CACM 2.0 – NEMOs and TSOs position







CACM Amendment must guarantee efficient and sustainable implementation of market coupling

| | Evolution | Revolution | |
|----------------|---|--|------|
| NEMOs and TSOs | Underlying assumption that every change in CACM should benefit the functioning of the market coupling in line with market participants' expectations. No disruption in the development and implementation of the important projects. Very big improvement in decision- making and joint responsibility. Increased resilience and robustness of market coupling building on years of safe operations. Operations remain with NEMOs and TSOs. | Underlying assumption that assignment of development and operational tasks to entities will solve all future challenges. Costly and ill-defined concepts introduced (last resort NEMO, entity for each operational tasks). Will take very long time to establish and disturb ongoing implementation projects. No evidence of added value for the market, and increased risks (e.g. single point of failure). Operations may be allocated to new, different entities. | ACER |



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CACM Amendment – Option 3 ensures swift project delivery and avoids costly and resource intensive changes

| | | NEMOs and TSOs proposal (Option 3) | |
|----------------------------------|--|--|--|
| | Decision making - defining rules and requirements on MCO | Joint Decision-Making Body with QMV | |
| Governance | Terms and Condition proposals | Some TCMs only by All NEMOs (e.g. product) some TCMs only for All TS (CID) most of them are joint NEMOs + TSOs | |
| | Terms and Condition on backup/fallback | Backup by All NEMOs Fallback by All TSOs | |
| | Terms and Condition on Con gestion Income | All TSOs | |
| | Central Counter Party to NEMOs | NEMOs or TSOs as assigned by the National Regulatory Authority | |
| Level of centralisation med pre- | Perform fall-back | Depending on "regional cooperation/TCM" | |
| post coupling tasks | Congestion Income collection | NEMOs or TSOs | |
| | Congestion Income distribution | All TSOs | |
| | Multi NEMO arrangements | National (regional) | |
| | Last resort NEMOs | N/A - costly concept that it is not needed from TSOs and NEMOs point of view | |
| | Developing, maintaining and products | JDMB | |
| Organisational set-up of MCO | MCO Operations | NEMOs rotational (DA, IDA) | |
| | | NEMOs (ID Continuous) | |



CACM Amendment – Compare of the options on the MCO Governance

| | | NEMOs and TSOs proposal (Option 3) | ACER's Option 1 (Joint decision-making body (JDMB) - unbundling of NEMOs - assignment to MCO to one or several unbundled NEMO) | ACER's Option 2 (MCO as Single Entity) |
|--|---|--|---|--|
| Governance | Decision making - defining rules and requirements on MCO | Joint Decision-Making Body with QMV | JDMB with 50%-50% QMV via MCO plan | 50%-50% QMV via MCO establishment plan |
| | Terms and Condition proposals | Some TCMs only by All NEMOs (e.g. product) some TCMs only for All TSOs (CID) most of them are joint NEMOs + TSOs | All NEMOs and All TSOs | All NEMOs and All TSOs |
| | Terms and Condition on backup/fallback | Backup by All NEMOs Fallback by All TSOs | All NEMOs and All TSOs (reasoned regional differences possible) | All NEMOs and All TSOs (reasoned regional differences possible) |
| | Terms and Condition on Con gestion Income | All TSOs | All TSOs | All TSOs |
| Level of centralisation MCO pre-post coupling tasks | Central Counter Party to NEMOs | NEMOs or TSOs as assigned by the National Regulatory Authority | Each NEMOs / Single entity designated by JDMB | MCO entity (LSE) with possibility to contract with service provider |
| | Perform fall-back | Depending on "regional cooperation/TCM" | Entity(ies) designated by JDMB on EU level, different entities for subsequent regional fall-back | MCO entity (LSE) |
| | Congestion Income collection | NEMOs or TSOs | Each NEMO / Single entity designated by JDMB | MCO entity (LSE) |
| | Congestion Income distribution | All TSOs | Single entity designated by JDMB | MCO entity (LSE) |
| | Multi NEMO arrangements | National (regional) | Integrated into MCO | Integrated into MCO |
| | Last resort NEMOs | N/A - costly concept that it is not needed from TSOs and NEMOs point of view | Single entity designated by JDMB (tender) | MCO entity (LSE) |
| Organisational set- up of MCO | Developing, maintaining and products | JDMB | JDMB | MCO entity (LSE) |
| | MCO Operations | NEMOs rotational (DA, IDA) NEMOs (ID Continuous) | MCO unbundled entity/ies rotational (DA, ID continuous IDA) | MCO entity (LSE) |

