

**DECISION No 06/2022
OF THE EUROPEAN UNION AGENCY
FOR THE COOPERATION OF ENERGY REGULATORS**

of 19 April 2022

**on the 1st amendment of the core intraday common capacity calculation
methodology**

THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators¹ ('ACER'), and, in particular, Article 5(3) and Article 6(10) thereof,

Having regard to Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, and, in particular, Article 9(5), (7)(a), (11) and (13) and Article 20(2) thereof,

Having regard to the outcome of the consultation with the concerned regulatory authorities and transmission system operators,

Having regard to the outcome of the consultation with ACER's Electricity Working Group ('AEWG'),

Having regard to the favourable opinion of the Board of Regulators of 13 April 2022, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

¹ OJ L 158, 14.6.2019, p. 22.

1 INTRODUCTION

- (1) Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the ‘CACM Regulation’) laid down a range of requirements for cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets in electricity. These requirements also include the development of the capacity calculation methodology (‘CCM’) in each of the capacity calculation regions (‘CCR’) in accordance with Article 20 et seq. of the CACM Regulation.
- (2) On 21 February 2019, ACER issued its Decision No 02/2019 on the proposals of the Core transmission system operators (‘TSOs’) for the regional design of the day-ahead and intraday common capacity calculation methodologies according to Article 20(2) of the CACM Regulation;² Annex I of that Decision included the day-ahead capacity calculation methodology (‘DA CCM’), Annex II of the same Decision set out the intraday capacity calculation methodology (‘ID CCM’).
- (3) According to Article 9(13) of the CACM Regulation, TSOs responsible for developing a proposal for terms and conditions or methodologies may propose amendments to the competent regulatory authorities, which are to be approved in accordance with the procedure set out in said Article 9. Where the regulatory authorities have not been able to reach an agreement on such amendment proposal within the six-month period, or upon their joint request, ACER is to adopt the decision on the proposal in accordance with Article 9(11) of the CACM Regulation and with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (4) The present ACER’s Decision follows from the Core regulatory authorities’ request that ACER adopts a decision on the Core TSOs’ proposal for amendment of the ID CCM (‘the Proposal’³) given that those regulatory authorities could not agree on approving the Proposal. Annex I to this Decision sets out the amended ID CCM (‘ID CCM Amendment’), according to Article 20(2) of the CACM Regulation, as approved by ACER.

2

https://extranet.acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2002-2019%20on%20CORE%20CCM.pdf

³ The Core TSOs’ Proposal is referred to in this Decision as ‘the Proposal’. The Proposal includes the official version with amendments, and the informal integral version with track changes.

The Proposal amended by ACER and provided as Annex I to this Decision is referred to as the ‘ID CCM Amendment’, and it is provided as the official version with amendments (Annex I), and as the informal integral version (Annex II).

2 PROCEDURE

2.1 Proceedings before the Core regulatory authorities

- (5) By letter of 8 February 2022, the Core regulatory authorities informed ACER that the Core TSOs submitted the first amendment of the Core ID CCM in accordance with Article 9(6) of the CACM Regulation to Core regulatory authorities. As Article 9(10) of the CACM Regulation requires Core regulatory authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and make a decision within six months following receipt of submission of the proposal to the last Core regulatory authority.
- (6) The amendments proposed by the Core TSOs are linked to the application of alternative Long Term Allocation ('LTA') inclusion approach. In particular the use of the Extended LTA Inclusion approach ('ELI approach') in the Core DA CCM, instead of the LTA margin approach, as approved by Core regulatory authorities in the course of 2021⁴. The use of the ELI approach impacts the way intraday cross-zonal capacities will be extracted from the leftovers of the day-ahead cross-zonal capacities during an interim period stretching from the go-live of the Core DA CCM to the full implementation of the Core intraday capacity calculation based on the flow-based approach. There is thus a strong interdependency between the go-live date of the Core DA CCM (scheduled for 20 April 2022) and the approval/implementation of the Proposal.
- (7) In addition, during this interim period, some transitional intraday capacity calculation initiatives will continue to be applied on the internal borders of the Central West Europe ('CWE') region and the starting point will be the results of the Core DA CCM. An approved Core ID CCM is therefore needed to calculate intraday capacities in the CWE region.
- (8) Core TSOs publicly consulted the first amendment of the Core ID CCM from 21 October 2021 to 21 November 2021. Core regulatory authorities issued a shadow opinion on 16 November 2021 mainly asking to clarify the parameters and values resulting from the extraction of intraday capacities with the ELI approach.
- (9) During the Core IG meeting on 3 December 2021, the Polish TSO PSE expressed its concern regarding the use of LTA inclusion by ELI approach, due to uncoordinated LTA capacities, which can have a negative impact on system security. PSE subsequently expressed being against the submitted amendment with the use of LTA inclusion until the Core common long-term capacity calculation methodology is implemented.

⁴ CERRF position paper of 10 May 2021.

