



European Union Agency for the Cooperation
of Energy Regulators

ACER's monitoring of the “70% minimum target” for S2 2020

ACER

16 June 2021

MESC

Public presentation

Minimum 70% target – Background and ACER’s role



Introduction of the “Minimum 70% target”

Electricity Cross-border Committee detected the need for a harmonised approach to implement and monitor the 70% target



It requested ACER to issue a Recommendation on the implementation and monitoring of the 70% target

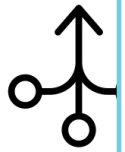


- Recommendation issued in 2019 approved by NRAs at the Board of Regulators
- Monitoring started in 2020 and will continue until 2025 and beyond



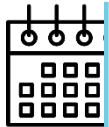
Scope of monitoring

- Each individual network element and each hour



“MACZT = MCCC + MNCC”

- Sum of the margin made available within coordinated capacity calculation (MCCC), and beyond coordinated capacity calculation (MNCC), considering netting of flows.



Day-ahead timeframe (LT included)

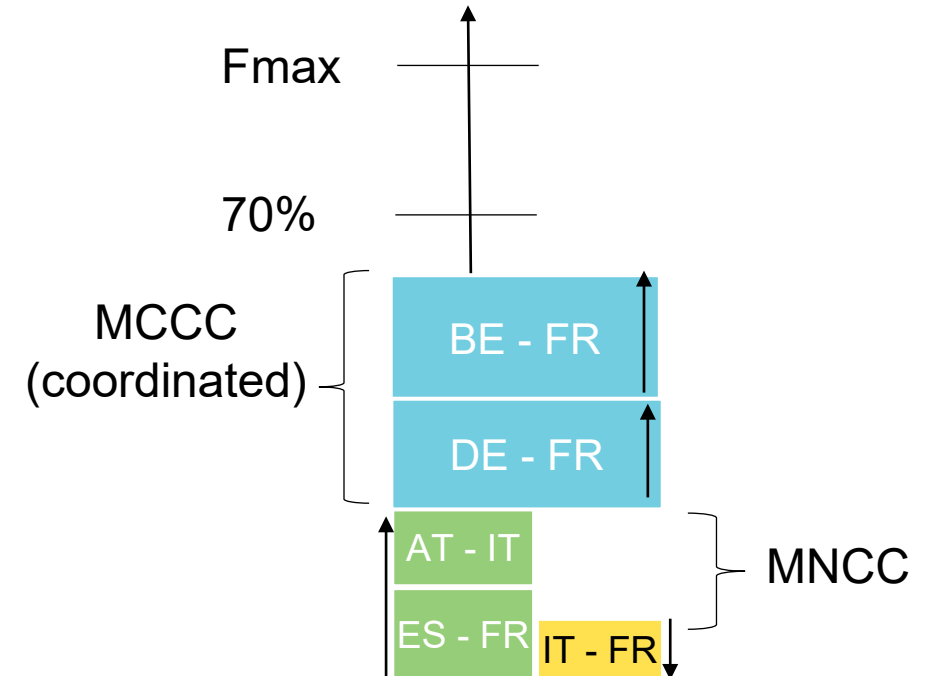
- Main focus on day-ahead margin, other timeframes taken into account when technically feasible



EU/non-EU countries:

- The influence of flows coming **from EU and non-EU** countries is **monitored separately**. Inclusion of flows from third countries in the MACZT is conditional to agreements.

