

## Adequacy Assessment

European Commission proposal		eurelectric
<b>Article 18.1</b>	Member States shall monitor resource adequacy within their territory based on the European adequacy assessment	Electricity Regulation 
<b>Article 18.2 and 18.3</b>	Identification of the source of the adequacy concerns by MS and removing regulatory distortions	Electricity Regulation 
<b>Article 19</b>	The European adequacy assessment methodology shall be publicly consulted and approved by ACER	Electricity Regulation 
<b>Article 20</b>	When applying CMs, MS shall have a reliability standard in place indicating their desired level of security of supply	Electricity Regulation 
<b>Article 23.5</b>	Where the European resource adequacy assessment has not identified a concern, MS shall not introduce CMs	Electricity Regulation 

### A European adequacy assessment to complement regional and national assessments

A move towards a regional & European approach to security of supply is welcome. The European resource adequacy assessment will allow developing a common forecast of reliable and firm capacity provided by all assets (generation, demand response and storage) as well as potential cross-border contribution. This assessment shall be factored in but shall however not be considered as the only binding factor for Member States to introduce security of supply measures. Different geographical scopes (European, regional, national) and granularities should be considered by Member States as they are liable for security of supply. Consistency in terms of methodology and assumptions between the assessments should be ensured.

### To address security of supply concerns, improving market functioning is a no-regret option

Member States should identify the source of their adequacy concerns. Improving markets' functioning and removing distortions will positively contribute to adequacy and security of supply. Nevertheless, it should be acknowledged that adequacy issues can also arise when energy wholesale markets are well-functioning.

### Stakeholders' involvement in the European adequacy assessment is key

We support the fact that ENTSO-E is developing an improved European methodology building upon their experience on the mid-term adequacy forecast. All relevant stakeholders, including market parties, member states, NRAs, system operators, should be involved and consulted on the methodology, assumptions and results. Most importantly, the inclusions of sensitivities linked to the demand and the supply side is welcome.

### All Members States should define transparent reliability standards

All Member States should define and publicly disclose their desired reliability standard based on harmonised metrics, so as to ensure comparability. A pan-European methodology to determine the VoLL in each country is welcome although subsidiarity to set its level should be ensured.

## Proposed amendments

### Article 18.1

Member States shall monitor resource adequacy within their territory based on ~~the European resource adequacy assessment pursuant to Article 19 a combination of resource adequacy assessments with different geographical scopes: European pursuant to Article 19, regional and national following the same methodology and assumptions.~~

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### Article 23.5

~~Should the outcome of a national resource adequacy assessment substantially differ from the European one, Member States shall explain these differences before. Where the European resource adequacy assessment has not identified a resource adequacy concern, Member States shall not~~ applying capacity mechanisms.

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#### Justification

*Should the outcome of a national adequacy assessment substantially differ from the European one, Member States shall explain these differences.*

### Article 20.1

~~When applying capacity mechanisms~~ Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.

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#### Justification

*All Member States should define and publicly disclose their desired level of SoS target based on harmonised metrics - and not only the Member States that apply capacity mechanisms. While the choice of adequacy metrics should be harmonised, each country should be free to set its desired level of adequacy.*