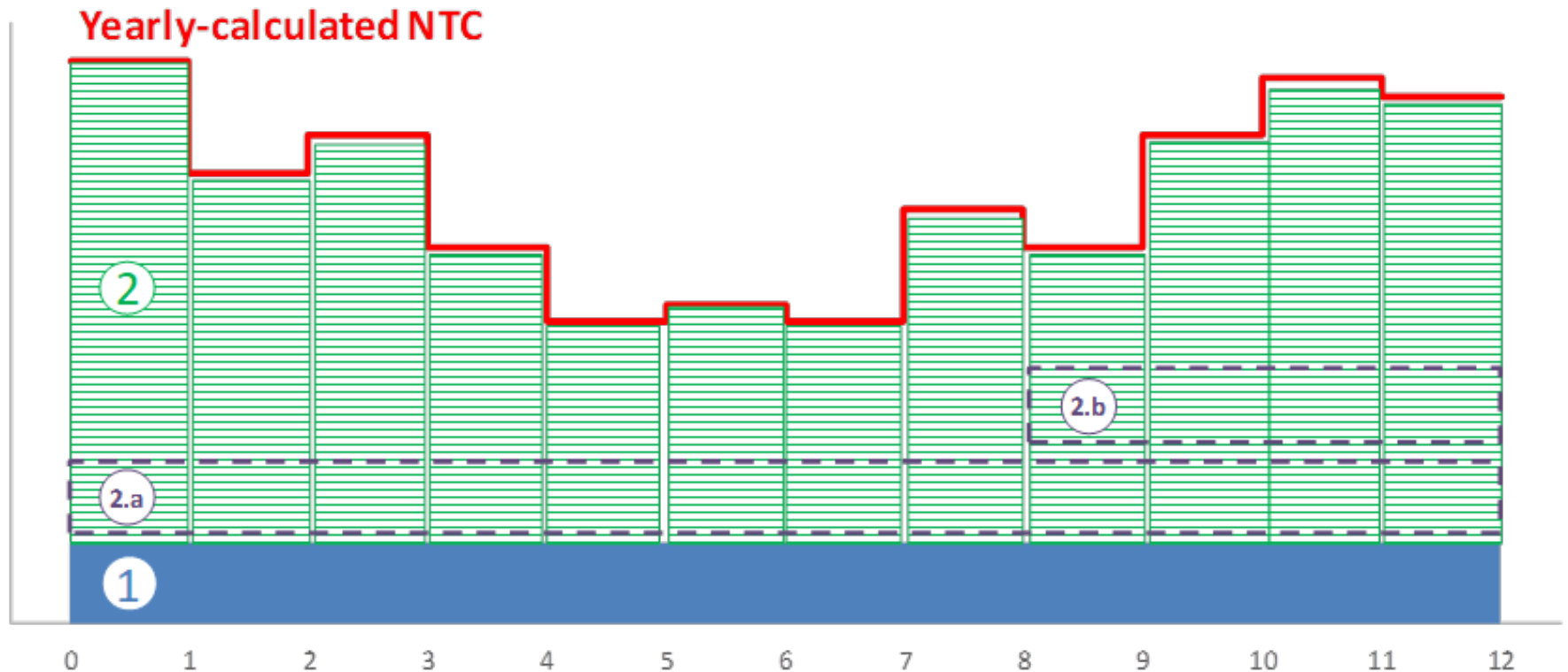
3.1 Update on capacity splitting in Core CCR

Block bids approach (i)

- ACER's FCA Task Force initiated discussions on developing the so-called "block bids approach" with TSOs / Entso-E
- Idea based on Core SRM consultation, consists of modifying the approach whereby split of long-term capacity is influenced by the possibility to submit block bids (with monthly granularity)
- Foreseen way forward:
 - 1) Work with Entso-E / all TSOs on a more precise consultation framework
 - 2) Consult on this approach via Entso-E or JAO platform to seek the views of all stakeholders. Currently, mainly the views of several large market parties / associations are known
 - 3) If respondents show sufficient interest, request from Entso-E / all TSOs a thorough feasibility study and impact assessment of the block bids approach
 - 4) Based on steps 1) to 3), examine carefully the effects on the functioning of the market and take final decision on the possibilities for implementation

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Block bids approach (ii) – *illustrative example*



3.2 LT Capacity Calculation methodology (i)

- *“How are the bilateral historical commitments on the DE-DK1 and DE-AT borders reflected in the LT Capacity Calculation Methodologies?”*
- In terms of process, all involved parties (EC, ACER, NRAs and TSOs) are discussing the appropriate way forward for developing the LT CCM (the escalation process) – a first overview of the options and a high-level assessment on the table were presented to the Core CG (07.04.2020)
- Core NRAs, ACER and EC informed TSOs that similar capacity values are expected as is the case today. However, no historical agreements shall be considered.

3.2 LT Capacity Calculation methodology (ii)

- ACER proposal for governing the next steps, TSOs to provide their feedback on the feasibility:
 1. Submission of transitional cNTC methodology with target FB approach, leading to reference domains comparable to the existing LT NTC values
 2. Parallel development of methodological amendments to support a FB approach
 3. Implementation of transitional cNTC methodology, unless timeline or domain assessment results in NRAs opposing to the implementation, in which case:
 4. TSOs receive additional time for implementing directly the FB approach
- *Regional design of long-term transmission rights: further shift towards FTR-options^(*) approved by Core NRAs during CERRF, national decision processes ongoing*

() with the exception of SI-HR border*