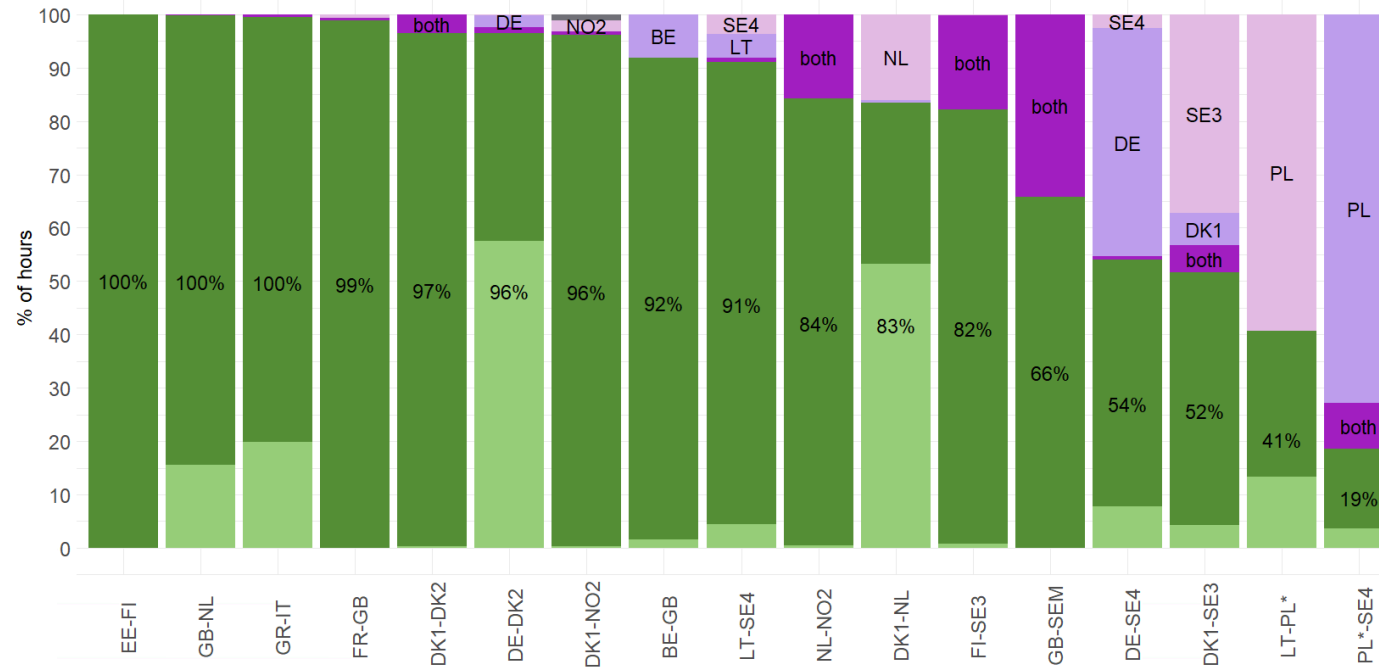
Example for a French CNEC* relevant for the CWE region





- ACER's monitoring and NRAs' compliance assessment critically depend on TSOs' **data quality**.
 - Some improvements since S1 2020.
 - Yet, urgent action required to **improve transparency in Nordic, Baltic and Italy North** regions
 - More transparency in flow-based (all elements monitored) than NTC (only limiting elements monitored).
- **On DC borders:**
 - 70% target met most of the time, except PL-SE4, PL-LT, DK1-SE3, DE-SE4, GB-SEM.
 - Very often, the cause (e.g. AC network element) limiting capacity below 100% is not reported.
- **On AC borders:**
 - Still very diverse picture with significant room for improvement for most regions and borders.
- **On action plans and derogations:**
 - Adopted by most Member States.
 - Diverse picture and significant room for further harmonisation, in particular with regard to derogations.


Results

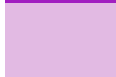
Percentage of the time when the minimum 70% target was reached on DC borders – second semester of 2020 (% of hours)



