

Amendments to the definition of capacity calculation regions to include Norway

25 November 2022

The European Federation of Energy Traders (EFET) welcomes the opportunity to provide comments regarding the ACER proposal for amendment of the determination of capacity calculation regions (CCRs). The definition of CCRs is an important topic for us, as we expect that the benefit from increased coordination will lead, over time, to more cross-zonal capacity being made available to the market by the TSOs and thus, to deeper integration of European electricity markets.

Detailed comments

Q1. Do you have any comments on the proposed amendments (i.e. related to the addition of the Norwegian bidding zone borders to the Nordic and Hansa CCRs)?

The current proposal primarily aims to update the CCRs delineation in line with recent decisions and to allocate the Norwegian bidding zone borders to the relevant CCRs, namely CCR Nordic and CCR Hansa. **We agree with the proposed amendment.**

Q2 Do you have any comments on other elements of the CCR Proposal? Please always indicate the relevant Article in the CCR Proposal which your comment refers to.

On a general note, we would suggest a periodic review of the overall delineation of CCRs, e.g. every four or five years, accompanied by a full impact assessment of the current situation and the potential need for changes. As mentioned in previous EFET statements on CCR delineation, it appears to us that the CCRs of “buffer regions” (i.e. Hansa) should be thought of as temporary, and that these CCRs should be progressively integrated in larger CCRs in the coming years. Besides this, it is important to keep in mind that the development of methodologies at CCR level was intended as an interim step towards harmonisation at a later stage, e.g. article 21.4 CACM required the harmonisation of capacity calculation methodologies by 31 December 2020.

We reiterate the importance of a coordinated approach with interconnected power systems operated by non-EU TSOs. To promote such coordination, the main body of the

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proposal should be substantiated further with concrete references to borders with non-EU TSOs when those are of particular importance to the functioning of the internal energy market (IEM), such as Switzerland, the UK, and the Western Balkans.

We understand and acknowledge the political complexities around this issue and the need for inter-TSO or intergovernmental agreements to be established in some cases. But we also remind the TSOs of the importance of safeguarding the electricity market and system in the synchronous grid of Continental Europe and other interconnected non-EU countries. To improve system security and ensure smooth and efficient electricity trading, it is therefore important for such non-EU TSOs to take part in related coordination activities for the development of methodologies and processes at a CCR level.

Contact

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