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**ACER Decision on the second and third amendment of the intraday capacity calculation methodology of the Core capacity calculation region: Annex IV****Evaluation of responses to the public consultation on the Core TSOs' proposal for the second and third amendment of the intraday capacity calculation methodology of the Core capacity calculation region****1 INTRODUCTION**

This document provides a summary of responses to ACER's public consultation on the Core TSOs' proposal for the second and third amendment of the intraday capacity calculation methodology for the Core capacity calculation region ('Proposal').

In order to take an informed decision and in accordance with Article 14(6) of Regulation (EU) 2019/942, on 4 July 2023, ACER launched a public consultation inviting all interested stakeholders, including regulatory authorities and the TSOs, to provide comments on the Proposal. The closing date for comments was 31 July 2023.

**2 LIST OF RESPONDENTS**

ACER received comments from eight respondents:

Organisation	Country	Type
APG	AT	TSO
ELIA	BE	TSO
HOPS	HR	TSO
SEPS	SK	TSO
EFET-MPP-IFIEC	BE	Associations
CEZ	CZ	Energy company
EDF	FR	Energy company
HEP	HR	Energy company

### **3 PUBLIC CONSULTATION TOPICS AND QUESTIONS**

#### **1. Alignment of intraday capacity calculation (IDCC) with the regional operational security assessment (ROSC)**

- Do you agree with the proposed alignment of ROSC and IDCC processes?
- Do you have any other comment regarding this topic?

#### **2. Recalculation of intraday capacities**

- Do you agree with proposed recalculation of intraday capacities based on outputs of a completed coordinated regional operational security assessment (CROSA)?
- Do you have any other comment regarding this topic?

#### **3. Conversion of cross-border relevant network elements with contingencies (XNECs) from CROSA to critical network elements with contingencies (CNECs)**

- Do you agree with the proposed possibility of conversion of XNECs from CROSA to CNECs? (as a permanent/temporary solution)
- Do you have any other comment regarding this topic?

#### **4. Minimum capacity values and flow-based domain extension**

- Do you have any view regarding this topic? If yes, please explain.

#### **5. ATC-based validation**

- Do you agree with the ATC-based validation as proposed by the Core TSOs?

#### **6. Other proposed changes**

Applying intraday flow reliability margin (FRM) lower or equal to the day ahead FRM (changes to Article 8(10) of the Core intraday capacity calculation methodology (Core ID CCM));

Specifying a right to reduce the capacities provided for intraday trade in exceptional network situations (new Article 4(11) Core ID CCM);

Providing for a possibility to delay the delivery of intraday capacities (new Article 4(12) Core ID CCM);

Converting potential negative RAM values into negative ATCs: changes to Article 21 Core ID CCM.

- Do you have any comment regarding these proposed changes?

## **4 RESPONSES**

ACER has carefully considered all stakeholders' comments in assessing the proposed amendments of the Core ID CCM and taking its decision. In some areas, this is explicit in the amendments made and reasoning presented in the Decision. In these instances, the table below refers to the relevant amendments and recitals of the Decision. This is complemented by additional observations in response to the main points raised by the stakeholders. Respondents' views are summarised in the left side of the table, and ACER's views are provided in the right side of the table.

	Respondents' views	ACER views
<p><b>Topic 1: Alignment of intraday capacity calculation (IDCC) with the regional operational security assessment (ROSC)</b></p> <ul style="list-style-type: none"> <li>• Do you agree with the proposed alignment of ROSC and IDCC processes?</li> <li>• Do you have any other comment regarding this topic?</li> </ul>		
APG	<p>("Yes").</p> <p>APG agrees with the proposed alignment of the ROSC and IDCC processes as they are both coordinated processes that should be linked sequentially and have to be carried out in an optimal and efficient way.</p> <p>APG considers that calculating ID capacities based on a complete Core ROSC output that resolves congestions, available by around 20:00 D-1, would lead to more accurate and reliable capacity calculations. Eliminating the nRAO step from IDCC1 is the only option to address the performance issues and timing constraints caused by the parallel operation timings of both processes.</p>	<p>ACER in principle agrees with the alignment of the ROSC outputs and intraday capacity calculation inputs, as well as removing the nRAO step from intraday capacity calculation. Further details are provided in recital (107) of ACER's decision.</p>
SEPS	<p>("Yes").</p>	
HOPS	<p>("Yes").</p> <p>The proposed alignment of ROSC and IDCC process aims to enhance operational coordination, optimize capacity calculations and improve cross-border trading while ensuring security and reliable operation of the interconnected power system. The decision to leave out the nRAO in the IDCC process was based on Core TSO's operational experience from the current CSA process and from the Core DA CC process. Also looking at the time duration of the nRAO process, ROSC is the only acceptable option in order to comply with the HLBP.</p> <p>We agree with ACER's point of view and strive to ensure a good level of coordination between ROSC and IDCC in the future. The coordination between the creation of CGM, ROSC/CROSA and IDCC should and will be improved by sequential order of different processes.</p>	
ELIA	<p>("Yes").</p> <p>Elia is strongly in favor to align the different IDCCs with the parallel ROSC processes (DA &amp; ID CROSAs). It is the role of ROSC to solve congestions by coordinating the application of RAs.</p>	