- (10) During the exchanges between Core NRAs, the Polish regulatory authority (URE) proposed some amendments to the submitted Core ID CCM to mitigate the concern of PSE with the introduction of a compulsory agreement of all Core TSOs (to be based on unanimity) on the borders allowed to use LTA inclusion from the day-ahead capacity calculation process in the intraday capacity calculation process; moreover these borders would be listed in a newly added annex in the Core ID CCM. However, some Core regulatory authorities could not accept that a non-neighbouring Core TSO could have a veto on the use of LTA inclusion on their borders and some other Core regulatory authorities were concerned with the inflexible nature of the added annex - as a change of it would require an approval process by the Core regulatory authorities.
- (11) After having consulted, closely cooperated and coordinated with each other, Core regulatory authorities unanimously agreed during their meeting of 25 January 2022 to request ACER to swiftly adopt a decision on the first amendment of the Core ID CCM pursuant to Article 9(11) of the CACM Regulation. The grounds for this request were the lack of agreement on the revision of the first amendment of the Core ID CCM and the lack of alternative to be agreed upon within the short timeline before the go-live of the Core DA CCM, foreseen by Core TSOs on 20 April 2022.
- (12) All Core regulatory authorities asked ACER to consider the urgency of a timely decision and expressed readiness to assist and fully support ACER in the process of development and adoption of its decision.
 - (a) The submission of the 1st amendment of the Core ID CCM to ACER included the following documents, dated 2 December 2021:
 - (b) First amendment of the Intra-Day Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with Articles 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('the Proposal');
 - (c) Explanatory Document to the first amendment of the Intraday Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('Explanatory document');
 - (d) Public Consultation Report to the first amendment of the Intraday Capacity Calculation Methodology of the Core Capacity Calculation Region in accordance with article 20ff. of the Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management ('PC report').

2.2 Proceedings before ACER

- (13) By letter of 8 February 2022, the Chair of the Core Energy Regulators' Regional Forum (CERRF)⁵, acting on behalf of the Core regulatory authorities, referred the Proposal to ACER for a decision pursuant to Article 9(11) of the CACM Regulation. According to this letter, the Core regulatory authorities jointly concluded that they were not in a position to approve the Proposal, or request further amendments, since they were not able to find a common agreement on key aspects of the Proposal.
- (14) On 14 February 2022, the Core regulatory authorities presented to ACER a detailed description of their common positions and diverging opinions in the “Non-paper of all Core regulatory authorities on First amendment of the Intra-Day Capacity Calculation Methodology of the Core Capacity Calculation Region” (‘non-paper’), as a support for ACER’s decision. The non-paper considered the following aspects of the Proposal:
- (a) Justification of zero capacity;
 - (b) Non-negative intraday available transfer capacities;
 - (c) Clarification on application of single intraday coupling fallback procedure;
 - (d) Clarification of common weighting factor (‘Wsum’) value;
 - (e) Setup of coordinated capacity calculator (‘CCC’);
 - (f) Application of LTA inclusion without consent of all Core TSOs;
 - (g) Consideration of non-Core borders;
 - (h) New Article 26(9); and
 - (i) Additional comments.
- (15) On 9 February 2022, ACER launched a public consultation on the Proposal, inviting all interested parties to submit their comments by 2 March 2022. The summary and evaluation of the responses received are presented in Annex III to this Decision.
- (16) Between 11 February and 16 March 2022, ACER engaged in extensive discussions with the Core TSOs and the Core regulatory authorities and consulted them on the amendments to the Proposal via a number of teleconferences and exchanges of documents, including oral hearings.
- (17) In particular, the following steps have been taken:

⁵ CERRF is a platform of the Core regulatory authorities to consult and cooperate for reaching a unanimous agreement on NEMO’s and TSO’s proposals.

- 11 February 2022 Kick-off meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 18 February 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 25 February 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 2 March 2022 Information on the Core ID CCM amendment process provided to the CACM Task Force;
- 3 March 2022 Draft Core ID CCM Amendment, including ACER's reasoning for amendments, provided to the Core TSOs and the Core regulatory authorities for the oral hearing;
- 4 March 2022 Working meeting (teleconference) with the Core TSOs and the Core regulatory authorities;
- 9 March 2022 Information on the amendment process of the Core ID CCM provided at the Core NRAs' meeting;
- 11 March 2022 Oral hearing with the Dutch TSO TenneT B.V. and the German TSO TenneT GmbH;
- 11 March 2022 Oral hearing with the Hungarian TSO MAVIR and the Hungarian regulatory authority MEKH
- 14 March 2022 Oral hearing with Core TSOs and Core regulatory authorities;
- 15 March 2022 Oral hearing with the Belgian regulatory authority CREG
- 15 March 2022 Oral hearing with the Polish TSO PSE
- 16 March 2022 Information on the amendment process of the Core ID CCM provided to the AEWG;
- 16 March 2022 Closure of the hearing phase;
- 25 March 2022 AEWG's advice on the draft ID CCM Amendment;
- 13 April 2022 BoR's opinion on the draft ID CCM Amendment;

