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An aerial photograph of a power line tower situated in a large, brown, tilled agricultural field. The tower is a lattice structure with several cross-arms. To the right of the tower, a green field is visible, separated by a narrow path or ditch. The overall scene is captured from a high angle, showing the grid lines of the field and the structure of the tower.

ACER 

European Union Agency for the Cooperation
of Energy Regulators

4 Update on the CACM GL amendment process & ad hoc feedback on scoping phase

- EC has decided to shadow the process defined in Art 60(3) for network codes amendment and that ACER would recommend to the Commission reasoned proposals for amendments after consulting all relevant stakeholders.

It will be a two-step process:

- Recommendations from ACER: the objective will be that ACER sends the recommendations on possible amendments to the Commission in autumn 2021.
- Formal process of amendment:
 - the Commission will analyse ACER recommendations, decide which ones will follow and amend the CACM text accordingly.
 - The text will be then send for approval of the Member States in the Electricity Cross Border Committee (2022).
- In this presentation ACER will both present the process and timeline for 2020-2021 and **ask stakeholders feedback on the scoping subjects to be included in the recommendation.**



* ACER to consult stakeholders pursuant to Article 14 of the ACER regulation

- This presentation and accompanying Annex you will list:
 - Scoping subject
 - Sub-topic
 - Problem description
- The intention of this request for feedback from stakeholders is to ensure the right scope of the ACER recommendation and that it covers the topics considered important to address now
- Stakeholders are kindly requested to provide their input focussed on any topic or subtopic they feel is necessary to include (and not already included in the annex) either at the MESC-meeting or in written.
 - Please consider the problem description for information/clarification purposes only
- It does **not** intend to present the ACER view on the policy option to be recommended to address each subject and/or subtopic.

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MCO Governance 14:15 – 14:30 (Salvio Lanza)

- Title I Art 7-10
- Title II, Ch7

SDAC & SIDC 14:30 – 14:45 Julio Quintela Casal

- Title II, Ch4-6

Costs 14:45 – 15:00 (Salvio Lanza) - followed by a 15 min break if time allows

- Title II, Ch8,
- Title III ex. Art 74

Capacity Calculation 15:15 – 15:30 (Lisa-Marie Mohr)

- Title II, CH1 (Art 14-31)

Remedial Actions 15:30 – 15:45 (Marco Pasquadibisceglie)

- Title II, Ch3 (Art 35, 74)

Bidding Zone Review 15:45 – 16:00 (Rafael Murais Garcia)

- Title II, Ch2 (Art 32-34)

1. MCO Governance

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Improve definition of tasks for MCO(s), NEMOs and TSOs including regulated & non-regulated tasks

Definition of MCO/non MCO tasks and regulated/non-regulated tasks

Assignment of the task to MCO of Data sharing/data publication, in particular prices, but also costs of regulated activities

Assignment of the task to MCO of calculating scheduled exchanges in line with the approach followed in the Algorithm methodology (i.e. NEMOs involvement)

Improve MCO plan, development and organisation

Description of the MCO organisation and governance incl. assessment of governance model

Establishment of the process for regularly update the dynamic part of the MCO plan (i.e. R&D, investment plan, budget)

Disputes among NEMOs and escalation process

NEMOs' voting right should be assigned to designated and passporting NEMOs

Regulatory framework for cross border clearing & settlement

Finalization of the enduring solution for cross border physical and financial shipping in the ID timeframe

Prohibition of cross clearing fees

Clarification on how transit shipping costs should be treated

2. Single DA & ID Coupling

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Integrate CEP provisions on Day ahead & intraday markets

Art 39 – Products as short as ISP

Art 41 – Min / max prices : integrating both bidding and clearing prices

Improvement of fallback procedures

Requirements for regular testing of fallback process

Full control of Interconnectors in partial decoupling by any NEMO.

Fallback methodology

Ensuring fair competition among NEMOs across all timeframes

Pooling of SIDC liquidity inside bidding zones in case of decoupling and without CZC allocation

Introduce Intraday Auctions

Clarify that SIDC is both continuous SIDC and auction SIDC.

Clarify the interactions and interfaces between continuous and auction SIDC

Auction SIDC design

Coexistence of auction SIDC and Complementary Regional Intraday Auctions

Modify the abstract principle of intraday capacity pricing into auction SIDC

Link SIDC auctions to capacity recalculation?

Open CACM to allow for innovations on DA & ID Market Design

General algorithm requirements (e.g. repeatability, scalability, auditability) & constraints (e.g. uniform price, products)

Reframe dispositions for methodologies already delivered

Updating timelines of already delivered methodologies and creating clarity on updating methodologies periodically.

