

The EFET logo consists of the letters 'EFET' in a bold, red, sans-serif font.

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A market perspective on the application of the minimum 70% requirement

25th MESC meeting, 29 September 2021

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How we understand the min 70% requirement

- TSOs should strive to maximise XB capacity availability to the market
- As this was not respected in the past, Regulation 2019/943 set a minimum threshold of 70% of capacity to be made available to the market
- Action plans and derogations may apply as a temporary measure
- Progress towards the minimum target (and beyond), whichever the temporary measures in place, is an objective of the Regulation

Reporting provides a blurry picture to the market



- Aggregated reporting from TSOs (multiple methodologies)
- Compliance with derogations/action plans (or min 70%) close to 100%
- FW, DA (and ID?) allocation considered
- Some timestamps sometimes ignored
- Allocation constraints can be accounted for
- Impact of Third Countries always considered



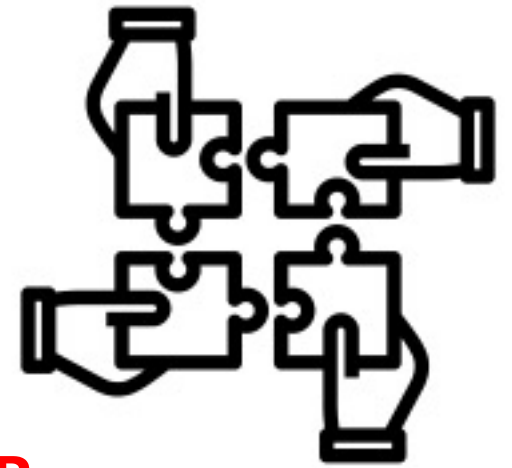
- Centralised reporting by ACER (one single methodology)
- Compliance with final target of min 70% hardly ever met (esp. on AC lines)
- FW and DA allocation considered
- All timestamps considered
- Allocation constraints not accounted for
- Impact of Third Countries separately reported

What we take from the reports

There are **interesting learnings in both reports.**

So let's focus on:

- **ensuring cooperation between ENTSO-E and ACER,**
- **facilitating standardized NRAs' compliance surveillance, and**
- **providing visibility to the market and the wider public**



EFET recommendations

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- Use a single methodology for assessment and reporting, based on the ACER recommendation
- Reporting on both the compliance with derogations/action plans and the progress towards the final min 70% target are important – *Best progress could be showcased* ✨
- No double counting of capacity: FTRs & non-nominated PTRs, and leftover DA capacity offered in ID are not additional capacity compared to DA allocation; balancing capacity is not made available to the market (but between TSOs)
- All timestamps should be considered
- Allocation constraints should not be accounted for
- Impact of Third Countries should always be considered

Thank You

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