3 ACER'S COMPETENCE TO DECIDE ON THE PROPOSAL

- (18) Pursuant to point (b) of the first subparagraph of Article 5(3) of Regulation (EU) 2019/942, all regulatory authorities of the region concerned shall unanimously agree on proposals for terms and condition or methodologies for the implementation of those network codes or guidelines that were adopted before 4 July 2019 and require the approval of all the regulatory authorities of the region concerned; pursuant to the second subparagraph of Article 5(3) of Regulation (EU) 2019/942, those regulatory authorities may refer the proposals to ACER for approval pursuant to point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942, and they shall do so pursuant to point (a) of the second subparagraph of Article 6(10) of that Regulation where they did not reach a unanimous agreement.
- (19) Pursuant to Article 9(5) and (7)(a) of the CACM Regulation, which has been adopted as a guideline before 4 July 2019, the proposal for a common capacity calculation methodology pursuant to Article 20(2) of the CACM Regulation shall be subject to approval by all regulatory authorities of the concerned region.
- (20) Pursuant to Article 9(11) of the CACM Regulation, where the regulatory authorities have not been able to reach agreement within six months, or upon their joint request, or upon ACER's request according to the third subparagraph of Article 5(3) of Regulation (EU) 2019/942, ACER shall adopt a decision concerning the submitted proposals for terms and conditions or methodologies within 6 months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (21) Pursuant to Article 9(13) of the CACM Regulation, where TSOs propose amendments of terms and conditions or methodologies to the regulatory authorities, those proposals shall be approved in accordance with the procedure set out in Article 9 of the CACM Regulation.
- (22) Pursuant to Article 9(5) of the CACM Regulation, ACER, before approving the terms and conditions or methodologies, shall revise the submitted proposals where necessary, after consulting the respective TSOs, in order to ensure that they are in line with the purpose of the CACM Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.
- (23) On 8 February 2022, the Core regulatory authorities informed ACER that they were not able to reach an agreement on the Proposal, and jointly requested ACER to take a decision on the Proposal.
- (24) Therefore, ACER is competent to decide on the Proposal based on Article 9(5), (7)(a), (11) and (13) of the CACM Regulation, and Article 5(3) and point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.

4 SUMMARY OF THE PROPOSAL

- (25) The Proposal consists of the following elements. The Core TSOs' amendments provided in the Proposal were made in Title 1 (Article 2), Title 4 (Article 11) and Title 5 (Article 21).

'Whereas'	Recitals 1 to 22	The Whereas section includes general provisions, the scope of application and the definitions, as well as an introduction to cross-zonal capacities for the intraday market and intraday capacity re-calculation; <i>No amendments were proposed by the Core TSOs.</i>
Title 1	Articles 1 to 3	The title of General provisions covers the subject matter and the scope of the methodology, definitions and the application of the methodology; <i>A few amendments were proposed by the Core TSOs in the definitions.</i>
Title 2	Article 4	General description of the capacity calculation methodology with intraday capacity calculation process; <i>No amendments were proposed by the Core TSOs.</i>
Title 3	Articles 5 to 10	Capacity calculation inputs , which include methodologies for the calculation of the inputs, i.e. the selection of CNECs, the operational security limits, the calculation of the final adjustment value, the allocation constraints, the reliability margin, the generation shift keys and the remedial actions in capacity calculation; <i>No amendments were proposed by the Core TSOs.</i>
Title 4	Article 11	Update of intraday cross-zonal capacities , which include the description of update of intraday cross-zonal capacities remaining after the Single Day Ahead Coupling (SDAC) <i>Major amendments were proposed by the Core TSOs, to enable the alternative Extended Long Term Allocation (LTA) inclusion.</i>
Title 5	Articles 12-20	Description of the intraday capacity calculation process , with a detailed description of the capacity calculation approach; i.e. a step-by-step mathematical description of the capacity calculation, followed by further details, including the rules on adjustment of power flows on CNECs, the consideration of non-Core CCR borders, the calculation of the

		final flow-based domain, the capacity validation methodology, and the intraday capacity calculation fallback procedure; <i>No amendments were proposed by the Core TSOs.</i>
Title 5	Article 21	This Title includes the description of the calculation of available transfer capacities (ATC) for single intraday coupling (SIDC) fallback procedure; <i>Major amendments were proposed by the Core TSOs, to enable the alternative ATC extraction based on optimisation.</i>
Title 6	Articles 22 to 25	This Title includes the requirements on necessary updates and data provision , including provisions regarding the monitoring and the provision of information to regulatory authorities <i>No amendments were proposed by the Core TSOs.</i>
Title 7	Article 26	This Title includes the implementation timeline; <i>No amendments were proposed by the Core TSOs.</i>
Title 8	Article 27	Final provisions , i.e. language; <i>No amendments were proposed by the Core TSOs.</i>
Annex 1		This Annex includes the justification of usage and methodology for calculation of external constraints. <i>No amendments were proposed by the Core TSOs.</i>
Annex 2		This Annex includes the requirements for calculation of intraday cross-zonal capacities before full implementation of intraday capacity calculation; <i>No amendments were proposed by the Core TSOs.</i>

5 SUMMARY OF THE OBSERVATIONS RECEIVED BY ACER

5.1 Initial views of the Core regulatory authorities

- (26) In the CERRF's Chair's letter of 8 February 2022, and the non-paper of 14 February 2022, the Core regulatory authorities reported their initial views and positions regarding the Proposal.
- (27) According to the non-paper, the Core regulatory authorities have reached an agreement on two aspects of the Proposal, namely:
- (a) Justification of zero capacity: the Core regulatory authorities pointed out that Core TSOs should give a justification and evidence for setting cross-zonal capacity to

zero pursuant to Article 11(3) of the Proposal and that detailed reasons for setting the capacities to zero should be published; and