	Respondents' views	ACER views
	<ul style="list-style-type: none"> <li>- After every CROSA run a recalculation of capacities has to take place to ensure capacities are consistent with how ROSC steers the flows / dispatch.</li> <li>- In general this requires an efficient IDCC process to minimize the time gap between the decision-making in ROSC and the release of updated capacities to the market.</li> <li>- For IDCC1 in particular, the timing challenge is massive as DA security analysis and IDCC are taking place in the same dense timeframe. It is key that as much as possible the non-costly and costly RA's are integrated into the starting point of IDCC1.</li> <li>- By removing the NRAO step (non-costly remedial action optimizer) in the IDCC process, we minimize the time needed to perform IDCC which allows to much better integrate the (partial) outcome of the DA security analysis.</li> <li>- Although the objective function of the NRAO (i.e. optimize the CNEC with the lowest RAM) and the CROSA's differ (i.e. solve congestions on all XNECs), Elia deems the CROSA's more effective also from IDCC perspective, seen the high level of congestions in initial DACF models. The NRAO lacks a true remedial action potential to resolve this level of congestions with only non-costly remedial actions.</li> </ul>	
EDF	<p>("No").</p> <p>EDF considers that the ROSC and IDCC processes should indeed be aligned to the best possible extent so that the IDCC takes the latest system state into account, and acknowledges the timing constraints that justify the proposed simplifications (notably the suppression of the NRAO step). However, EDF is concerned that, until the full and stable implementation of ROSC, the IDCC could systematically lead to lower offered capacities compared to the current DA leftovers process, and to a disproportionate frequency of zero or negative ATCs on certain borders (e.g. FR-BE, FR-DE), as exemplified by the results of the parallel run presented by TSOs in CCG – in that respect, EDF shares the TSOs' view that one should focus on the ATC reductions in the directions which are actually used by the market, but regrets that no indicator is provided to assess this point in the presented results.</p> <p>Therefore, EDF considers that during the interim period before the full implementation of ROSC, TSOs should consider offering the current DA leftovers process in lieu of the calculated ID</p>	

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	<p>capacities, or the maximum between both values. EDF considers this solution as a feasible and safe one, since offering the DA leftovers was the historical solution before the implementation of IDCC and has never caused, to EDF's knowledge, significant security of system issues even if these leftovers result from a DA capacity calculation that is outdated in ID.</p>	
CEZ	<p>("No").</p> <p>We are a bit concerned that the first IDCC1 is assumed to take place at 22:00 hours, not prior to 15:00 hours, before the first IDA an opening of the cross-border intraday trading.</p> <p>Trading only with the rest of DA capacities at least until 22:00 hours leads to postponing the real start of ID cross-zonal trading. Recalculation of capacities and related ROSC processes should start as early as possible.</p> <p>We do not favour changes in Article 4, paragraph 12. which could further postpone availability of results of ID calculation.</p> <p>Moreover, we have strong concerns over right of TSOs to reduce available cross-zonal capacities even after they have been already sent to ID processes (granted by new changes to Article 4, paragraph 10). This would mean a direct influence of cross-border trade when it is already opened, hence risking market manipulation (even if not intentional).</p>	
EFET-MPP-IFIEC	<p>("Yes").</p> <p>Target model:</p> <p>The proper alignment between ROSC and IDCC is more than just a helpful addition to the capacity calculation methodology. We rather view it as an absolute necessity for the success of the target model. The congestion relief provided by the Coordinated Regional Operational Security Assessment (CROSA) runs must be incorporated in the capacity calculations, otherwise the benefits of the method are not leveraged on time.</p> <p>Moreover, even with fully synchronized processes, we currently have to rely on unquantified statements that ROSC will indeed truly be able to provide congestion-free domains. As a result of low capacity and isolated zones, the utility of the IDCCM would decrease as market participants would have greater difficulties to rebalance cross-zonal portfolios.</p>	

	Respondents' views	ACER views
	<p>Interim solution:</p> <p>Full ROSC (v2) is not planned to go-live before late 2026, meanwhile the Core IDCC go-live is expected earlier (gradually between June 2023 and June 2024 ). Therefore, in the interim period, the market will face the drawbacks of the solution (removal of minRAM, NRAOs, ) without benefitting from its advantages (de-congested domains).</p> <p>To avoid a scenario with reduced ID capacity due to an inability to address pre-congestions during years of record-high renewable development, we oppose the implementation of such an interim solution. It is at the very least essential to find an alternative solution until ROSC becomes operational:</p> <ul style="list-style-type: none"> <li>- One possibility would be to add a minRAM inclusion in the proposed ID CCM, until the full implementation of ROSC.</li> <li>- Alternatively, the existing ID CCM process (current process) could be maintained until the ROSC solution is fully tested and implemented.</li> </ul>	