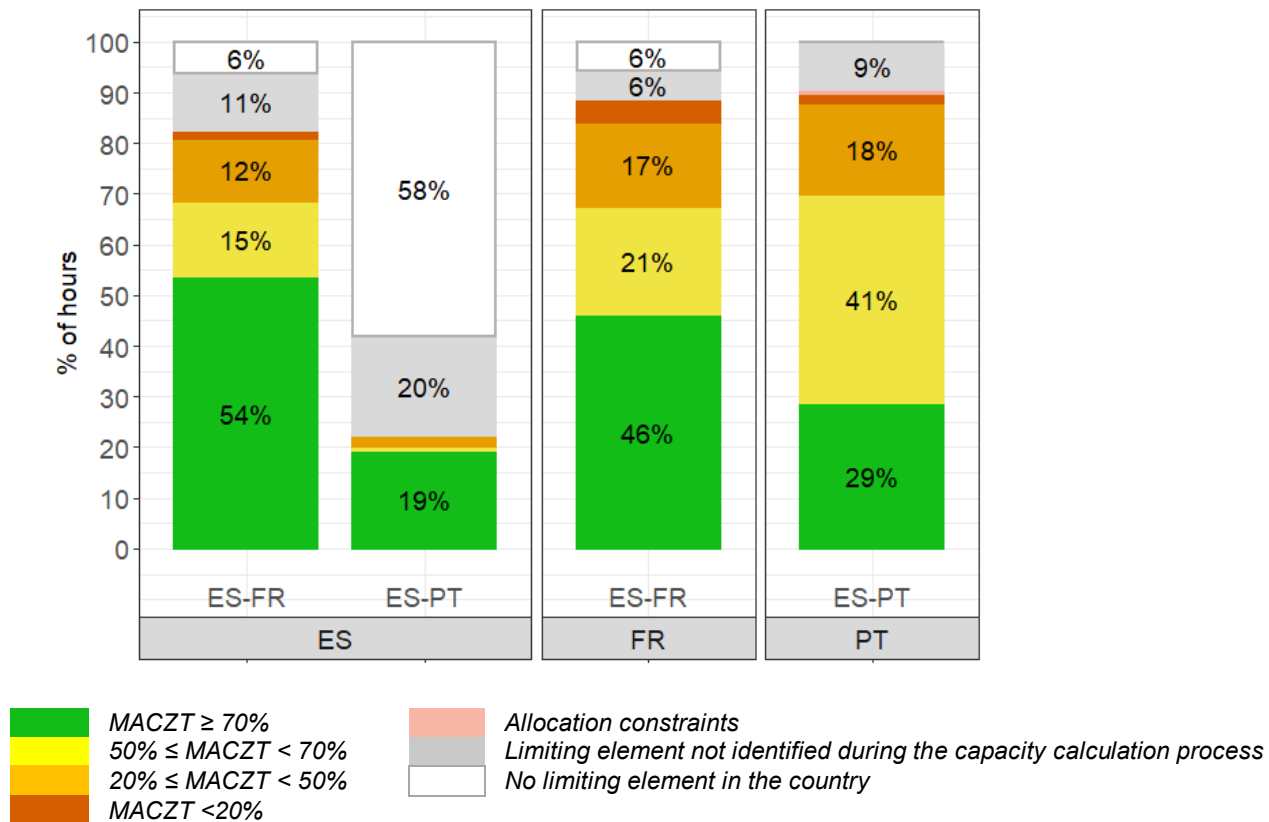
 Both bidding-zones of the border meet the min. 70% target

