

30 May 2018 – Florence  
33<sup>rd</sup> EU Electricity Regulatory Forum

# Improving transmission capacity availability with CACM GL

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# What the market expects from CACM implementation

**CACM Recital 3:** This Regulation sets out minimum harmonised rules for the ultimately single day-ahead and intraday coupling, in order to provide a clear legal framework for:

- an efficient and modern capacity allocation and congestion management system,
- facilitating Union-wide trade in electricity,
- allowing more efficient use of the network and increasing competition,
- for the benefit of consumers

- ⚠ Capacity calculation needs to maximise overall social welfare at regional level
- ⚠ Capacity calculation should be optimised whichever the current load, generation, transmission and bidding zones configurations, and irrespective of the cost-sharing arrangements between TSOs.
- ⚠ TSOs should always consider using all remedial actions (incl. redispatch & countertrading) to improve transmission capacity availability, and only disregard them when their cost outweighs the social welfare benefits of additional cross-zonal trade

# Shortcomings of CACM implementation so far

- The TSOs' proposals published for capacity calculation and redispatch & countertrading generally fail the objectives of the CACM GL
  - Capacity Calculation Methodologies (CCMs):
    - **Lack of details expected** in a methodology: proposals describe the “what”, not the “how”
    - **Lack of transparency on the methodologies** that will be applied in the end leaves market participants in the dark about the way the network will be operated
    - **Lack of coherence between the CCMs of the various regions:** risk of under-optimisation of the European grid
  - Redispatch & Countertrading (RCT):
    - Lack of details expected in a methodology: no description on **which and how remedial actions are used** in the capacity calculation process in order to maximise social welfare
    - **Lack of guarantee of the transparency** levels that will be applied
    - No explanation on **how redispatching actions are counterbalanced** elsewhere in the network
- EFET welcomes NRA requests for amendments (e.g. detailed request for amendments of the NRAs of the CORE region)

# How to make CACM implementation a success

**CACM was already too vague to become a Network Code.  
Now we need detailed, directly implementable methodologies.**

- TSOs, NRAs and market participants need to tackle pressing questions:
  - How will we move towards **real coordinated** capacity calculation and redispatch/countertrading at **regional** level ?
  - How can NRAs **reform** the regulatory framework in each country to **give TSOs the right tools and incentives** ?



What if we do nothing?

- The CACM process will be perceived as ineffective
- The legislators will seek quick fixes in primary legislation that threaten the robustness and objective of the capacity calculation process (cf. Art. 14.7 draft recast Electricity Regulation)



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