

# 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?

It is difficult to trust the analysis done on the borders where the CCM is not yet implemented. Based on Svk's understanding ACER is not following its own methodological paper\* on how to define the coordination areas in the calculations done for Sweden. The definition of coordination area has significant impact on the calculation results. In the light of this it is difficult to trust the overall conclusions of the report even though some may be correct. Svenska kraftnät look forward to further discussion on this topic with ACER and hope we can align on a correct definition of the coordination areas for Sweden for future versions of the MACZT report.

\*Methodological paper: Estimating the margin available for cross-zonal trade pursuant to ACER Recommendation 01/2019 in light of Article 16(8) of Regulation (EU) 2019/943

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.

Svk would like to point out there have been errors complying the data for Figure 6. Please double-check the dataset used (using Nord Pool data for the Swedish borders and comparing 2021 and 2022 results in very different conclusions than those presented in this figure).

## 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.

Some deviations in ACER analysis methodology compared to the methodological papers\* ACER previously have published on how to perform the evaluation of MACZT have been noticed therefore it is not possible to answer this question based on the report.





\*Methodological paper: Estimating the margin available for cross-zonal trade pursuant to ACER Recommendation 01/2019 in light of Article 16(8) of Regulation (EU) 2019/943

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?

The “easiest” way to reach the 70% target is to define BZ so 70% is reached to as high an extent as possible.

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

Focus on BZ delineation that provides efficient physical market and ensures operational security. Increase coordination of grid development and modelling and utilisation of remedial actions.

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.

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.

The evaluation requires Flowbased representation of the grid which is not transparent in CNTC.

## 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.

One should not confuse the cause of the energy crisis with the impact of cross-border transmission capacity. More cross-border transmission capacity would increase trading possibilities improving competition but would not have elevated the crisis with any significant impact. Rather the dependency on specific types of generation across many parts of Europe is the issue. If that is not solved cross-border transmission capacity doesn't really matter.

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.

If cross-border transmission capacity require constant activation of remedial actions, electricity prices are distorted. This will effect not just the grid customers that pay for the remedial action but all market participants of the Single Day Ahead Coupling.

## Conclusions

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Any other comment

## Contact

[Contact Form](#)