	Respondents' views	ACER views
<p><b>Topic 2: Recalculation of intraday capacities</b></p> <ul style="list-style-type: none"> <li>• Do you agree with proposed recalculation of intraday capacities based on outputs of a completed CROSA?</li> <li>• Do you have any other comment regarding this topic?</li> </ul>		
APG	<p>("Yes").</p> <p>APG is in favour of a recalculation of intraday capacities after 22:00 D-1 based on a complete CROSA output that resolves all congestions.</p> <p>APG is assessing whether the recalculation should take place after the complete DA-CROSA or after the complete first ID-CROSA.</p> <p>For both options, validation concepts for the capacities must be implemented. It should also be discussed, if the capacities for hours of the day D where an update is expected (in the course of a sub-sequent IDCC run) should be initially calculated with a more conservative approach, to deal with the uncertainties stemming from not fully coordinated/completed models used as basis for the 1.IDCC. APG sees that with a potentially joint ROSC process after the merge of the CCRs Italy North and Core, there is no relevance of Cross-CCR-Coordination with respect to IDCC anymore. Therefore, process time in ROSC/CROSA could be saved, which is beneficial not only for the efficient handling of RA, but also for the timings of ID-markets.</p>	<p>ACER supports the calculation of intraday capacities based on complete CROSA outputs. To that end, and to address concerns that the IDCC(b) in the evening of D-1 may be performed on incomplete DA CROSA outputs, ACER supports the inclusion of an additional CROSA and IDCC run during early hours of day D. Further details are provided in Section 7.2.2.2 of ACER's Decision.</p>
SEPS	<p>("Yes").</p> <p>Recalculation of capacities after finalization of DA CROSA could be beneficial in terms of ID ATCs and occurrence of isolated state of particular bidding zone/s.</p>	
HOPS	<p>("Yes").</p> <p>We support the recalculation of intraday capacities based on outputs of a completed CROSA. There is a dependency on other upcoming processes such as ROSC and BTCC.</p>	
ELIA	<p>("Yes").</p> <p>- Elia for the target model strongly supports 4 IDCC calculations. In that target model 4 IDCCs are sufficient, if timings are not aligned with the CROSAs, this should be resolved there.</p>	



	Respondents' views	ACER views
	<ul style="list-style-type: none"> <li>- For the interim period until ROSC v1 is live, thus with the current DA security analysis process which ends often well after D-1 22h00, the introduction of an additional recalculation (let's call it IDCC 1b), will have added value for the remaining MTUs. This because IDCC 1b captures the margin on the CNECs that is freed up by the DA security analysis process after 20:30 D-1 (= starting point IDCC1). Elia does not deem it realistic to further adapt the IDCC process, to be able to await more mature results for IDCC1. Thus, an additional recalculation is the only possibility to capture the freed up margin.</li> <li>- Expectation management in terms of capacities: the current DA security analysis consists of a manual coordination with as result that often some margin is created on the congested network elements by reducing their loading below 100%. IDCC1b will pick up this margin and hence can turn a negative or zero RAM/ATC from IDCC1 into a positive value. When ROSC is in place, the congestion is reduced to 100% loading but ROSC will not create extra margin, hence there is no guarantee that a negative or zero RAM/ATC from IDCC1 can be turned into a positive value.</li> <li>- The added value of IDCC1b will fade out with the implementation of the target model (ROSC with 4 IDCCs). Hence to capture its value, it is required to prioritize the implementation of IDCC1b over other Core (ID) developments.</li> <li>- An open point to be resolved is the alignment with parallel ID trades taking place (both IDA1, IDA2 and continuous trading). In case IDA2 is heavily used by the market, the re-computation done early on in the day should consider these exchanges (e.g. via usage of IDCFS).</li> </ul>	
EDF	<p>("Yes").</p> <p>EDF supports in principle the idea of additional capacity recalculations that would allow a better alignment with the latest system state including full remedial action coordination (provided these recalculations also reflect the progressive reduction of uncertainties), even if the resulting capacities are not allocated through ID auctions (in EDF's understanding, the recalculation envisaged by ACER would be the "IDCC 3" mentioned during last CCG, which would result in capacities allocated through the continuous SIDC). But conversely, EDF considers that a consistent capacity calculation is a prerequisite for a useful ID auction, and that a later additional capacity calculation cannot be a satisfactory replacement solution in case IDCC 1 cannot be performed on a sound base</p>	

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	<p>case due to a systematic delay in the delivery of the CGM incorporating the remedial actions from CROSA. Therefore, EDF would like a quantification of the frequency of cases where this delay could prevent a proper coordination of the CROSA and IDCC processes. In that case – as for the general case during the interim solution between the implementation of the IDCC 1 and ROSC v1 (cf. answer to question 1) – EDF considers that offering the DA leftovers in lieu of the calculated ID capacities (or the maximum between both values) should be preferred.</p>	
CEZ	<p>(“Yes”).</p> <p>We have already stated in the past that if the recalculation leads to change / improvement in cross-border capacities, it should be done. Hence, suggested approach seems to be correct. However, we’re bit worried about a timeline, which foresees that recalculation taking place only between 12-24 hours of the D day. This should be done earlier, as suggested by ACER.</p>	
EFET-MPP-IFIEC	<p>(“Yes”).</p> <p>We strongly support the proposal to improve the CCM during the interim period and to recalculate capacities after the CROSA runs to ensure the IDCC is as synchronized as possible with “interim versions” of ROSC (awaiting ROSC v2). As such, we find the introduction of a temporary IDCC1bis to be a no-regret step towards a workable interim solution.</p> <p>Still, as mentioned by a working group on 17 July: “the final result of the current DA security analysis process is not always congestion free. Thus, there will be moments where an IDCC1bis has no impact.” It is therefore difficult for market participants to assess how effective this measure will be in bringing additional capacity - in particular at times of high pre-congestions.</p> <p>Nonetheless, we would encourage Core TSOs to pursue the implementation of this improvement, keeping in mind that further analyses/measures may be necessary to fully make up for the absence of minRAM, NRAO or full ROSC in the interim period.</p>	

