

ENTSOE consultation on the definition of Capacity Calculation Regions

A Eurelectric response paper

September 2020

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Consultation on TSOs proposal on definition of the capacity calculation regions

Eurelectric response

Eurelectric acknowledges the specific context of this [consultation](#), as the decisions about the precedent definition of the CCRs were annulled by the European Court of justice. We recognize the need to proceed quickly with a proper re-definition.

However, Eurelectric would like to express its disappointment about the **lack of justification for the definition of the CCRs**, in particular as this regret was already voiced in its response to ENTSOE's consultation on the very first all TSOs' proposal in 2015.¹

The European electricity industry fully supports the objectives listed in Recital (14) of this methodology.² In this regard, we believe that **the definition of the CCR should group the inter-dependent borders** so that the respective cross-zonal capacities are consistently calculated. This would allow for an efficient allocation of the margin available for cross-zonal trade.

However, **ENTSOE does not provide any clue justifying that these objectives are met**. It would therefore be a missed opportunity if ENTSOE (or ACER) were to define CCR without any assessment of the learnings made since 2015 about the inter-dependency of borders.

For instance, Eurelectric considers that the data gathered by ENTSOE and ACER as part of the Bidding Zone review technical report and of the market monitoring report could be used to assess the level of inter-dependency between borders. Indeed, by assessing the flows on the constraining Critical Network Element related to exchanges on each border, one could identify more objective criteria to select the borders subject to the same capacity calculation methodologies.

In our view, **this approach could, at least, be applied when NRAs or TSOs propose an update of the CCR**, and in particular here, to the borders listed in Recital 10 and 11 of the consultation document.

Eurelectric appreciates the **recognition of the importance of non-EU synchronously interconnected power systems in recital 12**. Close cooperation with synchronously interconnected non-EU countries, such as Norway and Switzerland, and their consideration in the methodologies and processes is vital in ensuring an efficient capacity calculation and secure system operation in the region. **Eurelectric would prefer, however, a direct reference to the NO-borders in the articles to the CCRs Nordic and Hansa and to the CH-borders in the articles to the CCRs Core and Italy North including an encouragement to close coordination under the condition of a technical agreement.**

¹ As this is the first consultation related with the implementation of a Network Code, we are concerned that ENTSO-E proposes only one solution/ one set of CCR (no alternative) without any impact assessment. Section 4 of the document lists a number of criteria, that need to be taken into account to design CCRs, and we could consider that they are relevant, but the consultation document proposes no evaluation. This is really worrying as the proposed CCR delineation is likely to serve as a foundation for many realisations provisioned in the CACM code (and other).

² "Within the CCR, the interdependencies between the cross-zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross-zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. The proposed CCRs configuration strikes the balance between both aspects ('larger where possible, smaller where necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation."

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: [4271427696-87](https://ec.europa.eu/transparency/regexpert/?s=details&id=4271427696-87)