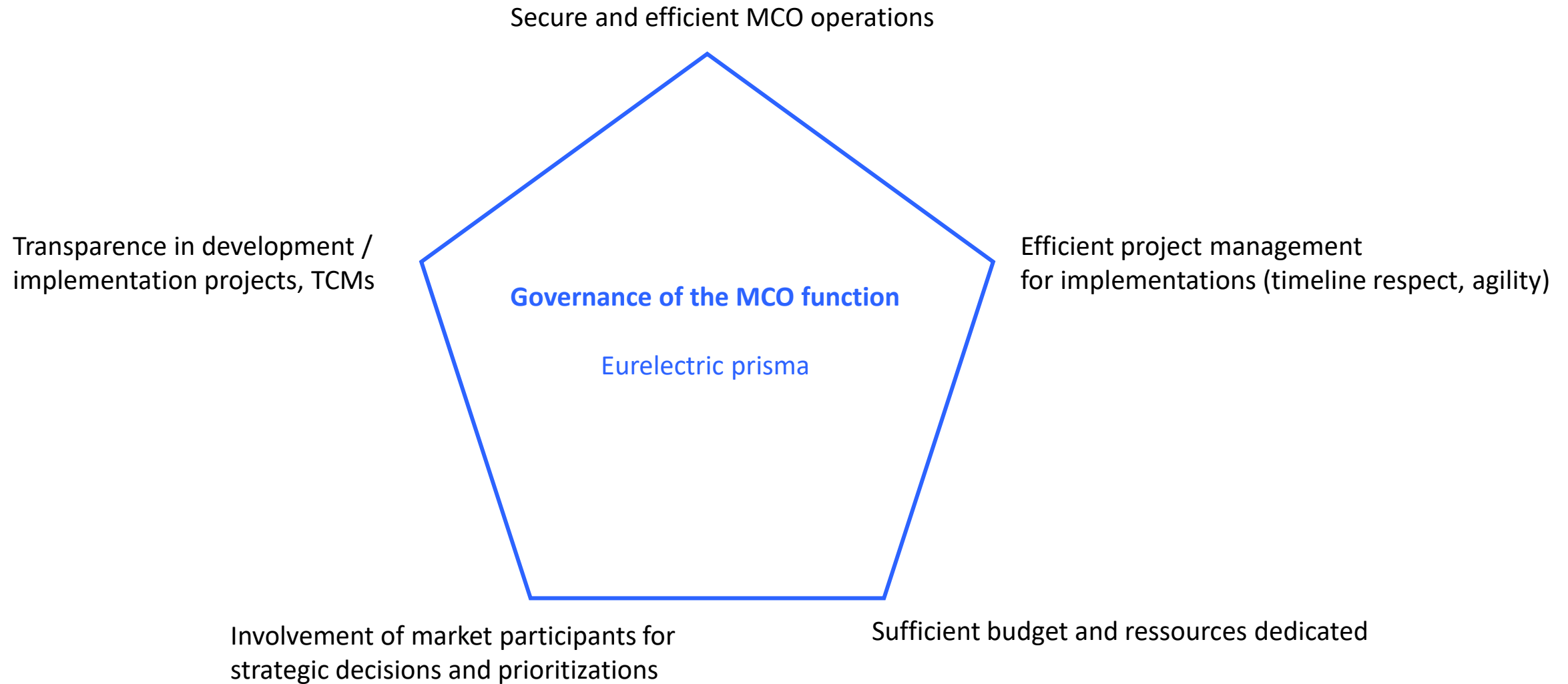




CACM 2.0 : considerations on MCO governance

November 2021

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Eurelectric does not see the need for the two options proposed by ACER regarding the new organization and governance of market coupling operations (unbundling of NEMO activities dedicated to MCO function or establishment of a new legal single entity for MCO).

- **Feedback from CACM 2.0** public consultation has shown major disagreements and a lower interest for this topic.
- **No evidence of benefits** for MCO operations and implementation has been provided so far.
- **Transition costs** will weigh on market participants and end-consumers.
- **The required changes jeopardize** the existing processes and the CACM development/implementation projects for the coming years.
- **Our priorities** are much more on market coupling algorithm performances with increased functionalities, accommodation of products in the “15 minutes” framework, monitoring of the introduction of ID auctions, flow-based extension...

Eurelectric still believes that the revision of CACM gives the opportunity to improve the governance of the MCO function.

- The third option proposed by all NEMOs and TSOs seems less risky (not disruptive to current organization) but more details are needed.
- The **qualified majority voting among NEMOs and TSOs** for all topics is welcomed for a more efficient decision making.
- Eurelectric agrees that NEMOs’ competitive activities should not interfere with MCO activities and expects a **better cooperation among NEMOs** for the benefit of the efficient functioning of the market.
- The establishment of a joint-decision making body should be complemented by **more transparency on MCO topics and a proper involvement of MPs**:
 - Representatives of MPs should be associated to strategic decisions/prioritizations related with the MCO function.
 - Eurelectric requests the launch of a MCO consultative group or advisory council with regular meetings and the attendance of MPs’ representatives in the new governance body of the MCO function.
 - Two-month public consultations should be the rule for all TCMs from NEMOs and TSOs.