- (b) Clarification on the application of the single intraday coupling fallback procedure: a majority of the Core regulatory authorities agreed to change Article 21(1) of the Proposal to clarify that the process described in Article 21 of the Proposal not only applies if SIDC is unable to accommodate flow-based parameters after implementing ID CCM with the flow-based calculation process but also as a standard process during the transitional period when leftover capacities from the day-ahead process are used.
- (28) According to the non-paper, the Core regulatory authorities failed to reach an agreement on several aspects of the Proposal, in particular:
- (a) Non-negative intraday available transfer capacities; the need for specifying that the input values for the ATC extraction are always non-negative has been pointed out by one regulatory authority;
 - (b) Clarification of common weighting factor ('Wsum') value: one regulatory authority required the fixed value on the level of Core ID CCM, while another regulatory authority preferred not to define the value of Wsum but to leave it adjustable during the implementation and application;
 - (c) Setup of the coordinated capacity calculator ('CCC'): some regulatory authorities proposed removing Article 26(2) of the Proposal as Coreso and TSCNET have already been appointed for the role of CCC, while one regulatory authority was inclined to leave this provision for consistency reasons;
 - (d) Application of LTA inclusion without the consent of all Core TSOs: this was the major topic of the Proposal and there was a different view of the Polish TSO on the principles for the LTA inclusion;
 - (e) Consideration of non-Core borders: some regulatory authorities pointed out that the Proposal should be updated in accordance with updates of the Core DA CCM with regard to the treatment of non-Core borders;
 - (f) New Article 26(9): one Core regulatory authority proposed the additional paragraph of Article 26 of the Proposal, which would require mandatory amendment of the Core ID CCM in the period of six months; and
 - (g) Additional comments: one regulatory authority pointed out the need to update the explanatory document; another major point of the Proposal underlined by some Core regulatory authorities is the concern that the simulation results indicate a reduction of the average intraday ATC and a substantial increase of zero ID ATC occurrences on the vast majority of Core borders. These regulatory authorities hence support to discuss options to mitigate this outcome within the framework of this amendment.

5.2 Engagement with the Core TSOs and the Core regulatory authorities

5.2.1 Working meetings

- (29) During the decision-making process, ACER engaged in in-depth discussions with the Core TSOs and the Core regulatory authorities. In particular, ACER:
- (a) has taken into account the need to provide the decision and the Core ID CCM Amendment timely, before the projected go-live of the Core DA CCM;
 - (b) has taken into account the Core TSOs' proposed amendments with regard to the application of ELI approach in Article 11 of the Proposal and the related ATC extraction in Article 21 of the Proposal;
 - (c) has taken into account the initial TSOs simulations regarding the inclusion of the minimum remaining available margin ('RAM') through the Adjustment of Minimum RAM coefficient ('AMR'), as well as LTA inclusion and consequential size of extracted ATC and occurrence of zero capacities;
 - (d) has taken into account the possible improvements of the ATC extraction algorithm which were analysed by the Core TSOs, in particular the application of a PTDF threshold for omitting small PTDFs during the ATC extraction, and the improvement of ATC extraction which would avoid or further minimise the occurrence of zero ATC values at the borders of Core CCR; and
 - (e) discussed with the Core TSOs the implementation process in detail, in order to define a feasible implementation sequence and the transitional solution in the light of required developments.

5.2.2 Hearing

- (30) For the hearing, ACER initially proposed:
- (a) a proactive approach for the determination of sufficiently high initial ATC values for the intraday capacity calculation process in the transition period, by the mandatory inclusion of a 20% floor for AMR and mandatory full LTA inclusion; and
 - (b) a cross-regional ATC validation process for the transition period based on the impact of Core borders' ATCs on the CNECs of Core TSOs (determined on the basis of PTDF) and maintaining the flexibility of the approach until proper tools have been developed and operational experience has been gained by the Core TSOs. Therefore, the Core TSOs would be able to validate and influence the initially extracted ATCs not only on their borders, but also on the impacting distant Core borders.
- (31) The feedback of the Core TSOs and regulatory authorities on ACER's initial proposal during the hearing showed that:
- (a) few Core TSOs and one regulatory authority supported ACER's proposal;

- (b) the German and Dutch TSOs would be in favour of a mandatory 20% floor for both AMR and LTA inclusion;
 - (c) a few TSOs and two regulatory authorities were in favour of either gradual or voluntary AMR and LTA inclusion;
 - (d) one regulatory authority raised strong legal concerns against a mandatory inclusion of minimum RAM (through AMR);
 - (e) there was in general low support for the ACER's proposal on the cross-regional ATC validation: the TSOs claimed a lack of validation tools, procedures and experience in general;
 - (f) the TSOs from the Central West Europe (CWE) mainly stated that they would keep local transitional increase/decrease process in support of the initially extracted ID ATCs. PSE and SEPS also supported transitional national solutions in ATC validation; and
 - (g) the perspective methodological adjustments pursuant to Article (29)(d) of this Decision were widely accepted by the Core TSOs and the Core regulatory authorities, having in mind the unpreparedness of these methodological adjustments for the go-live.
- (32) On the basis of the feedback of the Core TSOs and regulatory authorities on ACER's initial proposal during the hearing, ACER has provided another proposal, which is described in detail in chapter 6.2 below and can be summarized as follows:
- (a) The LTA inclusion would be voluntary, with a cap of 1500 MW. The AMR inclusion would be voluntary. ACER expects that the TSOs which were ready to support a mandatory inclusion of a 20% cap would be also willing to voluntarily apply at least that level of LTA and AMR inclusion;
 - (b) The ATC validation would be organised bilaterally. The local transitional validation solutions should be allowed, giving the possibility to decrease ATCs in case of security concerns or to increase them up to 300 MW per border, starting from the initially extracted ATCs;
 - (c) The ATC extraction adjustments pursuant to Article (29)(d) of this Decision are supported and can be applied whenever ready, subject to the Core TSOs agreement; and
 - (d) The ID CCM Amendment would focus mainly on the transition period of Core ID CCM application, as provided in Article 26(6) of the ID CCM Amendment; other changes should be subject to a later amendment according to the Core TSOs' plan.