Cables managed by single interconnector TSOs

3. Costs

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Ensure consistency
of congestion
income distribution
methodologies
across timeframes

As CIDM is also part of FCA GL and EB GL: harmonisation among GLs would be needed

Regulatory
framework for
MCO function
costs

Identification of those costs that are subject to regulation (i.e. assessed by NRAs and recovered through regulated mechanisms)

Clarification on the nature of the NRAs joint assessment of costs and on the coordination procedure

Implementation of the principle that: "All activities that are monopolistic in nature should be financed through a regulated mechanism"

Describe in more
details the Cost
Report and costs
sharing

Inclusion of a deadline for Cost Report submission

Clarification of what is meant by sensitive commercial information

Clarification on the information to be conveyed through the national cost report

Incorporation of the sharing key formula defined by all NRAs (i.e. two -step approach: split between MSs and split within MSs)

4. Capacity Calculation

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General Improvements & Integrate CEP provisions in capacity calculation framework

70% margin for cross zonal trade vs. 30% for reliability margin, internal and unscheduled flows.

RCC tasks in capacity calculation

Improve framework for capacity validation

Align (redundancy check)/merges/reorder of paragraphs in CC-chapter (including consistency with other GLs)

Harmonisation deadline for all CCMs in all CCRs

Obligation for a biennial report on CC and allocation

Clarify status of third countries in Capacity calculation process

Use of remedial actions in capacity calculation

Inclusion of costly remedial actions in the CCM RAOs and/or capacity validation as mandated by Article 16(3) and (4) of E.Reg

Improve harmonization of Capacity Calculation parameters across timeframes

LTA inclusion vis-à-vis FCA

Definitions of operational security limits and remedial actions vis-à-vis SO GL

GSK strategies

Improve requirements for Capacity Calculation inputs

Specify that CGM is also CC input

Develop requirements on IGM and CGM content

Inclusion of list critical network elements and corresponding operational security limits

Allocation constraints

Treatment of HVDC within Capacity Calculation

Treatment of HVDC in capacity calculation (cross-border and within bidding zones).

Explicitly allow for AHC only for radial AC or HVDCs (e.g. Art. 29(10))

Criteria for capacity calculation regions and for application of CNTC

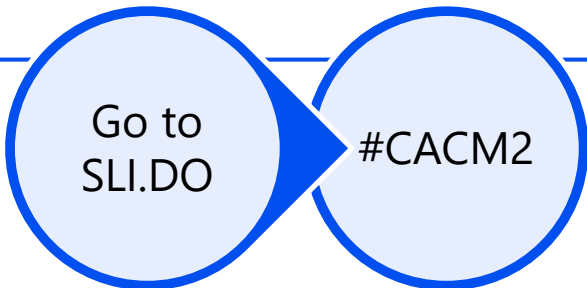
Requirement to form CCRs

Establish clearer principles for determination of CCRs and interdependency of borders including the treatment of HVDC interconnectors

Delete outdated requirements

Clarify requirements for applying cNTC approach

5. Remedial Actions



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Alignment with CEP	Solving the incongruences and the overlap between CACM and SO GL on remedial actions
Provisions and consistency with SO Regulation	Clarifying the role of RCC in coordination remedial actions pursuant to E. reg
	Including CEP provisions about cost sharing and improving them
Avoid duplication between CACM and SO Regulation	Avoid duplication in coordination of RDCT actions between CACM and SO Regulation
	Avoid duplication in cost sharing of RDCT actions between CACM and SO Regulation

6. Bidding Zone Review

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Integrate & improve CEP provisions in BZR framework

Align CACM provisions related to bidding zones with A14 E.Reg

Improvements of criteria taking into account the experience gained in the past

Congestions: (Structural) physical congestion and (structural) commercial congestion

Clarify what is negligible impact (CACM Regulation, with respect to national bidding zone review)

Clarify what is no impact (Electricity Regulation with respect to internal structural congestions)

Triggering a BZR: Regular reporting on structural congestions

Specific congestion report as a prerequisite, issued at European, regional (CCR) or national level

Clarify that a national review launched pursuant to Article 32(1)d of CACM is allowed, based on a national congestion report

Interaction between the congestion report foreseen by Article 14 Regulation 943 and the CACM congestion report every three year

Content of congestions report: Physical congestions, Commercial congestions, impacts on neighbouring bidding zones.

Market report: is it effectively needed?

