

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?

It is important that Acer continues to highlight the importance of high market allocated capacities. We notice that TSO:s make different interpretations on how to evaluate the 70% criterion. Thus, we recommend a stronger cooperation between ACER, ENTSO-e and national regulators and TSOs to avoid diverging interpretations.

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.

Yes/No is not a good answer option to this question. The question is rather how effective the market integration may be. Current development is not satisfying and the trend must be turned. In a Nordic context this means a much stronger focus on efficient system operation and higher operational security that allows for other counteractions than limited market allocation of capacity.

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.

As concluded by Acer, the Swedish TSO was not granted a derogation for 2022 since there where measures still available to make it possible to reach the 70% target.

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	



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

Phase-out of firm capacity. The TSO:s could do more to incentivise producers to keep power plants operational.

Lack of regulator oversight.

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

A developed market-based remuneration scheme for auxiliary services.

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.

That is today normal procedure to maintain operational security in the Swedish transmission system.

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.

The TSO should declare what actions that have been activated and what actions that have not been activated. These efforts/non-efforts should be presented together with a social welfare cost.

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

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

Any other comment

There is a strong need to continue the monitoring of the 70% target fulfilment. Not only by ACER but also at national level. Regulators must be more active and monitor actions as well as non-actions.

Contact

[Contact Form](#)