5.3 Public consultation

- (33) Responses to ACER's public consultation (see paragraph (15) above) are summarised in Annex III to this Decision. A summary of key comments is provided below:

- (a) One stakeholder stressed the importance of considering dynamic line rating for defining the maximum admissible current during the intraday capacity calculation.
- (b) Some stakeholders were in favour of improving market functioning, including in the intraday market, but not at the detriment of cross-border capacity being given in the forward and day-ahead markets. In particular, they did not support withholding of capacity that might then remain unused, but were in favour of making more capacity available closer to real time assuming less uncertainty and thus smaller security margins for TSOs;
- (c) Some stakeholders welcomed the optimisation-based intraday ATC extraction which would be applied if ELI approach is applied on the day-ahead time frame. They were concerned about the possibility for simultaneous application of two LTA inclusion approaches in the different phases of intraday capacity update or calculation, and would omit the previous iterative LTA inclusion approach. They were also concerned about the proper implementation of the ATC extraction algorithm in order to minimise the occurrence of zero values of ATC.

5.4 Consultation of the AEWG

- (34) AEWG has broadly endorsed the draft Decision on Core ID CCM Amendment, noting that:
 - (a) The proposed voluntary approach seems to be acceptable for the transition period, with the common understanding that the TSOs would maintain ID capacities to the utmost possible extent;
 - (b) A proper level of transparency must accompany the voluntary TSO approach to enable traceability of the ID results. Related monitoring and reporting duties are crucial for the information of NRAs and market participants and build the base for the enhancement of the CCM; and
 - (c) After the Core FBMC go-live the relevant groups shall continue to work on improvements and evolve the ID CCM further.
- (35) Four regulatory authorities provided individual comments during the consultation phase. These related to:
 - (a) The concern about maintaining the fundamental principle of non-discrimination of cross-zonal and internal exchanges, i.e. the possibility that intraday cross-zonal exchanges might be blocked because of network constraints in a certain bidding zone;
 - (b) The concern if the voluntary approach in determining the LTA and AMR inclusion would ensure the appropriate level of intraday cross zonal capacities;
 - (c) The concern if the proposed limitation to the LTA inclusion would ensure sufficient coordination on LTA inclusion;

- (d) Allowing to maintain or establish the temporary bilateral, Core sub-regional or Core region-wise validation arrangements;
 - (e) Strengthening the transparency and publication requirements;
- (36) ACER has considered AEWG's advice and the individual comments to the maximum possible extent, in finalising this Decision.

6 ASSESSMENT OF THE PROPOSAL

6.1 Legal framework

- (37) Article 9(7)(a) and (13) of the CACM Regulation provides that TSOs' proposals of amendments to the common CCM in accordance with Article 20(2) of the CACM Regulation are to be submitted by all TSOs of the concerned CCR to all regulatory authorities of that CCR for their approval; such proposals are to be submitted to consultation in accordance with the procedure set out in Article 12 of the CACM Regulation.
- (38) Article 20 of the CACM Regulation sets general requirements regarding the development of a proposal for a common coordinated CCM and its implementation.
- (39) Article 21 of the CACM Regulation specifies various requirements for the content of the proposal for a CCM, referring to further specifications in Articles 22, 23, 24 and 25 of the same Regulation. It also includes a provision for the inclusion of a fallback procedure for the case where the initial capacity calculation does not lead to any results.
- (40) Article 22 of the CACM Regulation sets out requirements related to the reliability margin methodology to be necessarily included in the CCM.
- (41) Article 23 of the CACM Regulation lays down requirements related to operational security limits, contingencies and allocation constraints.
- (42) Article 24 of the CACM Regulation stipulates requirements related to the generation shift keys methodology.
- (43) Article 25 of the CACM Regulation specifies requirements related to the methodology for remedial actions in capacity calculation.
- (44) Article 26 of the CACM Regulation sets requirements related to the methodology for the validation of cross-zonal capacity.
- (45) Article 27 of the CACM Regulation defines general requirements related to the capacity calculation process.

- (46) Article 28 of the CACM Regulation provides for requirements related to the creation of a common grid model. However, these are not directly relevant for the capacity calculation methodology.
- (47) Article 29 of the CACM Regulation sets requirements related to the regional calculation of cross-zonal capacity.
- (48) Article 30 of the CACM Regulation sets requirements related to the validation and delivery of cross-zonal capacity.
- (49) As a general requirement, Article 9(9) of the CACM Regulation provides for that the proposal for terms and conditions or methodologies include a proposed timescale for their implementation and a description of their expected impact on the objectives of the same Regulation.

6.2 Assessment of the legal requirements

6.2.1 Assessment of the requirements for the development and for the content of a proposal for a capacity calculation methodology

6.2.1.1 Development and submission of the Proposal

- (50) The Proposal fulfils the submission requirements of Articles 9(7)(a) and 9(13) of the CACM Regulation as all Core TSOs submitted the Proposal to all Core regulatory authorities.
- (51) The Proposal fulfils the requirements of Article 20(1) of the CACM Regulation as Article 4 of the Proposal defines that the flow-based approach is used for capacity calculation.
- (52) The Proposal fulfils the requirement of consultation according to Article 9(13) and Article 12 of the CACM Regulation as the Core TSOs publicly consulted the Proposal from 21 October 2021 to 21 November 2021.

6.2.1.2 Required content of the proposal for a capacity calculation methodology

- (53) The Proposal fulfils the requirements of Article 21 of the CACM Regulation as it complies with the required content of the CCM.