	Respondents' views	ACER views
<p><b>Topic 3: Conversion of cross-border relevant network elements with contingencies (XNECs) from CROSA to critical network elements with contingencies (CNECs)</b></p> <ul style="list-style-type: none"> <li>• Do you agree with the proposed possibility of conversion of XNECs from CROSA to CNECs? (as a permanent/temporary solution)</li> <li>• Do you have any other comment regarding this topic?</li> </ul>		
APG	<p>(“Yes, as a permanent solution”)</p> <p>APG agrees with converting XNECs, which are overloaded before CROSA, into CNECs, viewing it as a critical functionality after the introduction of ROSC. This conversion is essential to ensure that the XRAs ordered in ROSC remain effective and to prevent any ID market trading counteracting those XRAs. This conversion should be done considering an appropriate threshold (minimum sensitivity).</p> <p>If relevant XNECs are not considered in IDCC, each XRA applied for a non-CNEC-XNEC in the ROSC process would result inefficient, as the outcome of the IDCC would allow to overload the XNEC again, worsening the congestion and mitigating the relieving effect of the XRAs. As it is very likely that the ID market trades in the already congested direction additional XRAs would be necessary, resulting in lower overall process efficiency. Furthermore, APG sees not considering the relevant XNECs from CROSA during IDCC as a threat to system security, because of reduced XRA potential and reduced lead times for resolving overloads after IDCC.</p>	<p>ACER considers that if there was a security issue on a XNEC with low sensitivity to cross-zonal transactions (and hence with a maximum zone-to-zone PTDF below 5%), this would be primarily due to internal transactions causing internal flows on that XNEC. Therefore, a permanent solution based on reducing cross-zonal transactions (which cause allocated flows) to slightly decrease the loading of an XNEC with low sensitivity to cross-zonal exchanges would be considered disproportionate and discriminatory towards cross-zonal exchanges.</p>
SEPS	<p>(“Yes, as a permanent solution”)</p> <p>We consider the conversion of XNECs to CNECs as the most effective solution how to ensure that the effect of applied RAs from ROSC will not be counteracted by additional ID trading. This is important especially in situations when internal RD is not available and only cross-border RAs are available to solve the congestions.</p>	<p>However, since experience is needed to analyse this approach, ACER has allowed for a temporary one-year conversion</p>
HOPS	<p>(“Yes, as a temporary solution”)</p> <p>There should be a synergy between the ROSC and IDCC processes. However, as XNECs are used in operational security analysis, potential influences on CNECs should be assessed and criteria agreed by all Core TSOs. The right balance between these two coordinated processes (ROSC and IDCC)</p>	

	Respondents' views	ACER views
	<p>should lead to additional exchanges on ID market. With the aim to solve all congestions of all XNECs by applying cross-border redispatch, converting XNEC to CNECs with an agreed minimum sensitivity can free up additional ID capacity although we understand that technically (ignore elements with low sensitivity) and legally (CACM) this is very clear. At this stage, we agree with ACER's position, while after implementation of ROSC it could be reconsidered.</p>	<p>of XNECs to CNECs, regardless of their PTDF, but under a number of conditions, including that the TSOs would analyse and propose appropriate specifications for this conversion. Such conversion is meant to be a temporary solution, and only to be used as a last resort measure.</p>
<p>ELIA</p>	<p>(“No”)                      The legal framework is imposing antagonistic requirements upon TSOs (ROSC Art 31.3a vs. CACM Art 29.3b) thus making it subject to interpretation.                      Elia has no intention to include XNEC with PTDF&lt;5% in capacity calculation, and interprets that the significance criterion put forward by CACM prevails. Elia therefore answers “no” to this question.                      At the same time, Elia acknowledges that other Core TSOs can make different interpretations. Therefore it can be expected that concerned Core TSOs will apply IVA or reduce ATCs during individual validation if not all XNECs are considered during the calculation. This will be even more the case if virtual capacity would be considered. Elia considers the application of IVA or ATC to be less transparent and less efficient compared to the inclusion of XNECs with PTDF &lt; 5%.                      As this topic is ‘only’ relevant as from the go-live of Core ROSC, it should be part of the broader discussion to have on the target model (ROSC vs. IDCC objective function).</p>	<p>Further details are provided in Section 7.2.2.5.1 of ACER’s Decision.</p>
<p>HEP</p>	<p>(“No”)                      Not having market for redispatching measures in Croatia, we express fear that additional critical elements in the network after Day-ahead concludes, TSOs in Croatia and the region won't have availability for additional counter measures apart from extra reducing already congested cross zonal/border capacities necessary for intraday trading. Comparing period from the June 2022 till May 2023 we can already see reduction in the flow based intraday availability of the cross-border capacity comparing the same period and NTC method. For Croatia especially problematic is reduction of HU -&gt; HR direction when Croatia imports electricity (summer 2022) and HR -&gt; SI when Croatia exports electricity (spring 2023).</p>	