 All interconnectors of the border were out of service

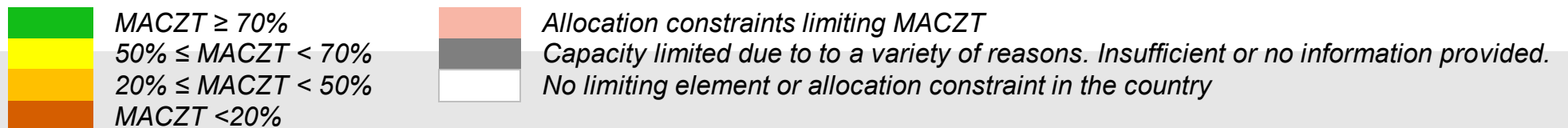
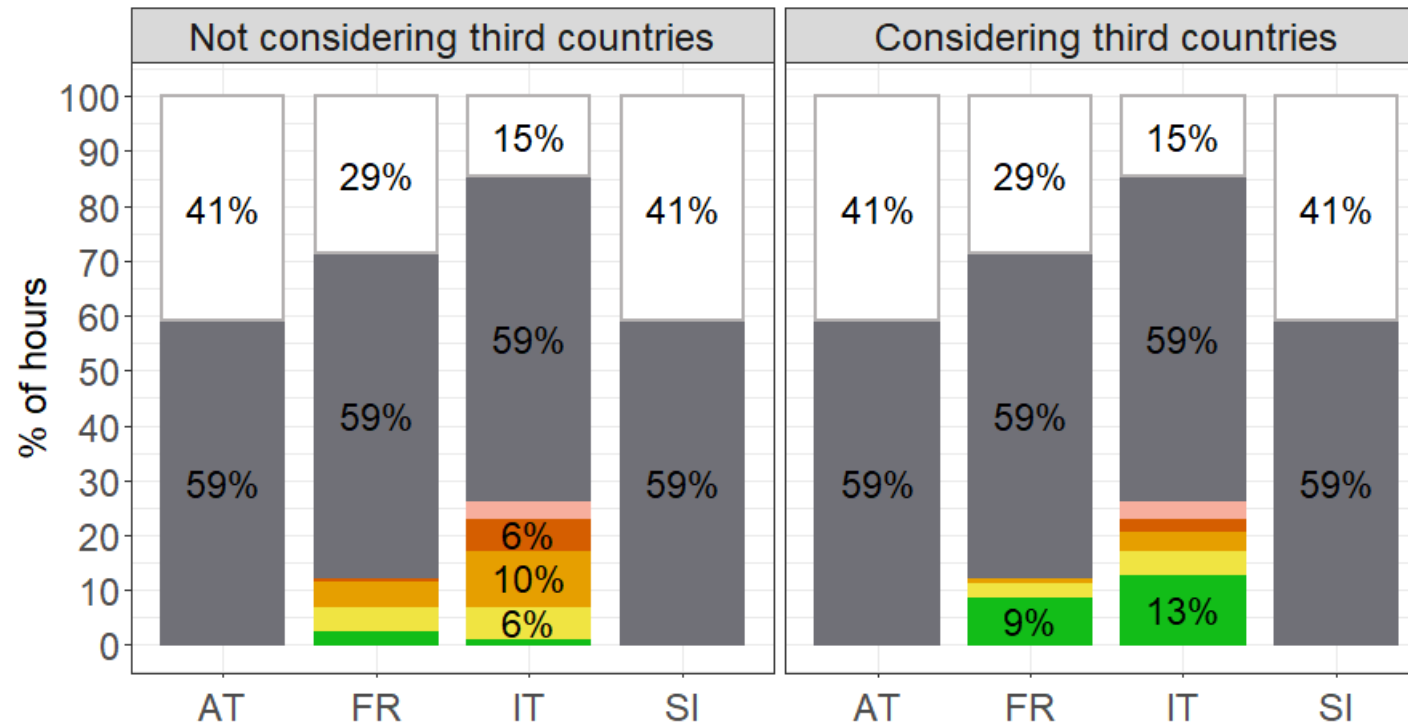
 Both bidding-zones are simultaneously below the min. 70% target