6.2.1.3 Description of the expected impact on the objectives of the CACM Regulation

- (54) The recitals of the Proposal provide a description of the expected impact of the methodologies on the objectives of the CACM Regulation. All the objectives set in Article 3 of the CACM Regulation are addressed in the recitals.

6.2.1.4 Amendments to the general provisions

- (55) In the Whereas section of the ID CCM Amendment:

- (a) ACER has updated the references to Regulation (EC) No 714/2009 by replacing them with the ones from Regulation (EU) 2019/943, as Regulation (EC) No 714/2009 is no longer in force and has been repealed by Regulation (EU) 2019/943; and
 - (a) ACER has added a paragraph proposed by the German regulatory authority explaining that the Core ID CCM adopted by Decision No 02/2019 is the subject of actions for annulment before the General Court (cases T-283/19 and T-631/19), but that the Proposal does not affect the parts of the Core ID CCM which are disputed in those annulment proceedings and is without prejudice to their assessment by the Union Court. This is to clarify the relation of the proposed amendments and the pending Court proceedings.
- (56) Article 2 of the ID CCM Amendment provides amendments to Definitions. ACER has amended this Article as follows:
- (a) ACER has amended the references to correct Regulations in the footnote; and
 - (b) Due to additional provisions referred to in Annex 5, ACER has added the additional definition of the day ahead congestion forecast (DACF) procedure.

6.2.1.5 Implementation timeline (Article 26 and Annex 2)

- (57) The Proposal does not include an amendment of Article 26. However, ACER finds it necessary to amend Article 26 for the following reasons:
- (a) Paragraph 2 of Article 26 of the Proposal is no longer applicable because the CCC has already been set up in the past. This change is also in line with the request from the non-paper;
 - (b) Paragraph 6 of Article 26 of the Proposal referred to the transitional sub-regional or national solution for capacity re-calculation pursuant to Article 4(2)(b) of the Proposal. As ACER was informed that no such transitional solution currently exists or is planned to be implemented, ACER deleted this Article.
- (58) Finally, ACER has added a new paragraph in Article 26 of ID CCM Amendment which introduces a transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of ID CCM Amendment. The Proposal included an amendment of Article 11 and Article 21, both of which are introducing the updating of cross-zonal capacities remaining after SDAC in a way which assumes that these remaining capacities exist in the form of flow-based parameters as well as LTA domain. The TSOs call this the flow-based parameters with Extended LTA inclusion.
- (59) ACER notes that such an assumption about the cross-zonal capacities remaining after SDAC is not compliant with Article 29(10) of the CACM Regulation, which clearly specifies that cross-zonal capacities can only be in the form of flow-based parameters in case of the flow-based approach or in the form of cross-zonal capacity values for each bidding zone border in case of the coordinated net transmission capacity approach. In accordance with Article 2(16) of Commission Regulation (EU) 543/2013, the flow-

based parameters are defined as available margins on critical network elements with associated power transfer distribution factors. Flow-based parameters can therefore only be defined for physical critical network elements.

- (60) The Extended LTA inclusion incorporated in Articles 11 and 21 of the Proposal therefore assumes that the cross-zonal capacities remaining after SDAC exist in the form of flow-based parameters as well as some other parameters called LTA values, which are not flow-based parameters. As this is not compliant with Article 29(10) of the CACM Regulation and Article 2(16) of Regulation (EU) 543/2013, ACER deleted all references to Extended LTA inclusion from Article 11 and Article 21.
- (61) Nevertheless, ACER understands that the Extended LTA inclusion is currently the option that TSOs can use pursuant to the DA CCM approved by the Core regulatory authorities and is planned to be implemented in this form. Removing the Extended LTA inclusion from the ID CCM would require a change in TSOs planned procedures and IT systems and would likely delay the implementation of DA CCM. Under these circumstances, ACER considers it appropriate to accept the Extended LTA inclusion in the ID CCM Amendment for a limited transition period of twelve months until the implementation of the first intraday capacity re-calculation pursuant to Article 4(2)(b) of ID CCM.⁶ This temporary exemption from the requirements of Article 29(1) of the CACM Regulation and Article 2(16) of Regulation (EU) 543/2013 is justified based on the objectives of the CACM Regulation, most importantly the objectives in points (a), (b), (d) and (g) of Article 3 of the CACM Regulation as the delay in the implementation of the DA CCM would have significant negative impact on these objectives.
- (62) In line with the reasoning above, ACER introduced a new paragraph 6 in Article 26 of ID CCM Amendment which provides a transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of ID CCM Amendment. This transitional solution specifies its duration (until the implementation of the intraday capacity calculation methodology pursuant to Article 4(2)(b) of ID CCM Amendment), and its form, which replaces Articles 11 and 21 of ID CCM Amendment with Annexes 3 to 5, i.e. during the transition period:
- (i) Annex 3 shall replace Article 11;
 - (ii) Annex 4 shall replace Article 21; and
 - (iii) Annex 5 shall also apply.
- (63) ACER expects that, after the end of the transition period, the ID CCM Amendment would apply without the Annexes 3, 4 and 5. However, this does not exclude the right

⁶ As explained in paragraph (62), this transition period is not provided in Article 11 and 21, but rather in Annex 3 and Annex 4 of the ID CCM Amendment.

of the Core TSOs to propose new amendments to the ID CCM Amendment in case they see the need to amend it before the expiry of the transition period.

