

70% derogation – main views by NRAs and ACER

- NRAs and ACER discussed the reasons and the content of a derogation request according to Article 16(9) of Regulation 2019/943
- The TSOs will be addressed in the coming days with a proper document listing all the messages
- At MESC NRAs are nonetheless willing to give some anticipations

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- Operational security should in principle be handled by
 - Remedial actions
 - Reduction of cross-zonal capacity as a last resort measure
- Nonetheless a derogation may be applied in case the operational security issues (requiring reductions of capacities) are not under the control of the TSO(s)
 - Derogation temporary reduces the legally required cross-zonal binding capacity

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- Reasons behind a derogation
 - To maintain operational security, but not in case of situations originating from structural congestions;
 - Derogation applicable only to the extent required to maintain operational security;
 - A derogation can be issued to cope with excessive loop flows and uncertainty associated to external (i.e. outside CCR) market flows
- TSOs may propose different reasons in their request, but they always need to demonstrate the underlying reasons and how much control they have on them.

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- Content of a derogation request
 - The reasons for derogations demonstrating the request is legitimate as regards operational security
 - CNE(Cs) or at least EU bidding zone border(s) subject to the derogation
 - Criteria for allowing NRAs and ACER to perform a proper monitoring
 - Methodology to provide a long-term solution to the issue covered by the derogation (as required by Article 16(9) of Regulation 2019/943)
 - Criteria to compute the minimum binding capacity, if applicable

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- Duration of a derogation
 - No more than one-year at a time, or, provided that the extent of the derogation (namely reduction of capacities) decreases significantly after the first year, up to a maximum of two years.
 - The TSOs willing to ask for a derogation for more than one year shall, thus, demonstrate such decrease, providing a proper analysis attached to the derogation request
- TSOs shall take into account the following timings:
 - At least 2 months for NRAs approval process (to coordinate within the involved NRAs)
 - Up to 6 months for Acer in case of disagreement among NRAs