

# Public consultation on ACER's 2023 market monitoring report on cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)

Fields marked with \* are mandatory.

## Objective

The objective of this consultation is to gather views from stakeholders regarding the findings of ACER's market monitoring report on '**Cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)**'. Based on the findings of the report and the stakeholders' input gathered, ACER will issue a formal opinion to the European Commission and European Parliament by the end of 2023.

## Target group

This consultation is addressed to all interested stakeholders, including market participants, regulatory authorities, nominated electricity market operators, and transmission system operators.

## Contact and deadline

The contact point for this consultation is: [ewpmm@acer.europa.eu](mailto:ewpmm@acer.europa.eu)

All interested stakeholders are invited to submit their comments ~~by 15 September 2023, 23.59 hrs (CET)~~ **by 22 September 2023, 23.59 hrs (CET)**.

More information on ACER's monitoring of cross-zonal capacities is available [here](#).

## General terms of the consultation

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\* Name of the respondent

██████████

\* Email

\* Company

\* Country of origin (headquarters)

\* Countries where your company is active

\* Activity

\* Should the following answers to this public consultation be treated as confidential?

- Yes  
 No

The Agency will publish all non-confidential responses, and it will process personal data of the respondents in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data, taking into account that this processing is necessary for performing the Agency's consultation task. For more details on how the contributions and the personal data of the respondents will be dealt with, please see the [Agency's Guidance Note on Consultations](#) and [the privacy statement](#) referred to this consultation.

## General feedback - Evolution of cross-zonal capacity levels

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To what extent do you agree with the conclusions illustrated in ACER's 2023 market monitoring report on cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)?

- Strongly agree.  
 Agree.  
 Neutral.  
 Disagree.  
 Strongly disagree.

What changes would you suggest for future editions of ACER's cross-zonal capacity report?

Acknowledging the sensitivity around the 70% minimum target, we believe that discussions about this target should not be reopened. We support the monitoring of the 70% min requirement application. TSOs should always strive to maximise cross-border capacity availability to the market while ensuring network security, and are required to comply with Regulation 2019/43. NRAs should ensure strict observance of the rules on all borders and report on progress according to a consistent methodology. However, it is important for the report to maintain a balanced perspective, moving beyond ACER's agenda, to incorporate a wider range of stakeholders views. We would like to underline that the 70% can always be reached either naturally, notably through network development and (coordinated) redispatching, or in any case with the use of countertrading. Several options are available to reach the 70% and decision makers must select the most economical one.

Monitoring long-term cross-border capacity improvements: given recent discussions on the Electricity Market Design (EMD), long-term timeframes will be called to play a more important role. Notably, TSOs will likely be requested to issue long-term transmission rights [...] with a range of maturities of up to at least three years". As such, ACER should seek to more actively monitor and report on the progress of LT capacities availability improvements.

Providing more visibility and insights on the derogatory targets: the assessment of derogatory target compliance should be better put in light of the target itself, particularly for Member States with low compliance and high targets. This will provide better insights into the challenges faced and potential strategies to bridge the gap.

Based on the data presented in Chapter 1 of ACER's report, do you believe that the current development of cross-zonal capacities across the EU is sufficient to enable the integration of European electricity markets?

- Yes  
 No

Please clarify your answer.

Some borders very clearly do not meet the 70 % criterion set in the EU legislation.  
There is also very little transparency on derogations.  
Minimum targets set by the derogations and action plans should be monitored and respected. Zones going below historical levels such as the 20% in the CWE regions is especially unacceptable.

## Margin available for cross-zonal trade in the EU in 2022

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Considering the results of the monitoring exercise of 2022, do you believe that enough progress is being made across the EU to fulfil the 70% cross-zonal transmission capacity target by 2026?

- Yes  
 No

Please clarify your answer.

In ACER's report, several elements are presented as critical limitations to the achievement of the 70% cross-zonal transmission capacity target. Please rank them by order of relevance:

5 stars correspond to the biggest threat.

Lack of a mechanism to share remedial actions costs	
Lack of sufficient remedial actions	
Suboptimal bidding zone configuration and resulting loop flows	
Lack of sufficient grid developments	
Unilateral capacity reductions applied by TSOs	

Do you see any other threat to the achievement of the 70% target?

- Not achieving action plan targets in some borders. The lack of consequences limits the strength of the 70% target. Encouraging incentives for corrective actions and fostering long-term solution development will contribute to the achievement of this target.
- Delays in necessary investments could impede progress towards achieving the 70% target.
- Individual validation steps at the TSO level, applied without coordination, with a low level of transparency and a low level of predictability. To a certain extent, allocation constraints, particularly when applied for frequency or voltage regulation purposes can also pose a challenge.

What would be the key enabler(s) for reaching the 70% target by 2026?

Have you been affected by unilateral capacity reductions, such as allocation constraints or individual validation adjustments?

- Yes
- No
- Not applicable

Please clarify your answer - in particular, the extent to which you were affected.

Do you believe that enough transparency and justification is provided by TSOs in the application of validation adjustments, or other similar unilateral reductions of cross-zonal capacities?

- Yes
- No

Please clarify your answer.

Market do not have sufficient visibility on chosen values for certain borders.

Do you consider that ACER's current MACZT monitoring exercise on regions that apply a CNTC capacity calculation methodology provides a complete assessment?

- Yes
- No

Please clarify your answer, and potential suggestions to improve this monitoring.

## Unnecessary constrained capacities limit EU welfare

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Do you believe that additional cross-border transmission capacity would have played a critical role in coping with the effects of the energy crisis of 2022?

- Yes
- No

Please clarify your answer.

Do you see a risk for re-dispatching costs to offset the potential gains from increased cross- border transmission capacity and further market integration?

- Yes
- No

Please clarify your answer.

## Conclusions

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Any other comment

TSOs should always strive to maximise cross-border capacity availability to the market while ensuring network security and are required to comply with Regulation 2019/43.

Temporary measures like action plans and derogations can apply. However, NRAs should ensure stricter and more standardized observance of rules (i.e. 70% or derogatory targets achievement) on all borders. More visibility on the derogations and action plans should be provided to the market.

TSOs should transparently explain to the market the application of validation adjustments or other similar unilateral reductions of cross-zonal capacities and continue to improve the justification of allocation constraints.

## Contact

[Contact Form](#)