- (64) In line with the transitional solution for updating intraday cross-zonal capacities remaining after the SDAC as referred to in Article 4(2)(a) of the ID CCM Amendment and as described above, ACER also updated Annex 2 of the Proposal with the reference to this transitional solution.

6.2.1.6 Update of intraday cross-zonal capacities remaining after the SDAC (Article 11 and Annex 3)

- (65) In accordance with the reasons described in paragraphs (58) to (62), ACER rejected all proposed amendments of Article 11 and introduced a new Annex 3 instead, with the same content as Article 11 of the Proposal, except in the cases described below.
- (66) Paragraph 2 of Article 11 of the Proposal provided the TSOs with the right to exclude partially or completely the minimum RAM component (AMR_{DA}), the $LTA_{margin,DA}$ or the LTA_f all three being the components calculated pursuant to the applicable DA CCM. ACER finds it necessary to amend this provision in order to comply with Article 21(1)(b)(ii) of the CACM Regulation which requires that the ID CCM includes rules for avoiding undue discrimination between internal and cross-zonal exchanges.
- (67) As explained in ACER Decision No 02/2019, Section 6.2.3.3, the rules for avoiding undue discrimination entail two elements, namely (i) selection of critical network elements and (ii) minimum capacity available for cross-zonal exchanges. The first element of these rules is included in Article 5 of the Proposal and is not subject of this amendment. The second requirement has been addressed by amending paragraph 2 of Article 11 as well as Annex 3 of the ID CCM Amendment by providing an obligation for TSOs to comply with Article 16 of Regulation (EU) 2019/943 with respect to minimum capacity available for cross-zonal exchanges.
- (68) The requirement to maximise cross-zonal capacities and to ensure that at least a minimum amount of cross-zonal capacity is provided to the market is covered by Article 16 of Regulation (EU) 2019/943, most notably in its paragraph 1 specifying general congestion management principles, its paragraph 4 requiring maximisation of cross-zonal capacities and its paragraph 8 providing minimum requirements for cross-zonal capacities offered for capacity allocation. These paragraphs provide quite detailed and specific rules to maximise cross-zonal capacities and to ensure that at least a minimum amount of cross-zonal capacity offered for capacity allocation. Therefore, the reference to Article 16 of Regulation (EU) 2019/943 is, in this case, sufficient to comply with Article 21(1)(b)(ii) of the CACM Regulation.
- (69) Therefore, in order to avoid undue discrimination between internal and cross-zonal exchanges, ACER amended paragraph 2 of Article 11 and Annex 3 of the ID CCM Amendment by specifying that while TSOs may indeed reduce the components AMR_{DA} , $LTA_{margin,DA}$ and LTA_f to ensure operational security, such modifications still need to comply with the requirements of Article 16 of Regulation (EU) 2019/943.

ACER applied this amendment to both Article 11 as well as Annex 3 of the ID CCM Amendment.

- (70) The Proposal does not comply with the objective of ensuring operational security pursuant to Article 3(c) of CACM Regulation, because the LTA inclusion of excessive and non-coordinated LTA values in a form of Extended LTA inclusion approach does not allow each TSOs to control and maintain the effect of non-coordinated LTA values on their own critical network elements. As ACER's proposal on cross-regional validation of ID ATCs as referred to in paragraph (30) of this Decision was not supported by most of the Core TSOs, ACER adopted another approach which is to limit the excessive and non-coordinated LTA values by applying the cap to the LTA inclusion equal to 1500 MW. Such a cap was chosen based on expert opinions provided by Core TSOs on what are the maximum values of LTAs that are still unlikely to lead to significant operational security problems. Based on different opinions, ACER considered that the value 1500 MW is the highest value for which all Core TSOs still agree that it would likely not lead to significant operational security problems.
- (71) According to the request from the non-paper, ACER also specified in Paragraph 2 of Annex 3 of ID CCM Amendment that the calculation of updated RAM and updated LTA at intraday level is done in a way which ensures that these values are always equal or higher than zero.

6.2.1.7 Calculation of ATCs for SIDC fallback procedure (Article 21 and Annex 4)

- (72) In accordance with the reasons described in chapter 6.2.1.6 of this Decision, ACER rejected all proposed amendments of Article 21 of the Proposal and introduced a new Annex 4 of the ID CCM Amendment instead, with the same content as amended Article 21 of the Proposal, except in the cases described below.
- (73) According to the requests from the non-paper, ACER has applied the following amendments in Annex 4 of the ID CCM Amendment:
- (a) ACER has added the clarification of the application of SIDC fallback procedure in paragraph 1 of Annex 4;
 - (b) ACER ensured that the values for the calculation of updated RAM, updated LTA and $RAM_{ATC}(0)$ at intraday level always higher than zero by amending the related formulae; and
 - (c) ACER has set the value of W_{sum} to 0.5, as provided by the Core TSOs in the Explanatory document.

6.2.1.8 Other transitional arrangements (Annex 5)

- (74) In order to address specific concerns of core TSOs and regulatory authorities about the transitional solution that ACER adopted in Annex 3 and Annex 4 of ID CCM Amendment, ACER also added Annex 5 to ID CCM Amendment. In this Annex ACER

added the requirements on validation of ID ATCs, on transparency of transitional solution as well as possible improvements in ID ATC extraction methodology.