	Respondents' views	ACER views
EDF	<p>(“No”)</p> <p>EDF only agrees with the conversion of XNECs from CROSA to CNECs under the conditions stated by ACER, i.e. if their sensitivity to cross-zonal exchanges is above the standard threshold of 5% used in capacity calculations (but in that case, EDF wonders whether there can be XNECs which are not already CNECs in the IDCC). Indeed, while EDF agrees with the need to avoid a loop of cross-border RAs increasing capacities in the aggravating direction and subsequent trade using these additional capacities, EDF sees no reason to deviate from the general principle that under a certain sensitivity threshold, overloaded network elements (no matter whether this overload is identified in the CC or in the CROSA) should not limit cross-border exchanges – which is way to implement the requirement that there should be no undue discrimination between internal and cross-zonal exchange. EDF thus shares the view that congestion management for XNECs with a low sensitivity should be left to internal redispatching, or to cross-border RAs that are decided at a later point in time and not incorporated in the CGM resulting from the DA CROSA.</p>	
EFET-MPP-IFIEC	<p>(“No”)</p> <p>For this topic, we refer to our general feedback in the introduction. We believe the overarching principal is for the ID timeframe to provide a smooth transition from the DA to the balancing timeframe, in terms of market opportunities (i.e. capacity provided) and convergence to the reality of the grid.</p> <p>We do not fundamentally oppose the conversion of XNECs to CNECs, as long as the resulting capacities in ID do not reduce drastically compared to the DA. In other words, this conversion should be made only when the CROSA runs are sufficiently able to mitigate pre-congestions.</p> <p>Otherwise, the additional network elements simply impose another layer of capacity restrictions and the market has to accept a second-best solution in terms of welfare creation, with few benefits.</p> <p>Two additional elements:</p> <p>(1) It is still important to remove XNECs that are below the 5% threshold. This prevents elements with low remaining capacity from being overly restrictive in the ATC calculation when they are in</p>	

	Respondents' views	ACER views
	<p>fact not heavily impacted by cross-zonal exchanges. The higher this threshold, the less restrictive CNECs become, and the more ATC can be extracted.</p> <p>(2) The inclusion of excessively large amounts of network elements would eventually approach a nodal grid model within a market timeframe, which would go against the philosophy of the EU's IEM.</p>	
<p><b>Topic 4: Minimum capacity values and flow-based domain extension</b></p> <ul style="list-style-type: none"> <li>Do you have any view regarding this topic? If yes, please explain.</li> </ul>		
APG	<p>APG is strongly against the concept of any type of virtual capacities in intraday. The requirement according to Article 16 of the Regulation (EU) 2019/943 (Electricity Regulation) is complied with in the Day-Ahead Capacity Calculation. Considering the risk for operational security, APG does not accept minimum capacity values in intraday, whether applied explicitly by using a minimum RAM or implicitly by extending the flow-based domain at CNEC level, or by any other modification. There are three main reasons for this stance:</p> <p>(1) Minimum capacities pose a risk for operational security as capacities may rely on the short-term activation of (costly) remedial actions. As the intraday operations are close to real time and most of the trading activities occur close to gate closure, time to detect overloads and lead times to coordinate and activate RAs for the magnitude of minimum capacities is insufficient. Thus, minimum capacities are impossible to implement from the current aspect.</p> <p>(2) If minimum capacities were applied, TSOs would be forced to “guess” the market outcome and to apply preventive (costly) RAs with high uncertainties regarding volume and market direction. Depending on the real market outcome such remedial actions could even end up being counterproductive and therewith increasing operational security risk. Finally, these capacities enabled by RAs may not be utilized by the market, causing welfare losses and even pose a high risk for operational security due to missing concepts and processes.</p> <p>(3) The introduction of minimum capacities would significantly impact the planning of several other processes by increasing their complexity and operational stress (e.g. a rolling congestion management dealing with multiple possible market outcomes simultaneously).</p>	<p>ACER considers that the minimum capacity target specified in Article 16(8) of the Electricity Regulation applies to the intraday timeframe. At the same time, ACER notes the Core TSOs' concerns that immediate implementation of the requirement in the intraday timeframe may result in excessive reliance on virtual capacities. In view of these concerns, ACER's Decision provides the Core TSOs with additional time to analyse possible implementation measures, including structural measures, such as targeted investments and bidding zone reconfiguration.</p>

	Respondents' views	ACER views
SEPS	<p>Enlarging the domain with virtual margins so close to real time poses big operational risks. Introduction of minimum ID capacities would also require fundamental changes in the business process, timings, adaptations of central and local tools, etc. It would inevitably lead to significant delay of IDCC go-live.</p>	<p>Further details are provided in Section 7.2.2.7.1 of ACER's Decision.</p>
HOPS	<p>We do not agree with the application of minimum capacity values (70% minRAM in ID) concept. It is not acceptable for us.</p> <p>We support the initial flow-based domain extension at the CNEC level equivalent to an increase of available transmission capacity (ATC) by a certain amount on each border (minimum ATC concept, approx. 100 MW) until CROSA/ROSC Go-live as a transitional arrangement within which during validation phase each TSO will have a right to adjust ID capacity values (RAM or ID ATC to lower values). It can be noticed that during external parallel run (<a href="https://parallellrun-publicationtool.jao.eu/coreID/ID2_validationReductions">https://parallellrun-publicationtool.jao.eu/coreID/ID2_validationReductions</a>) there was application of validation reduction mainly in exceptional cases. The main CROSA outputs may not include a final list of remedial actions, which could result in additional intraday capacities and this can be done during additional checks during validation phase after applying the minimum ATC concept (an increase/decrease concept similar to Annex 5 of 1st IDCC amendment) until outputs from ROSC can be used. This is still in line with ID CCM that offers TSOs the possibility to validate the calculated flow-based parameters with the aim to correct cross-zonal capacity for reason of operational security.</p> <p>So far similar approach was successfully used (ID ATC equivalents from DA FB CC process and afterwards bilateral ATC updating) which in the end created added values for market participants.</p>	
ELIA	<p>Applying virtual capacity to reach minimum capacity targets is a known recipe from day ahead capacity calculation to avoid undue discrimination.</p> <p>The intrinsic motivation to avoid undue discrimination is also relevant in the ID context, yet ignoring internal congestion becomes critical as we are approaching real time grid operation:</p> <ul style="list-style-type: none"> <li>a) TSOs need to resort to local processes as there is no time anymore to run a coordinated CROSA</li> <li>b) TSOs depend on the availability of local volume of fast resources to manage the congestion.</li> </ul>	