 One bidding-zone (indicated in the label) is below the min. 70% target

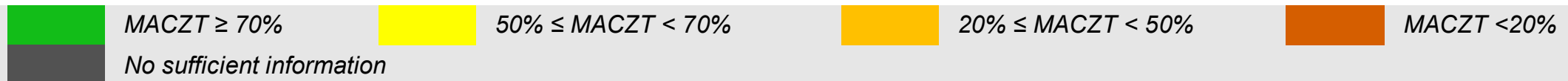
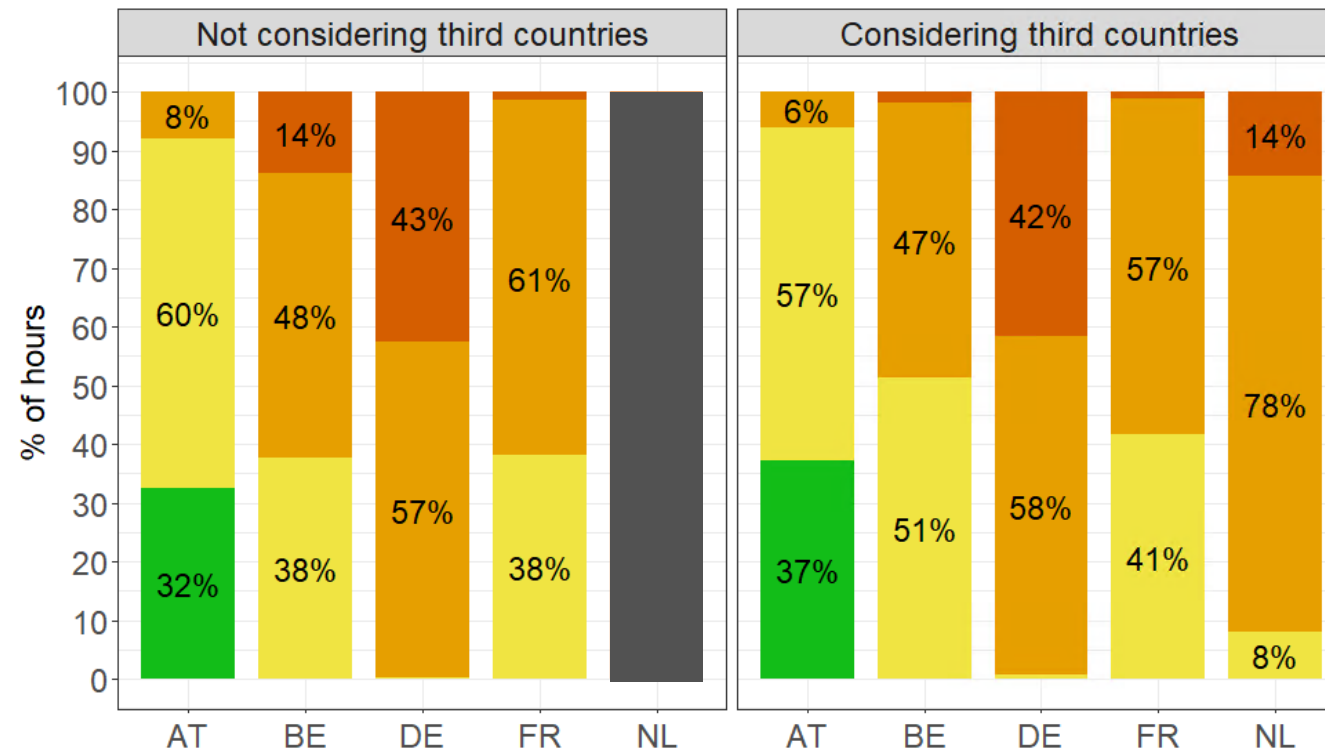
Percentage of the time when the minimum 70% target was reached (green), per border, in the SWE region – second semester of 2020 (% of hours)



