



European Union Agency for the Cooperation
of Energy Regulators

Opinion of ACER and all EU NRAs on the Cost-Benefit Analysis for the Loose Volume Coupling between the EU and UK

Public information

- **ACER and all NRAs** understand that the CBA and EU TSO's recommendation identify the following options for Loose Volume Coupling:
- **Option 1:** Preliminary Order Books
- **Option 2:** Common Order Books
 - **Option 2(a):** Common Order Books within the existing single day-ahead coupling (SDAC) timings
 - **Option 2(b):** Common Order Books with amendments of SDAC timings

- **Option 1** should be discarded due to **severe risks** identified of inefficient market functioning and market manipulation.
- **Option 2(a)** cannot be recommended because it cannot be implemented without increasing the **risk of SDAC failures** (i.e. decoupling) which would likely negate the possible benefits of this option.
- **Option 2(b)** is not assessed within the CBA and is outside the scope of the current TCA timelines
 - *it requires a change in the CACM Regulation, which cannot be done within the timelines as set out in the TCA (i.e. April 2022)*

- **Option 2(b) would require amendment** of the CACM Regulation:
 - Amendment of SDAC gate closure time (*e.g. to 11:30*)
 - Amendment of the SDAC publication time (*e.g. to 13:30*) and possibly the final deadline for delivery of schedules (*e.g. to 16:00*)
 - Significant impact on TSO / NEMO / market processes and on market functioning

*The ongoing CACM Amendment process could modify (if necessary & appropriate) the SDAC GCT in **S1 2023 at the earliest**. Consequently, it is not compatible with the TCA Annex IV timeline.*

- **Further considerations:**

- The **time extension** that LVC may impose on the coupling process **shall be taken into account, and minimized**, for any future development ;
- **LVC should not impose additional risk** on SDAC decoupling ;
- Implementation timeline should be **technically realistic and not endanger integration projects** for the completion of the EU Internal Market of Electricity ;
- An accurate and robust methodology **for BBZ Flow Forecast should be a precondition** for any LVC solution;
- Issues related to firmness of LTTRs should be taken into account ;
- The **views of stakeholders** (particularly NEMOs and Market Participants) **shall be actively sought** throughout the process.