	Respondents' views	ACER views
	<p>c) The validation step in IDCC &amp; BTCC also turns into a shadow capacity calculation, with in comparison to DACC much less time to execute and without a perspective to coordinate across borders.</p> <p>Therefore the structural solution cannot be found by only looking at the IDCC process. For the target model (i.e. with ROSC CROSAs + 4 IDCCs) Elia agrees with CREG that the ROSC objective function is part of the fundamental debate to have. Elia is convinced that this goes beyond the decision-making process for ID CCM. The fundamental debate belongs to the revision of electricity regulation and network codes (CEP update, CACM 2.0, SOGL 2.0), the Core ID CCM updates required will follow afterwards.</p> <p>Yet, seen the limitations observed with aligning the Core IDCC process with today's less (time) performant DA security analysis processes, there is a need for a temporary "patch" within the IDCC process. Any possible use of virtual capacities must however be proportionate and possible. A mere extension of the 70% rule in ID or giving additional capacity in Intraday, on top of what was already used in Day Ahead is not.</p> <p>For the temporary "patch", an appropriate level would be to include the use of virtual capacity in ID (minRAM based) as done today in the DA leftover process. This means 20% minRAM minus already allocated capacities. Core TSOs already have experience with this type and level of minRAM application for the ID timeframe. By considering already allocated capacities in the minRAM application, heavily utilized market directions during previous allocation moments are not further (over)burdened, but (ideally) possibilities are created for some capacities in the opposite market direction(s).</p> <p>Elia believes that the combination of IDCC1b and the 20% minRAM patch is the right way forward to bridge the period until the implementation of the target model. It enables to implement an important stepping stone of the target model, namely a proper recalculation of ID capacities upon a D-1 grid model in which RAs are coordinated. And it is expected to tackle the rightful concern on BZ isolation.</p>	
HEP	<p>As already mentioned, in Croatia we don't have any remedial actions available as market service. Instead, HOPS can only force any market participant to curtail their generation or make topology</p>	



	Respondents' views	ACER views
	switches without paying any cost which they caused for the market participants (floods, consumption curtailment, etc.).	
EDF	EDF considers that the time constraints mentioned by TSOs cannot be equally applied for all MTUs covered by the CC: while the remaining time to activate RAs is indeed limited for the first ones, at least the application of a min RAM could probably be envisaged for the last ones. The opportunity of such a minRAM application (or the other option of flow-based domain extension at CNEC level, which should be further detailed) depends, in EDF's view, on the way RAs are managed by TSOs: if these RAs are ordered early enough, preferably through countertrading performed in ID which is better in terms of price signals sent to the market, it makes little sense to continue to apply a minRAM in ID once the corrective measures to deal with the previously allocated virtual capacity have taken place; if, on the contrary, RAs are ordered late (e.g. in the balancing timeframe), it seems legitimate that the market continues to work in ID with the virtual capacities that result from the requirement of Article 16 of the Electricity Regulation.	
CEZ	In general, we would welcome implementation of either of these options, to ensure there is at least some cross-zonal capacity available for intraday cross-zonal trade.	
EFET-MPP-IFIEC	<p>The first results of the IDCC1 parallel runs – which are performed without minRAM nor LTA inclusion - show a resurgence of higher frequency of bidding zone isolation in the Core region and lower average cross-zonal capacities compared to operational values. This is particularly significantly for NL and few other BZs (BE, CZ, RO export). The domain is fully dependent on the TSOs' individual ability to manually solve pre-congestions (non-coordinated/automated process).</p> <p>We are in favour of maintaining current operational safeguarding practices so that there is no step back from the current standard of capacity availability. In this sense, we share the view that the use of minimum capacity remains necessary during the interim period and until the advent of ROSC. This should mitigate the isolation risk for bidding zones that are particularly sensitive to it, while allowing the TSOs to take a step forward in grid quality by implementing the domain recalculation on more recent grid models.</p>	

