

# EU-EnC market coupling – what is needed from EU perspective?

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# EU market coupling: legal framework

CACM implementation

13 pan-European Terms and Conditions or Methodologies (TCMs) approved by all NRAs or ACER

## Pre-coupling

- Capacity Calculation Regions
- Generation and load data provision
- Common Grid Model
- Day ahead firmness deadline
- Intra Day Gate Times

## Coupling

- MCO Plan
- Algorithms
- Products
- Back up
- Harmonised Maximum and Minimum Prices
- Intra Day Cross Zonal Capacity Pricing

## Post-coupling

- Scheduled exchanges
- Congestion income distribution



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# EU market coupling: contractual framework

NEMOs and TSOs adopted a unique contractual framework for the single day ahead coupling based on the following agreements:

	NEMO	TSO	
NEMO	ANCA ANDOA ANIDOA	DAOA IDOA SLA JAO	ANCA = All NEMO Cooperation Agreement ANDOA = All NEMO Day Ahead Operational Agreement ANIDOA= All NEMO Intra Day Operational Agreement DAOA= Day Ahead Operational Agreement IDOA= Intra Day Operational Agreement SLA JAO = Service Level Agreement with JAO
TSO		TCDA TCID	TCDA= TSO Cooperation Day Ahead TCID= TSO Cooperation Intra Day



# Market Coupling Projects before and after CACM

- Before the entry into force of CACM, it was possible to set up market coupling projects based on different rules.
- Each project was allowed to define its own governance, market clearing algorithms, products, gate opening and closure time, capacity calculation methodologies, back up and fall back procedures...
- With CACM, all EU MSs have to adopt the same TCMs which regulate cross border transactions in DA and ID time frames.
- Common rules are embedded in an overarching contractual framework



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# EU-EnC market coupling: what is needed

- In order to be included in EU SDAC and SIDC, EnC CPs need to adopt the same legal and contractual framework as EU MSs.
- In fact, while it is possible to implement market coupling projects among EnC CPs (e.g between Montenegro and Serbia) regardless to the adoption of CACM, it seems very difficult and risky to implement market coupling projects between EU MSs and EnC CPs (e.g. between Italy and Montenegro) without CACM being adopted also by EnC CPs.

# EU-EnC market coupling: next steps

- While the harmonization of the legal framework has to be dealt with at political level, existing market coupling projects which include MSs and CPs should focus on technical readiness:
  - At least one PX should be operational in each CP market zone;
  - CPs' TSOs, PXs and NRAs should get an adequate knowledge of all the rules and methodologies governing the SDAC and the SIDC;
  - CPs' TSOs and PXs should cooperate with MSs' TSOs and NEMOs to test operational procedures (e.g. data exchange for capacity calculation, order submission etc.).

# Thank you! Questions?

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