Triggering a BZR: Decision to launch

Review/confirm the entities that may launch a review, also in view of the Electricity Regulation

Possibility to provide guidance when launching a review (e.g. on configurations)

Confirm the current CACM responsibilities in case of national review launched based on Article 32(1)d of CACM: in this case only national TSO, NRA and MS if the review has a negligible impact on neighbouring TSOs' control areas.

Content & requirements of the BZR methodology

Keep the second step of CACM art. 32(4)b as a reference, preserving the consultation of market participants for the draft report ... (shortened)

Add transparency requirements for the BZR process (publication, etc.)

Adaption based on the experience matured so far (shortened)

Align the number of years for considering projects in the reference scenario & Role of TYNDP if any

12 months for the simulation phase

No timeline for the methodology and alternative configurations (shortened)

Development and approval of the BZR methodology

Review timeline for amendments (not defined in CACM)

Decision on the methodology in case of disagreement among TSOs and/or NRAs?

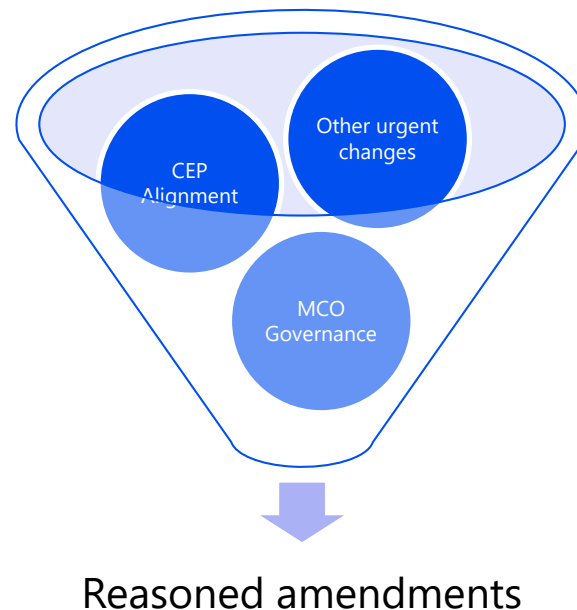
Role of the methodology pursuant to the Electricity Regulation

Fall-back option in case of lack of proposed configurations

Decision on BZ reconfiguration

MS role, including case of disagreement, as per CEP provisions

- ACER will consult the stakeholders in the MESC-meeting **on the 14th of December** on the scope of the amendments for recommendation [today]
- ACER will invite stakeholders to provide their input to draft amendments following the EC request to ACER until **February 2021**
- ACER will hold a public consultation on draft amendments & reasoning in **Q2 2021** for a period of 4-6 weeks (tbc)
- ACER Contact email:
ACER-ELE-2021-001@acer.europa.eu



MCO Governance

Title I Art 7-10,
Title II, Ch7

Improve definition of tasks for MCO(s), NEMOs and TSOs including regulated & non-regulated tasks

Improve MCO plan, development and organisation

Regulatory framework for cross border clearing & settlement

SDAC & SIDC

Title II, Ch4-6

Integrate CEP provisions on Day ahead & intraday markets

Improvement of fallback procedures

Ensuring fair competition among NEMOs across all timeframes

Introduce Intraday Auctions

Open CACM to allow for innovations on DA & ID Market Design

Reframe dispositions for methodologies already delivered

Costs

Title II, Ch8,
Title III ex. Art 74

Ensure consistency of congestion income distribution methodologies across

Regulatory framework for MCO function costs

Describe in more details the Cost Report and costs sharing

**For ad-hoc consultation
(also refer to Annex)**

Capacity Calculation

Title II, CH1 (Art 14-31)

General Improvements & Integrate CEP provisions in capacity calculation framework

Use of remedial actions in capacity calculation

Improve harmonization of Capacity Calculation parameters across timeframes

Improve requirements for Capacity Calculation inputs

Treatment of HVDC within Capacity Calculation

Criteria for capacity calculation regions and for application of CNTC

Remedial Actions

Title II, Ch3 (Art 35, 74)

Alignment with CEP Provisions and consistency with SO Regulation

Avoid duplication between CACM and SO Regulation

Bidding Zone Review

Title II, Ch2 (Art 32-34)

Integrate & improve CEP provisions in BZR framework

Triggering a BZR: Regular reporting on structural congestions

Triggering a BZR: Decision to launch

Content & requirements of the BZR methodology

Development and approval of the BZR methodology

Decision on BZ reconfiguration

For ad-hoc consultation
(also refer to Annex)