	Respondents' views	ACER views
<b>Topic 5: ATC-based validation</b>		
<ul style="list-style-type: none"> <li>Do you agree with the ATC-based validation as proposed by the Core TSOs?</li> </ul>		
APG	APG re-confirms the necessity and value of an ATC-based validation as proposed by the Core TSOs, as it considers it to be a reliable, transparent and fast approach to validate capacities during intraday capacity calculation.	Validation in a flow-based capacity calculation must be performed on a CNEC level, to maintain the information on the location of the congestion and to allow for capacity reduction only to the extent necessary to guarantee operational security. However, to address the Core TSOs' concerns about the constrained timings of the CNEC-based validation, ACER has allowed for a temporary ATC-based validation, under the conditions set out in Annex 6 of the Core ID CCM. Further details are provided in Section 7.2.2.8 of ACER's Decision.
SEPS	We agree with proposal to use it as a fallback solution on a temporary basis.	
HOPS	We agree with the ATC-based validation as a temporary solution until the intraday allocation process is able to accept the flow-based parameters as inputs (instead of ATCs converted from the flow-based domain).	
ELIA	Elia is in favour of the ATC-based validation possibility, seen it gives the possibility to reduce capacities on border level, as a fallback, in case the IDCC results are deemed not representative anymore for certain bidding zone (borders). This could be required in situations where the used grid model in the IDCC is not accurate (anymore), e.g. in case of last-minute outages of significant grid elements. In such cases, it could be beneficial to limit capacities on a BZ border level only, instead of CNEC level. Bidding zones that are further away, and which are less impacted by the grid "inaccuracy" could then be left out in the capacity reduction.  Elia deems this "fallback" option useful until the moment SIDC switches to Flow-Based Allocation.	
EDF	EDF is very cautious on any validation step that may lead to arbitrary capacity reductions at the end of the CC process and would like to be sure that this ATC-based validation doesn't give an additional degree of freedom to TSOs to reduce capacities for reasons that are not truly related to network security (e.g. to cope with a failure of the new CC tools and processes, or to more easily manage internal congestions). EDF therefore requests a close monitoring, by NRAs and ACER, of the capacity reductions performed through this ATC-based validation, using the detailed information that TSOs commit to provide in such a case. EDF however welcomes the information given in CCG that RTE doesn't plan to apply neither IVAs, nor ATC validation on a daily basis, and hopes that RTE will stick to this commitment.	

	Respondents' views	ACER views
EFET-MPP-IFIEC	<p>As already mentioned in our response to the consultation on the 3rd amendment of the IDCCM, we favour keeping the validation purely flow-based, since ATC allocation should be phased out starting in 2026/2027.</p> <p>However, while we support and understand the need for TSOs to ensure grid security, we also call for a strictly proportional and justified use of such Individual Validation Adjustment (IVA) validation. In DA, we already observe occurrences of IVA where bulk reductions are applied, leading to no capacity remaining on some CNECs/borders. In ID, the time window for validation is shorter, thus bulk reductions could be applied even more often, as a straight-forward shortcut compared to more sophisticated solutions.</p> <p>Finally, if an ATC validation were to be implemented nonetheless, we find it essential that the validation must be included as additional constraints in the extraction algorithm itself, rather than ex-post. Indeed, if the extraction selects a particular ATC domain which is then shrunk ex-post, this represents in our view a sub-optimal capacity allocation because another solution domain, which could satisfy both the ATC validation and the FB constraints could have been found instead.</p>	

	Respondents' views	ACER views
<p><b>Topic 6: Other proposed changes</b></p> <p><i>Applying intraday flow reliability margin (FRM) lower or equal to the day ahead FRM (changes to Article 8(10) Core ID CCM);</i></p> <p><i>Specifying a right to reduce the capacities provided for intraday trade in exceptional network situations (new Article 4(11) Core ID CCM);</i></p> <p><i>Providing for a possibility to delay the delivery of intraday capacities (new Article 4(12) Core ID CCM);</i></p> <p><i>Converting potential negative RAM values into negative ATCs: changes to Article 21 Core ID CCM.</i></p> <ul style="list-style-type: none"> <li><i>Do you have any comment regarding these proposed changes?</i></li> </ul>		
APG	<p>APG re-confirms the proposed changes as we see a need for the possibility to reduce capacities during the day, as well as reflecting negative RAMs in extracted ATCs.</p> <p>In contrast to the introduction of virtual capacities, APG sees the reduction of FRMs as a more appropriate and reasonable measure to provide acceptable capacities for intraday and thus principally supports this change. Non-the-less further focused efforts are necessary to increase the quality of CGMs and processes, including the coordination and further harmonization amongst highly interdependent regions, as we partly observe high uncertainties between ID and real-time, that are exceeding the magnitude of the currently applied FRMs. A further FRM-reduction would worsen the situation. As long as this remains, the validation concepts and tools need to be able to identify such problems and timely mitigate them to ensure secure system operation.</p>	<p>ACER agrees with APG's position on the need to improve the CGM quality and coordination processes.</p> <p>ACER's position on negative capacities is set out in sections 7.2.2.2 and 7.2.2.5.3 of ACER's Decision.</p>
ELIA	<p>Applying intraday flow reliability margin (FRM) lower or equal to the day ahead FRM: changes to Article 8(10) Core ID CCM;</p> <p>- Elia is in favor of this change, seen it is compatible &amp; aligned with the foreseen DA lump sum FRM approach (of 10% of Fmax), while giving the possibility to select a different lump sum value (e.g. 5% as intended by Core TSOs).</p> <p>Specifying a right to reduce the capacities provided for intraday trade in exceptional network situations: new Article 4(11) Core ID CCM;</p>	<p>ACER's position on applying intraday FRM lower or equal to the day ahead FRM is set out in recital (87) of ACER's Decision.</p>

