APPROVAL BY THE GREECE-ITALY REGULATORY AUTHORITIES AGREED AT THE GREECE-ITALY ENERGY REGULATORS’ REGIONAL FORUM OF

THE GREECE-ITALY TSOs PROPOSAL FOR THE REGIONAL SPECIFIC CCR GREECE-ITALY ANNEX TO THE HARMONISED ALLOCATION RULES FOR LONG TERM TRANSMISSION RIGHTS IN ACCORDANCE WITH ARTICLE 52 OF COMMISSION REGULATION (EU) 2016/1719 OF 26 SEPTEMBER 2016 ESTABLISHING A GUIDELINE ON FORWARD CAPACITY ALLOCATION

01 November 2021
I. Introduction and legal context

This document elaborates an agreement of the Greece - Italy Regulatory Authorities (in the following: GRIT NRAs), made at the Greece – Italy Energy Regulators’ Regional Forum on 01 November 2021, on the Greece – Italy TSOs (in the following: GRIT TSOs) Proposal for the Regional Specific Annex for CCR Greece – Italy (in the following GRIT Annex) to the Harmonised Allocation Rules (in the following: HAR) for Long Term Transmission Rights (in the following: LTTRs) submitted in accordance with Article 51, 52(3) and 55 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation (in the following: FCA).

This GRIT NRAs’ agreement shall provide evidence that a decision on the GRIT Annex to the HAR for LTTRs does not, at this stage, need to be adopted by ACER pursuant to Article 4(10) of FCA. It is intended to constitute the basis on which the GRIT NRAs will each subsequently take national decisions pursuant to Article 4(9) of FCA to approve the GRIT Annex to the HAR.

The legal provisions relevant to the submission and approval of the GRIT Annex to the HAR, and this GRIT NRAs agreement, can be found in Articles 3, 4, 51, 52, 54 and 55 of FCA.

II. The Greece – Italy TSOs proposal

The GRIT Annex to the HAR contains specific provisions related to LTTRs issued for the Italy SUD – Greece border, that complement the general provisions included in the HAR.

The first version of the GRIT Annex to the HAR, was approved by the GRIT NRAs at the Greece-Italy Energy Regulators’ Regional Forum on 11 October 2017, producing effects starting with the 2018 yearly auction and a second version of the same document was approved on 29 November 2018, with effects from the 2019 yearly auctions.

On the occasion of the periodical update of the HAR, the GRIT TSOs prepared a new version of the GRIT Annex that was consulted on the ENTSO-E platform from 3 May 2021 to 3 June 2021, along with the main body of the HAR and some amendments for the regional Annex for the Core CCR. This new version was received by the last concerned regulatory authority on 30 August 2021.

Article 4(9) of FCA requires GRIT NRAs to consult and closely cooperate and coordinate with each other in order to reach an agreement, and take decisions within six months following receipt of submissions of the last concerned Regulatory Authority. A decision by each Regulatory Authority would therefore be required by 1 March 2022; nonetheless, in order for the new rules to apply from the 2022 yearly auctions. GRIT NRAs agree to issue their national decisions on the approval of the GRIT Annex to the HAR by 15 November 2021.

The new version of the GRIT Annex to the HAR confirms the application of a monthly cap for compensation granted to LTTR holders in case of curtailment of LTTRs, while it no longer includes a temporary provision about the day ahead firmness deadline, since with the go-live of the market coupling on the Italy SUD – Greece border in December 2021, the standard day-ahead firmness deadline (11.00 CET) applies and there is no longer any need for a special arrangement for the curtailment deadline.

III. Greece-Italy Regulatory Authority position

Article 52(3) of FCA states that the HAR may include specific requirements “in particular for but without limitation to” the description of the type of LTTR offered on each bidding zone border, the remuneration regime to be applied on each bidding zone border, the alternative coordinated regional fallback solutions, the regional compensation rules defining regional firmness regimes. Moreover Article 54(1) allows the TSOs to propose monthly caps to the compensation granted to LTTR holders in case of DCC interconnectors.

The specific rules proposed by GRIT TSOs are consistent with the FCA provisions mentioned above. In particular, the GRIT NRAs welcome the removal of the temporary provisions on the day ahead firmness deadline, since, as already mentioned in the previous version of the GRIT Annex, these provisions were valid until market coupling on the relevant bidding zone border was achieved. GRIT NRAs also agree to maintain a monthly cap on the compensation granted to LTTR holders in case of curtailment: the frequency of the outages on the Greece – Italy cable is not negligible and the presence of a cap protects the GRIT TSOs from paying compensation higher than the effective congestion rent.

IV. Conclusions

The GRIT NRAs have consulted and closely cooperated and coordinated to reach agreement on the approval of the GRIT Annex to the HAR submitted by the GRIT TSOs pursuant to Article 52(3) of FCA. The GRIT NRAs must take their national decisions to approve this Annex, on the basis of this agreement, by 15 November 2021, in order for the new rules to apply from the 2022 yearly auctions.