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 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 TSOs

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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