

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

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

* 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

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?

Edison supports the monitoring activity performed by ACER on the 70% min requirement application. TSOs should always strive to maximise cross-border capacity availability to the market in compliance with Regulation 2019/43. In our view, in fact, the 70% rule is essential to reach European decarbonization targets (especially in terms of RES integration).

Future editions of the report should include an analysis of costly actions undertaken by TSOs (such as redispatching and grid reinforcement) to determine their magnitude and whether they are implemented efficiently or not. Several options are available to reach the 70% and decision makers must select the most economical one. ACER should also complement this analysis with a thorough evaluations of the welfare created by the 70% rule.

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.

Edison finds that the current development of cross-zonal capacities across the EU represents a necessary step in the right direction towards the maximization of cross-border energy trades. However, it is important to highlight that the integration of European electricity markets should also be carried out, taking into account the peculiarities of individual Member States, especially for markets close to real time (e.g. MARI, PICASSO).

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

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.

Regarding Italy, Edison finds that efforts are still to be made to reach the target, especially regarding the margin available for cross-zonal trade on AC bidding zone borders (i.e. internal borders and Italy-North borders)

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?

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.

We have been affected by allocation constraints. We find that the application of these constraints is rather documented and applied in a relatively transparent manner.

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.

We have been affected by allocation constraints. We find that the application of these constraints is rather documented and applied in a relatively transparent manner.

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.

We believe that the MACZT assessment can be further enriched for CNTC regions by including an economic analysis on costs and benefits of the implementation of the 70% rule.

Unnecessary constrained capacities limit EU welfare

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.

Edison considers that the single energy market proved to be resilient during the 2022 and 2023 energy crisis and has shielded European consumers from facing even more severe price spikes. This is despite the fact that we continued to see very low levels of cross-zonal capacity made available in some regions, well under the 70% target. Higher levels of cross-zonal capacities would likely have contributed to further mitigate the overall increase in prices, including price spikes in certain regions.

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

Any other comment

Contact

[Contact Form](#)