	Respondents' views	ACER views
	<ul style="list-style-type: none"> <li>- The SOGL and Core ROSC methodology do allow for a reduction of cross-zonal capacity, mentioning a depletion of available (X)RAs as a criterion. This link to completely used RAs could be made within the ID CCM.</li> <li>- Elia supports that Core TSOs have the right to unilaterally limit cross-zonal capacities outside of the coordinated capacity calculation.</li> <li>- Elia underlines this must be a last resort measure to guarantee operational security and properly justified e.g. it must be explicitly linked with avoiding to go in alert state or an emergency state despite the use of available RAs, as defined in SOGL Article 18</li> </ul> <p>Providing for a possibility to delay the delivery of intraday capacities: new Article 4(12) Core ID CCM;</p> <ul style="list-style-type: none"> <li>- Elia is in favor of this change, seen at ROSC go-live, the IDCC process will become dependent on a timely executed DA / ID CROSA. This change in the ID CCM allows to submit capacities until the latest moment that IDA can still accept them. This to maximize chances to avoid an application of a fallback, and still use a ROSC output.</li> </ul> <p>Converting potential negative RAM values into negative ATCs: changes to Article 21 Core ID CCM.</p> <ul style="list-style-type: none"> <li>- Elia is in favor of this change, seen the two main components (PTDF scaling + PTDF filtering) will prevent that distant borders get disproportionate negative ATCs in case of negative RAMs, or are even not considered in case deemed distant enough (i.e. below PTDF filtering threshold). This will allow cross-zonal exchanges to be less blocked by far away CNECs with very low or negative RAMs.</li> </ul>	<p>ACER's position on the 'right to reduce' is set out in recitals (76) and (81) of ACER's Decision.</p> <p>ACER's position on providing a possibility to delay the delivery of intraday capacities is set out in recital (82) of ACER's Decision. Related amendments are in Article 4(9) and Article 20 of Core ID CCM.</p>
HEP	<p>Unfortunately, we have a fear that HOPS will only apply this measure: specifying a right to reduce the capacities provided for intraday trade in exceptional network situations: new Article 4(11) Core ID CCM</p>	See above.
EDF	<p>EDF welcomes the addition of the possibility to apply in ID a FRM that is lower than the one applied in DA (as for the parallel run), but considers that this should not only be an option: EDF hardly sees how there could be no difference between both values given the significant reduction of</p>	See above.

	Respondents' views	ACER views
	<p>uncertainty between the two timeframes (notably because the IDCC is performed after the first schedule of generation assets and because the forecasts of consumption and RES generation are more precise), and considers that this uncertainty reduction must necessarily be reflected in ID FRM values.</p> <p>EDF considers that the right to reduce the capacities provided for intraday trade in exceptional network situations should be more clearly framed and that the applicable (coordinated) process in that case should be described. As for the validation steps, the application of this right should be closely monitored by NRAs.</p> <p>EDF disagrees with the possibility to delay the delivery of intraday capacities as stated in Article 4(12) of the Core ID CCM: cf. answer to question 2.</p> <p>EDF is a priori supportive of the new proposed method for converting negative RAM values into negative ATCs, which avoids disproportionate negative ATCs on distant Core borders with a small negative RAM. However, a more detailed impact assessment would be needed – which could by the way also study the possibility of an evolution of the rules for RAM sharing in case it is positive. To avoid the drawbacks of any fixed rule for RAM sharing (positive or negative), EDF considers that the best solution remains the quick implementation of a flow-based allocation in ID.</p> <p>Finally, EDF considers that negative ATCs should not only be offered in the continuous SIDC, but also in the ID auctions, and should act here as a hard constraint, which would allow to solve the identified congestions through the market – the result being equivalent to a coordinated countertrading. A way of implementation could be that negative congestions rents resulting from the negative ATCs (and corresponding to congestion management costs to be incurred by TSOs) are allowed in the allocation process.</p>	
CEZ	<p>We would like to ask for a clarification of new changes in Article 8 of Proposal 2 - FRM may now be equal or lower than initial FRM for CNECs already used in the capacity calculation processes. Why there is a new suggestion that FRM may be lower? We rather disagree with this change. Article 4(11) is missing - hence we cannot provide opinion on this.</p>	<p>See above.</p> <p>Regarding FRM-related question, the approved amendments to Article 8(10) ensure that the FRM in intraday</p>

	Respondents' views	ACER views
	<p>As mentioned above, we do not agree with the possibility to further postpone delivery of intraday capacities pursuant to 4(12).</p>	<p>is at least equal or lower than the FRM in the day-ahead timeframe. ACER considers it technically justified as the level of uncertainties is lower when getting closer to real time. We also note that lower FRM entails higher RAM, and thus more capacity for the cross-zonal market exchanges.</p>
<p>EFET-MPP-IFIEC</p>	<p>We encourage ACER to continue investigating all elements with potential benefits. One example of such elements could be the potential benefits of keeping negative ATCs as hard constraints in the intraday auctions.</p> <p>Within the proposed methodology, negative ATCs can indeed be extracted, as a result of having CNECs with negative RAMs in the domain due to the absence of any minRAM. While these negative values are allocated to the continuous trading segment, they are capped to 0MW during the Intraday Auctions (IDAs), supposedly because this could cause the clearing algorithm to fail.</p> <p>Having negative ATCs in the auction would effectively provide a signal for participants to help TSOs alleviate congestion in the domain, in a transparent and market-based setting. Since such negative values derive from pre-congestions, they should have in principle been solved by TSOs before the auction. This provides additional incentives for TSOs to apply all possible remedial actions and can reduce the overall cost for the system. Besides, we find the algorithm failure argument (no solution can exist if all the negative capacity is not fully taken) to be rather weak, and easily manageable by adding price bounds or slack variables.</p>	<p>See above.</p>