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ACER-CZ-CGC-as-2021

Ms. Sonya Twohig
Secretary-General
ENTSO-E
Rue de Spa, 8
1000 Brussels
Belgium
sonya.twohig@entsoe.eu

Cc:

Mr. Gjorgji Shemov
Gjorgji.Shemov@entsoe.eu

Ms. Ludivine Marcenac
ludivine.marcenac@entsoe.eu

Mr. Przemyslaw Kacprzak
przemyslaw.kacprzak@pse.pl

Mr. Andre Estermann
Andre.Estermann@50hertz.com

By e-mail only

Subject: ACER's views on ENTSO-E report on harmonisation of rules for suspension of market activities

Dear Ms. Twohig,

On 18 December 2020, ENTSO-E formally submitted to ACER the *Report Assessing the Level of Harmonisation of the Rules for Suspension and Restoration of Market Activities* in accordance with paragraph 7 of Article 36 of the COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration ('NCER Regulation').

In the report and in the accompanying letter, ENTSO-E proposes the following next steps to be undertaken by the TSOs:

1. To agree on a shared view on what suspension of market activities encompasses.
2. To explain how a suspension of market activities could positively contribute to each of the four circumstances where a market suspension is allowed pursuant to Article 35(1)(a) to (d) of the NCER Regulation.
3. To assess the impact of:

- a) the implementation of any suspension on the relevant methodologies;
- b) a non-harmonised approach to suspending market activities, taking into account that some methodologies are subject to a stepwise harmonisation (e.g. terms and conditions for balancing), while some other methodologies do not require harmonising;
- c) the interaction and interdependencies between fallbacks and (market) suspension.

ENTSO-E's assessment is that, once the steps above have been performed and all TSOs' proposals regarding rules concerning the suspension and restoration of market activities have received the approval of the competent regulatory authorities, ENTSO-E and TSOs are willing to work on the identified areas for harmonisation as listed in Chapter 8 of the ENTSO-E's report:

- a) Wide differences in terms of implementation;
- b) The provision of cross-zonal capacities in conjunction with the SDAC / SIDC;
- c) Frequency thresholds;
- d) Percentage of load disconnection;
- e) Balancing platforms;
- f) Balancing energy bids;
- g) Measures related to long-term markets;
- h) The effect of cross-border procurement of balancing capacity;
- i) Specific responses.

From ACER side, we generally welcome ENTSO-E's proposal to engage with TSOs, NRAs and stakeholders to provide further guidance to TSOs and NRAs on a more general harmonised framework for market suspension and more specifically, to work on the identified areas that require harmonisation.

We would request ENTSO-E to present these intentions together with a clear timeline reflecting the two-step approach in one of the next MESC meetings. The first step of the two-step approach, which is to agree on common views and common terminology of what suspension encompasses, as well as to assess the impact of market suspension on relevant methodologies (i.e. points 1. to 3. outlined above), is of particular importance in ACER's view. Only once the first step assessment is thoroughly performed, the second step of the two-step approach shall focus on the identification of areas worth harmonising as listed in points a) to i) above.

We understand that the burden of implementation of EU Networks codes and guidelines is pressing on TSOs and we would therefore suggest a deadline for the first step by the end of Q2 2022 and further work on harmonisation of the topics to be conducted by the end of 2022. In case you have any questions, please do not hesitate to contact Christophe Gence-Creux (Christophe.GENCE-CREUX@acer.europa.eu or +386 8 2053 407).

Yours sincerely,



Christian Zinglensen
Director