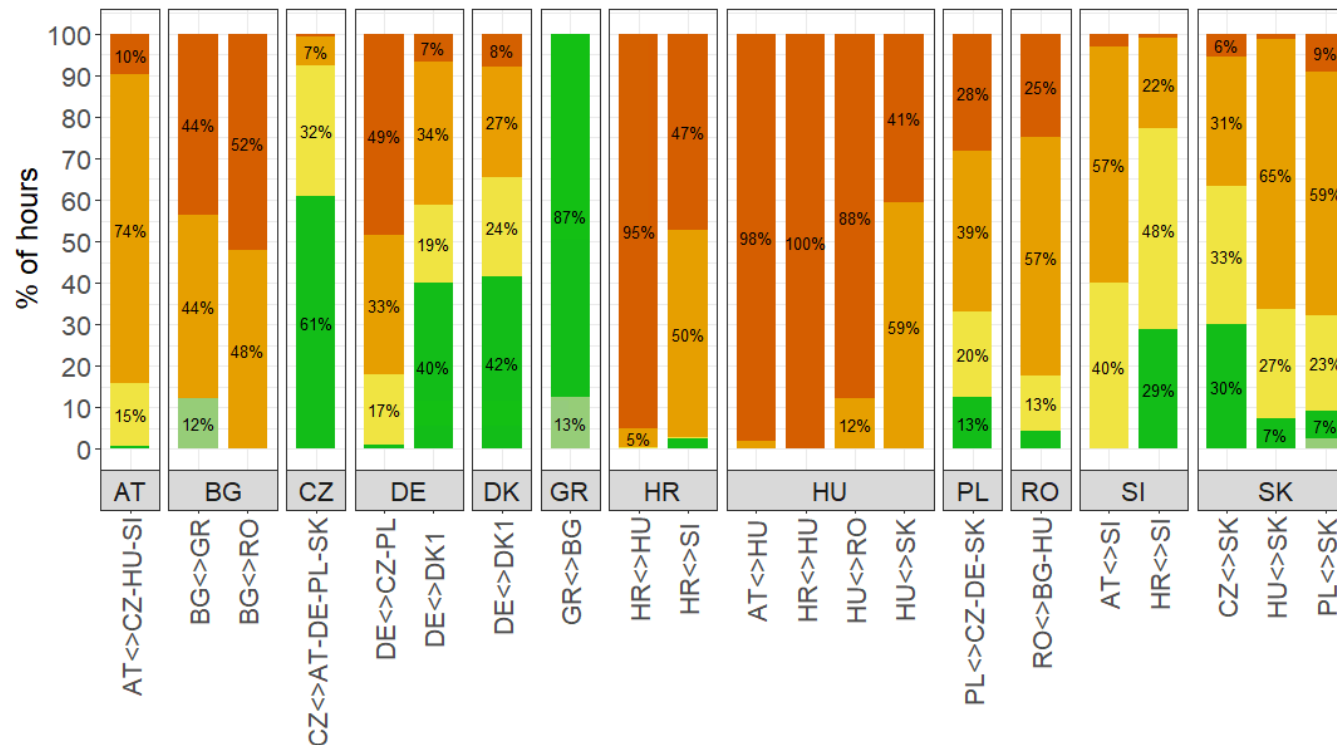
Percentage of the time when the minimum 70% target was reached (green), or when the margin could not be estimated, per country, in Italy North region – second semester of 2020 (% of hours)



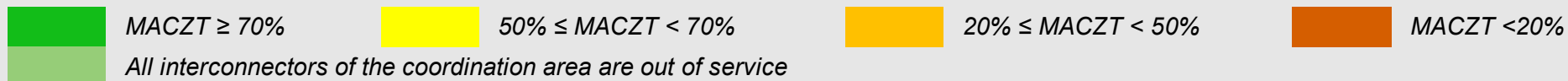
Percentage of the time when the minimum 70% target was reached (green), per country, in the CWE region – second semester of 2020 (% of hours)