- (75) In paragraphs 1 and 2 of Annex 5, ACER has complemented the transitional solution, with the TSOs' validation of the calculated ID ATCs. ACER has taken into account the suggestions of Core TSOs to enable the existing validation procedures such as the one in the Central Western Europe region, but also other existing or foreseen initiatives suggested by the Polish TSO PSE and the Slovakian TSO SEPS. Such validation can reduce ID ATCs in case of security concerns, but can also increase intraday ATCs if it does not lead to operational security violations. However, ACER decided that such validation is coordinated bilaterally only by TSOs on the bidding zone border in order to provide these TSOs more flexibility to increase ID ATCs and thereby reduce the risk of very low ID ATCs. On the other hand, in order to limit possible negative consequences such increase could have on other TSOs, ACER imposed a limit of 300 MW for increase of intraday ATC per border in order to limit possible negative consequences such increase could have on other TSOs. This value is already applied as the maximum increase within the current intraday capacity calculation process in the Central Western European region.
- (76) Some Core TSOs and regulatory authorities requested transparency on the validation actions during the transition period. However, most Core TSOs expressed concerns that some transparency requirements cannot be implemented at the implementation of DA CCM and would need more time for implementation in order to develop adequate tools, formats and procedures for the validation process. To address the first request, ACER provided, in paragraph 3 of Annex 5, a general obligation for Core TSOs to inform other Core TSOs on validation actions and, in paragraph 4 of Annex 5, publication requirements to ensure transparency of ID capacity calculation during the transition period. To address the second concern about the implementation timeline for these requirements, ACER provided temporary derogations for Core TSOs for the following two requirements:
- (a) to provide detailed justifications of applied validation actions; and
 - (b) to publish detailed input data for ATC extraction process.
- (77) In paragraph 5 of Annex 5, ACER has enabled the initial setup of coordinated validation within the transition period, where CCC would assist the Core TSOs with providing at least the information on reference flows and the theoretically maximal flows by the ATC values, based on DACF CGMs.
- (78) During the proceedings for this Decision, Core TSOs informed ACER that they have identified additional improvements of the ATC extraction methodology that can potentially increase the ID ATCs and thereby better achieve the objective of optimising the calculation and allocation of cross-zonal capacity pursuant to Article 3(d) of the CACM Regulation. However, these improvements are not yet fully tested and could not be adopted in the context of this Decision. To not restrict a better achievement Article 3(d) of the CACM Regulation, ACER added in paragraph 6 of Annex 5, a provision which allows further adjustments of the ATC extraction methodology, as

referred in the Article (29)(d) of this Decision, to be applied without further amending the ID CCM, if proven to be efficient and subject to agreement of Core TSOs. Given the temporary nature of the transitional solution, ACER consider that such a discretion given to TSOs as it is conditional on better fulfilment of the objectives of the CACM Regulation and any possible misuse by TSOs would be very limited in time.

6.3 Editorial amendments

- (79) ACER has introduced a few editorial amendments to improve consistency and structure of the Proposal, while preserving the intended meaning of the content. These editorial amendments generally relate to amendments of wording and improvements of structure.

7 CONCLUSION

- (80) For all the above reasons, ACER considers the Proposal in line with the requirements of the CACM Regulation, provided that the amendments described in this Decision are integrated in the Proposal, as presented in Annex I to this Decision. The amendments, which have been consulted with the TSOs, are necessary to ensure that the Proposal is in line with the purpose of the CACM Regulation and contributes to market integration, non-discrimination, effective competition and the proper functioning of the market.
- (81) Therefore ACER approves the Proposal subject to the necessary amendments and to the necessary editorial amendments. To provide clarity, Annex I to this Decision sets out the Proposal as amended and as approved by ACER,

HAS ADOPTED THIS DECISION:

Article 1

The intraday capacity calculation methodology of the Core capacity calculation region, developed pursuant to Article 20 of Regulation (EU) 2015/1222, is amended as set out in Annex I to this Decision.

Article 2

This Decision is addressed to:

Austrian Power Grid AG
Elia System Operator S.A.
ČEPS a.s.

Réseau de Transport d'Electricité
HOPS d.o.o., Hrvatski operator prijenosnog sustava
MAVIR ZRt
Creos Luxembourg S.A.
TenneT TSO B.V.
Polskie Sieci Elektroenergetyczne S.A.
C.N.T.E.E. Transelectrica S.A.
ELES, d.o.o. sistemski operater prenosnega elektroenergetskega omrežja
Slovenská elektrizačná prenosová sústava, a.s.
50Hertz Transmission GmbH
Amprion GmbH
TenneT TSO GmbH
TransnetBW GmbH

Done at Ljubljana, on 19 April 2022.

- SIGNED -

*For the Agency
The Director*

C. ZINGLERSEN

Annexes:

- Annex I First amendment of the Intraday capacity calculation methodology of the Core capacity calculation region
- Annex Ia First amendment of the Intraday capacity calculation methodology of the Core capacity calculation region (track change version, for information only)
- Annex II Intraday capacity calculation methodology of the Core capacity calculation region (full amended methodology: First amendment, for information only)
- Annex IIa Intraday capacity calculation methodology of the Core capacity calculation region (track changes of the full amended methodology: First amendment, for information only)
- Annex III Evaluation of responses to the public consultation on the proposal for the First amendment of the intraday capacity calculation methodology of the Core capacity calculation region (for information only)

In accordance with Article 28 of Regulation (EU) 2019/942, the addressees may appeal against this Decision by filing an appeal, together with the statement of grounds, in writing at the Board of Appeal of ACER within two months of the day of notification of this Decision.

In accordance with Article 29 of Regulation (EU) 2019/942, the addressees may bring an action for the annulment before the Court of Justice only after the exhaustion of the appeal procedure referred to in Article 28 of that Regulation.