

The main topics discussed at the Energy Community Workshop on achieving the 70% target of the transmission capacity (CEP70)

DG ENER

The Commission, in its written statement, welcomed the workshop and highlighted the importance of the minimum 70% threshold as a tool to implement the internal market rules and ensure that the interconnections allow electricity imports and exports. In particular in the current situation, it is crucial to ensure that we can rely on imports from our neighbours to support security of supply. The Commission recalled that in the last few weeks and months imports were of utmost importance for security of supply in France and the Baltic countries.

As every Member State imports occasionally, and some very frequently, this type of solidarity will be important in the months to come.

ENERGY COMMUNITY SECRETARIAT

The Electricity Regulation (2019/943) should be adopted at the Ministerial Council meeting in December 2022. It will: set basis for achievement of Energy Community objectives; set principles for well-functioning, integrated electricity markets; set fair rules for cross-border exchanges in electricity; and facilitate emergence of well-functioning and transparent wholesale market. The adapted version, which is to be proposed for adoption assumes that the regulation is binding on Contracting Parties and EU Member States defined in Article 27 of the Energy Community Treaty. In addition, reciprocity between Contracting Parties and Member States is ensured and ACER should get decision-making power on the interconnectors between Contracting Parties and Member States. Proposed deadline for transposition and implementation is set to 31 December 2023.

The Energy Community Secretariat (tender for service provider started on 2 November) will launch the study on the 70% target. Scope of works as per service specification is:

- to describe in detail provisions related to Articles 15 and 16 of the Regulation (EU) 2019/943, including an explanation of ACER's recommendation on the implementation of the minimum margin available for cross-zonal trade pursuant to Article 16(8) of Regulation (EU) 2019/943, and
- to explain how to calculate practically the compliance in line with ACER's recommendation; to estimate the existing situation in each WB6 Contracting Party related to the 70% target, determine if they were compliant with the requirements and if not, explain the reasons for being not compliant (internal congestions, loop flows or any other reason);
- to identify structural congestions within the power transmission networks of the WB6 Contracting Parties and estimate the possible existence of structural congestions within the power transmission networks of Ukraine and Moldova;
- to reflect on the 70% target in cases of perspective application of flow-based (e.g. by approaching Core CCR) or NTC-based (e.g. by approaching SEE CCR) capacity calculation and allocation through market coupling;
- to suggest activities and measures in the EnC CPs to fulfil the 70 % target until 2028, which may be used in the Action plans for derogation purposes;
- to organise at least one training workshop about the 70% analysis for the beneficiaries, with a demonstration of the calculation on the real data and presentation of the study results;

ACER

- ACER, as well as the vast majority of EU NRAs, base their monitoring on ACER Recommendation 01/2019, which provides a practical approach to calculate the Margin Available for Cross Zonal Trade (MACZT);
- EnC TSOs to start regular monitoring of MACZT as soon as possible, using ACER's Recommendation 01/2019 on MACZT as the basis, and EnCS could assist in facilitating understanding of the approach;
- EnC parties to implement the relevant EU acquis as soon as possible;
- All (EnC TSOs, EnC NRAs, ECS) to ensure common approach in 70% monitoring in EnC;
- EnC TSOs to ensure consistency when providing the data;
- ACER's monitoring on the EU countries shows that there is significant impact of non-EU countries in the results, due to the immediate proximity of Albania, North Macedonia, Serbia, Turkey and others.
 - This stresses the need for agreements among EU and non-EU countries, to be included in the MACZT calculation, in line with EC's guidance;
 - Consideration of internal third country constraints for intra-EU capacity calculation;
 - Consideration of EU internal constraints for capacity calculation on the border with a third country, and
 - cost-sharing of remedial actions;
- An extension of coordinated area for capacity calculation should be supported because composite profile with multiple borders (if interdependent), with NTC calculated at once should have higher MCCC value:
 - mutual recognition of EU and non-EU capacity calculation processes;
 - composite NTC calculation;
 - consider flow-based approach in perspective;
- Meshed regions (such as SEE) should strive towards flow-based approach (for both capacity calculation and 70% monitoring) – i.e. approaching to Core flow-based;
- Electricity Regulation Article 16(8) refers to CACM, therefore to both Day-ahead and Intraday times, meaning that ID should also comply with 70% requirement. As soon as there is regional ID capacity calculation applied, ID capacities should be checked against 70%.

EIHP

- MACZT requirement implementation is extremely challenging process, both from theoretical and implementation perspective;
- Several months spent on model tuning, calculation and result analysis for small system;
- Similar effort expected for Western Balkan 6;
- CGM inconsistencies on existing topology detected, as well as long-term development uncertainties and inconsistency among the systems (especially small and well-connected);
- Detailed MACZT analyses per each CNE(C)s are not publicly available, which could be of great importance among TSOs for their internal calculations and planning;
- Action Plans are based on individual TSO analysis of CNE(C)s in different future scenarios;
- Suggestion to impose stronger coordination in the process of Action Plans preparation;
- 70% requirement for small power systems with existing high level of cross zonal capacity is:

1. extremely difficult to fulfil
2. extremely costly
3. hard to be justified (well-connected systems get higher requirements than poorly connected systems)

ENTSO-E

- ENTSO-E has expressed its position toward the 70% target in the following documents and press releases: <https://www.entsoe.eu/news/2020/12/22/entso-e-highlights-key-aspects-to-consider-with-regards-to-the-implementation-of-the-70-minimum-capacity-rule/>,

together with the technical document:

[https://eepublicdownloads.entsoe.eu/clean-documents/mc-documents/Technical comments CEP70 report.pdf](https://eepublicdownloads.entsoe.eu/clean-documents/mc-documents/Technical%20comments%20CEP70%20report.pdf)

2021 Bidding Zone Configuration Technical Report

https://eepublicdownloads.azureedge.net/clean-documents/mc-documents/211109_ENTSO-E%20Bidding%20Zone%20Technical%20Report%20Key%20Findings%20updated.pdf

in which on page 13 ENTSO-E presents the factual findings according to which virtually all TSOs are acting in accordance with the CEP70 rule (n.b.: in the year 2021 there was no considerations on possible gas scarcity like present today ...)

ENTSO-E 2021 Market Report, where on pages 15-21 a summary and on pages 136-189 a detailed report per country is shown on CEP70 rule fulfilment, confirming on one hand the above findings from 2021 Bidding Zone Report and full adhering of TSOs to the CEP70 rule, but mentioning on the other hand the important technical and economic issues which were briefly reflected in ECG on page 15 and 19-20, explaining why the CEP70 rule needs to be questioned even without the relation to the current gas situation:

[https://ee-public-nc-downloads.azureedge.net/strapi-test-assets/strapi-assets/ENTSO E Market report 2021 2e499deda8.pdf](https://ee-public-nc-downloads.azureedge.net/strapi-test-assets/strapi-assets/ENTSO%20E%20Market%20report%202021%202e499deda8.pdf)

- ENTSO-E and TSOs are aware of the CEP70 rule and fully committed and implementing this rule according to the legislation, as it is demonstrated in the recent 2021 reports above;
- ENTSO-E's technical and economic arguments referred to above, are now even more amplified and valid because of the national Action Plans in place and because of the current aim to reduce gas usage for electricity generation, whereas for securing the capacity committed to be available throughout a number of Action Plans, extensive use of gas-fired generation is unavoidable.