

To: ACER

Ref: Consultation document on „The definition of of capacity calculation regions”

Dear Madam/Sir,

Regarding The Agency invitation to express their views on the five questions for „The definition of of capacity calculation regions” please find below the responses of The Association of Electricity Suppliers in Romania

1. Do you consider both the commitment from the CWE and the CEE TSOs to cooperate towards a merger of the CWE and CEE CCRs and the MoU signed on 3 March 2016 as sufficient to ensure that the CWE and CEE regions will develop and implement a common congestion management procedure compliant with the requirements of the CACM Regulation, as well as of Regulation (EC) No 714/2009? Or should the definition of the CCRs provide for a CCR already merging the proposed CWE and CEE regions to ensure compliance with the required common congestion management procedure?

We consider the commitment from the CWE and the CEE TSOs to cooperate towards a merger of the CWE and CEE CCRs and the MoU signed on 3 March 2016 as sufficient to ensure that the CWE and CEE regions will develop and implement a common congestion management procedure compliant with the requirements of the CACM Regulation, as well as of Regulation (EC) No 714/2009. No need for a redefinition of CCRs.

2. Do you have comments on the description of the geographical evolution of the CCRs over time, as proposed by all TSOs in Annex 3 to the Explanatory document to the CCRs Proposal?

No additional comments to the Annex 3 to the Explanatory document to the CCRs Proposal

3. Should the CEE region (or a merged region) include the bidding zone borders between Croatia and Slovenia, between Croatia and Hungary, and between Romania and Hungary?

We fully support the inclusion of the bidding zone borders between Croatia and Slovenia, between Croatia and Hungary, and between Romania and Hungary into CEE region (or a merged region) considering the following reasons:

- a. Since the European regions, as by Regulation 714, were set-up a decade ago, they no longer reflect the actual EU energy sector development, in terms of internal market and Energy Union, therefore we consider that the ENTSO-E proposal for the capacity calculation regions fills-in this gap as an essential step towards IEM implementation.
- b. The RO-HU border is already included into implicit capacity allocation mechanism in CEE region, since November 2014, in the framework of the RO-HU-SK-CZ market coupling (4M MC project).
- c. The exclusion of the RO-HU border from CEE CCR will have a negative impact on the market participants and final consumer in Romania, not allowing them to benefit from a flow-based capacity calculation advantage at the same time as CEE market participants, although Romanian TSO has the necessary technical background and knowhow as the CEE TSOs, and the Romanian market is a mature market with experienced participants, entitled to same trading opportunities (in respect of benefits of flow-based capacity calculation) as their neighbors.
- d. The provisions of the CACM:
Article 15:

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- 2. (c) at least those TSOs shall be assigned to all capacity calculation regions in which they have bidding zone borders.
 - 3. Capacity calculation regions applying a flow-based approach shall be merged into one capacity calculation region if the following cumulative conditions are fulfilled:
 - (a) their transmission systems are directly linked to each other;
 - (b) they participate in the same single day-ahead or intraday coupling area;

Article 20.4 The TSOs from Member States which have borders with other regions are encouraged to join the initiatives to implement a common flow-based capacity calculation methodology with these regions.

We consider that the issues here-above are fully in line with EU regulation and ACER and EC vision regarding the IEM implementation aiming to ensure fair and non-discriminatory conditions for all European market participants.

4. Should the CEE region (or a merged region) include a bidding zone border between Germany/Luxembourg and Austria?

We fully support ENTSO-E proposal substantiated into the *Explanatory document to all TSOs' proposal* and the ACER's Opinion No 09/2015.

5. Do you have comments on any other new element or development concerning the CCRs Proposal which occurred after the public consultation held by ENTSO-E from 24 August to 24 September 2015?

No further comments.

Best regards,
Ion LUNGU

AFEER President