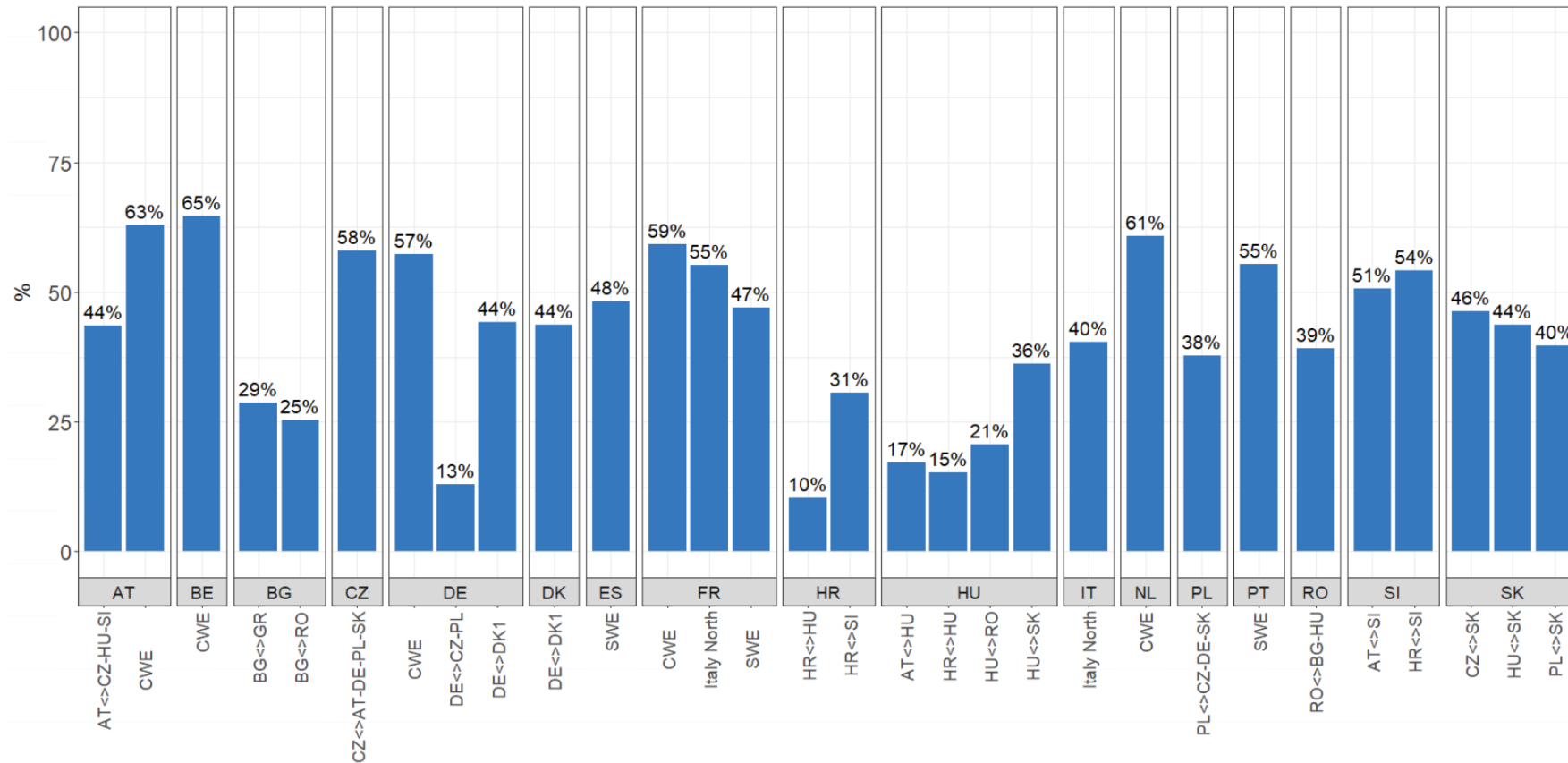
Percentage of the time when the minimum 70% target was reached (green) for countries of Continental Europe where a coordinated capacity calculation is not yet implemented, considering exchanges with third countries* – second semester of 2020 (% of hours)



* Exchanges with third countries are included for information. Accounting for them as part of the 70% target is conditional to the existence of agreements.

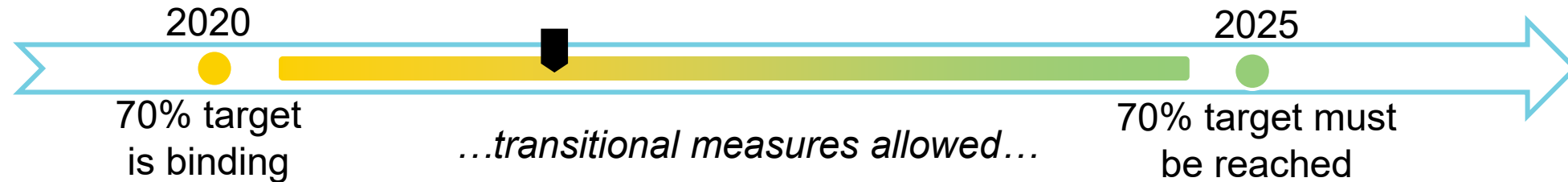


Average margin available on elements where the minimum 70% target is not reached, considering exchanges with third countries* – second semester of 2020



* Exchanges with third countries are included for information. Accounting for them as part of the 70% target is conditional to the existence of agreements.

Moving forward towards the 70% target



- The 70% target **is binding** by the end of 2025.
- Transitional measures should be formulated **with a view to progressively reach the 70% target.**
- **Uncoordinated approaches to implementation and compliance** puts the fulfilment of the 70% target at risk.