

3. Forward Capacity Allocation (FCA)

Core TSOs launched a public consultation on the Long Term Capacity Calculation Methodology pursuant to Art. 10(1) of FCA – consultation closes on October 16th

Context

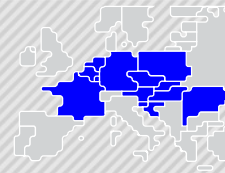
- A previous public consultation took place in the early summer 2019
- In August 2019, Core TSOs did not find a qualified majority to submit a methodology and triggered the escalation process with ACER, EC and NRAs
- Since then, frequent exchanges took place among involved parties in order to identify a way forward.

Outcome

- Core TSOs agreed, under the guidance of ACER and NRAs, for the target solution to implement a capacity calculation methodology with a flow-based approach, enabling a flow-based allocation
- Flow-based approach implies the following:
 - Capacities available on the different grid elements are not anymore split ex-ante to derive NTC values
 - Instead a coordinated auction mechanisms considering flow-based constraints and taking into account the willingness to pay of the market parties will determine the allocation on the different borders. The design of this auctioning approach is not part of the consulted methodology
 - Impact on other methodologies is expected: FCA EU HAR (51), FCA firmness regime (Art. 61), FCA LT splitting rules (Art. 16), FCA LT product design (Art. 31), EBGL CZCA economic efficiency (Art. 42), LT allocation process regimes

Key features of the methodology

- 24 grid models to derive yearly capacities
- minRAM
- CNEC selection based on a PTDF threshold of 5%
- Implementation: readiness with capacity calculation 3 - 5 years after approval (bandwidth mentioned to reflect currently unknown, but always possible implementation complexity)



4.6. CACM

Implementation

- Core **flow-based day-ahead capacity calculation methodology** implementation continues to progress, in line with the planning established last summer
 - Major milestone with the start of the involvement of the operational teams in the internal parallel run, and the computation of 5 business days per week
 - Yet several mitigation measures have had to be activated in order to keep the timing – additional risks are therefore present for the evolution towards the next phases
 - External parallel run is currently planned to start in November
- Discussion with market parties on transparency are progressing well in the framework of the Core Consultative Group (next meeting on October 7th)

Methodology

- An amendment to the Core CCM DA has been consulted during the summer
 - Among other changes: consideration of third countries, extended LTA inclusion approach, amendment of the go-live date
- Core TSOs withhold the submission of this amendment until end of the month, as detailed comments are expected from NRAs for discussion during the next Core IG meeting on 29 September