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Mr Christophe Gence-Creux Head of Electricity Department Agency for the Cooperation of Energy Regulators

By email

Vienna, 25 January 2021

**Reference**: ACER public consultation on proposed amendments to the determination of capacity calculation regions - Energy Community Secretariat input – topic 3

Dear Mr Gence-Creux,

The Energy Community Secretariat (ECS) welcomes the opportunity to provide input to ACER's public consultation on the determination of capacity calculation regions (CCR) and respectfully submits the following proposal.

We suggest to reflect in the amendments of the CCRs the path for evolution towards the Energy Community Contracting Parties (CPs) and in particular integration of the SEE Shadow in the 10<sup>th</sup> CCR. Such integration is foreseen by Article 20(4) of the CACM Regulation and was already outlined in the Explanatory Document to all TSOs' proposal for CCRS of 29 October 2015. Integration of CPs in the CCRs would address existing interdependencies between EU and CP bidding zone borders facilitate implementation of the key principles of coordinated capacity calculation by Contracting Parties' TSOs and ensure efficient use of cross-zonal capacity. Finally, it will also trigger the application of a flow based capacity calculation method in South East Europe as foreseen in Article 20(4) of the CACM Regulation.

Concretely, we can envisage a three-step evolution path, starting with the SEE Shadow including the bidding zone borders between the SEE CPs and between these CPs and neighbouring Member States. In a second step the SEE Shadow CCR together with Italy-Montenegro Shadow CCR shall be integrated with the existing SEE CCR Greece - Bulgaria and Bulgaria - Romania bidding zone borders. The final step would be integration into the Core CCR. The suggested steps are more in detail illustrated hereinafter.



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**First evolution step:** the SEE Shadow including the bidding zone borders between the SEE CPs and between these CPs and neighbouring Member States (see maps in the Annex). This Shadow CCR shall be effective as soon as the governance process is defined. Once the determination of CCR evolution is defined, the governance, being binding or on voluntary basis, will be likely to follow.

Bidding zone border of the SEE Shadow CCR (Member State – Contracting Parties):

- Croatia Bosnia and Hercegovina (HR BA), Croatian Transmission System Operator Ltd. (HOPS) and Nezavisni operator sistema u Bosni i Hercegovini (NOS BiH)
- Croatia Serbia (HR RS), Croatian Transmission System Operator Ltd. (HOPS) and Elektromreza Srbije AD (EMS)
- Hungary Serbia (HU RS), Hungarian Independent Transmission Operator Company Ltd (MAVIR) and Elektromreza Srbije AD (EMS)
- Romania Serbia (RO RS), Compania Nationalã de Transport al Energiei Electrice "Transelectrica" S.A. and Elektromreza Srbije AD (EMS)
- Bulgaria Serbia (BG RS), Elektroenergien Sistemen Operator EAD (ESO) and Elektromreza Srbije AD (EMS)
- Bulgaria North Macedonia (BG MK), Elektroenergien Sistemen Operator EAD (ESO) and Makedonski Elektroprenosen Sistem Operator AD (MEPSO)
- Greece North Macedonia (BG MK), Independent Power Transmission Operator S.A. (IPTO) and Makedonski Elektroprenosen Sistem Operator AD (MEPSO)
- Greece Albania (GR AL), Independent Power Transmission Operator S.A. (IPTO) and Operatori i Sistemit te Transmetimit sh.a. (OST)

Bidding zone border of the SEE Shadow CCR (between Contracting Parties):

- Montenegro Bosnia and Hercegovina (ME-BA), Crnogorski elektroprenosni sistem AD (CGES) and Nezavisni operator sistema u Bosni i Hercegovini (NOS BiH)
- Montenegro Albania (ME-AL), Crnogorski elektroprenosni sistem AD (CGES) and Operatori i Sistemit te Transmetimit sh.a. (OST)
- Albania North Macedonia (AL-MK), Operatori i Sistemit te Transmetimit sh.a. (OST) and Makedonski Elektroprenosen Sistem Operator AD (MEPSO)



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 Serbia – North Macedonia (RS-MK), Elektromreza Srbije AD (EMS) and Makedonski Bosnia and Hercegovina – Serbia (BA-RS), Nezavisni operator sistema u Bosni i Hercegovini (NOS BiH) and Elektromreza Srbije AD (EMS)

- Elektroprenosen Sistem Operator AD (MEPSO)
- Montenegro Serbia (ME-RS), Crnogorski elektroprenosni sistem AD (CGES) and Elektromreza Srbije AD (EMS)
- Montenegro Kosovo\* <sup>1</sup> (ME-KS), Crnogorski elektroprenosni sistem AD (CGES) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT)
- Albania Kosovo\* (AL-KS), Operatori i Sistemit te Transmetimit sh.a. (OST) and Operator istemi, transmisioni dhe tregu Sh.A. (KOSTT)
- North Macedonia Kosovo\* (MK-KS), Makedonski Elektroprenosen Sistem Operator AD (MEPSO) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT)
- Serbia Kosovo\* (RS-KS), Elektromreza Srbije AD (EMS) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT)

The bidding zone border between Montenegro and Italy, given the technicalities of the DC interconnection as separate CCR (ITME Shadow CCR).

- Italy – Montenegro (IT-ME), TERNA Rete Elettrica Nazionale S.p.A (TERNA) and Crnogorski elektroprenosni sistem AD (CGES)

**Second evolution step**: in a second step, the SEE Shadow CCR together with Italy-Montenegro Shadow CCR shall be integrated with the existing SEE CCR Greece - Bulgaria and Bulgaria - Romania bidding zone borders. This evolution shall be effective once the CACM Regulation is applicable in Contracting Parties, resolving therefore the governance issues.

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 $<sup>^{1}</sup>$  This designation is without prejudice to positions on status, and it is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.



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The third evolution step follows the CACM Regulation, which requires flow-based, integration into Core CCR, implementation after the shadow CCR is activated. Third evolution shall also include the Burshtyn Island, the part of Ukrainian grid in synchronous operation with Continental Europe.

We are happy to discuss this further with you and provide additional explanations.

Sincerely Yours,

Janez Kopač Director

Annex: maps



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Annex
SEE Shadow CCR (includes bidding zone borders highlighted with red line, excluding existing SEE CCR)



ITME Shadow CCR (includes bidding zone border highlighted with red line)

