

70% requirement for cross-zonal capacity – NRAs' role

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Regulatory framework

- Regulation 2019/943
 - Article 16(8) - 70% requirements for both flow based and cNTC environment
 - Article 16(3) – right for RCC to reduce cross-zonal capacity in case of not enough remedial actions
 - Article 16(9) – derogation with respect to 70% requirement
 - Article 15 – action plans
- Acer Recommendation 01/19
 - Suggestions on how to compute the margin available for cross-zonal trade (MACZT)
 - Aimed to support NRAs while monitoring the 70% requirement.

70% activities

Offering
70% minimum capacity



RCC/RSC and TSOs

Monitoring 70% and
assessing compliance



NRAs

Developing action plan



Member States

Facilitating the
process



ACER

What the NRAs have achieved so far?

2019

- Voting Acer Recommendation 01/19 at BOR
- Approving a bunch of derogations for 2020
 - Mainly associated to lack of tools for assessing the level of the offered capacity
 - ✓ Implementing the 70% is a complex task, impossible to complete in few months
 - Loop flows, 3rd country flows and not coordinated flows were also raised as reasons for a derogation
- Cooperating in developing action plans

2020

- Cooperating with Acer in the monitoring
- Providing guidance to TSOs about derogations
- Approving a bunch of derogations for 2021
 - Lack of tools still persisting at least for some months
 - ✓ The tools are on their way, but they need to be tested
 - Loop flows, 3rd country flows and not coordinated flows are still good reasons for a derogation
- Assessing the compliance at national level
 - Based on Acer results
 - Complemented with local analysis
- Cooperating in developing action plans

Guidance for derogations

- Main requirements
 - Only for operational security issues that are not under the control of the TSO (e.g. loop flows)
 - No derogation can be granted to cope with structural congestions; this should be dealt with with action plans
- Minimum content
 - Reasons
 - List of CNECs/borders subject to derogation
 - Criteria to allow NRAs and ACER to perform a monitoring
 - Long term solution to cope with the issues at the basis of the derogation
 - A minimum capacity value if applicable (below 70% requirement)
- Timings
 - Submit the derogation requests in time to have them approved for the subsequent year

NRAs monitoring vs Acer monitoring

- ACER MACZT computations are a good starting point but:
 - Until PTDF are provided by the TSOs, MACZT are computed based on a PTDFs derived from a reference model; potential distortion in the results and uncorrect estimation of the margins
 - Some TSOs are not providing enough information to Acer;
 - In some cases information are not fully coordinated and differences may arise
- Some NRAs intend to perform a national dedicated monitoring
 - Using, whether available, more precise information than Acer (e.g. PTDF computed on national level, even if not validated at CCR and as such not shared with ACER)
 - Complementing the data results with some economical considerations

3rd countries flows

Contractual arrangements
between EU and non-EU TSOsc

Approval of contractual
arrangements by EU NRAs

Flows with 3rd countries count
towards 70%

This is of utmost importance for
Switzerland and for Balkans area

Thank you!

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