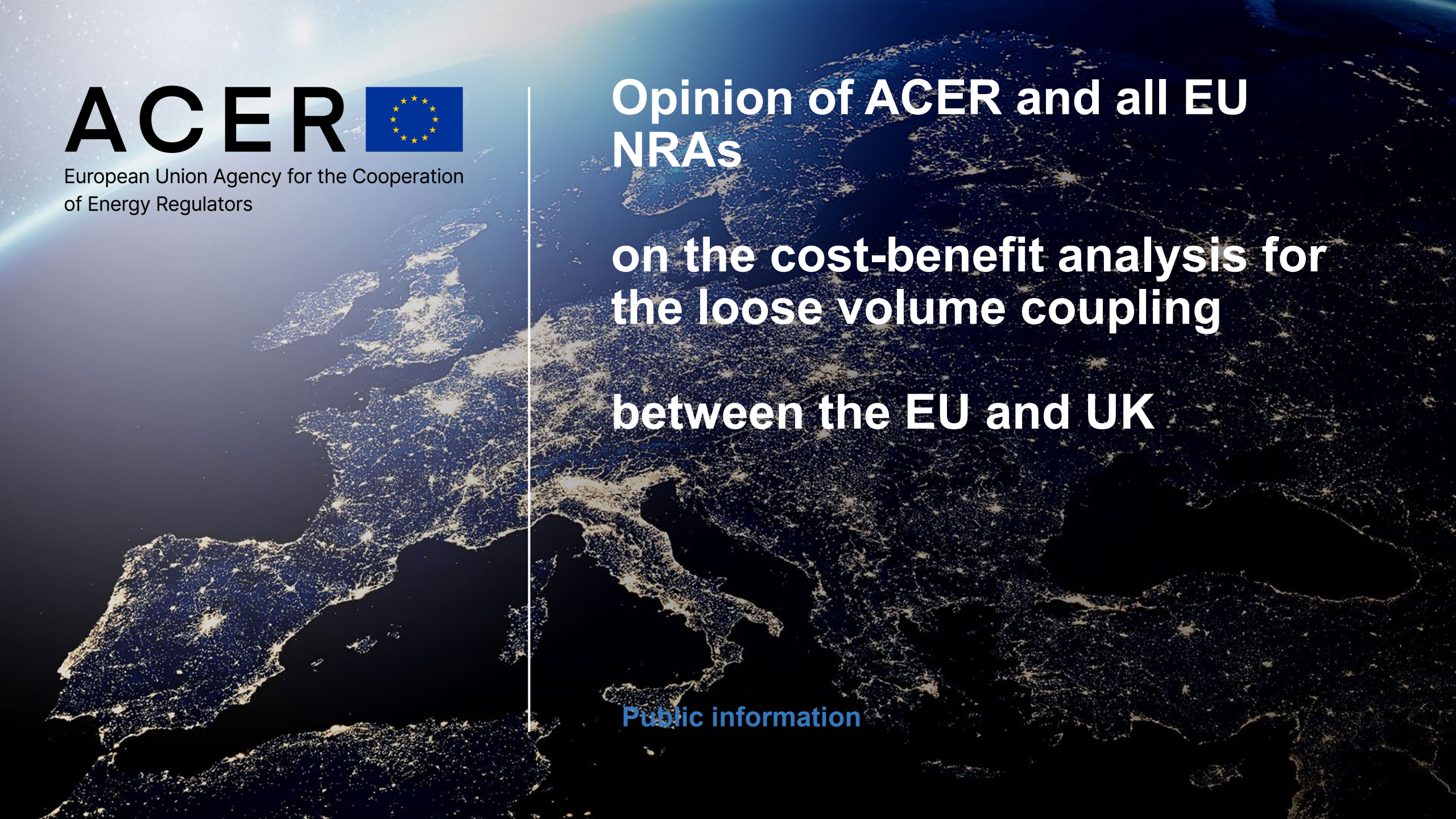

ACER

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
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

- 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

ACER
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

- 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)

Opinion of ACER and all EU NRAs on the cost-benefit analysis for the loose volume coupling between the EU and UK

- 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

Opinion of ACER and all EU NRAs on the cost-benefit analysis for the loose volume coupling between the EU and UK

- Other considerations:
  - The additional time for LVC is a key element for future development
  - LVC should not impose additional risk on SDAC decoupling
  - Implementation timeline should be realistic and not endanger EU internal market integration projects
  - This costs and benefits for LVC need to be reassessed in detail once the appropriate BBZ forecast methodology is developed.
  - The firmness of LTTRs will be discussed among the involved NRAs
  - The views of stakeholders (NEMOs and stakeholders) should be sought

ACER
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

- Summary:
  - At this moment in time, the risks associated with both analyzed LVC solutions remain too high to be able to support either option.
  - The two LVC solutions do not ensure the efficiency and robustness needed to recommend their implementation