

Date: October 30<sup>th</sup>, 2019

**Subject: MPP Statement on the implementation of Article 16 of Regulation 2019/943**

The Market Parties Platform would like to draw the attention of Ministries, NRAs and TSOs on the urgent need to provide clarity to stakeholders and market parties on the practical implications of the application of Article 16(8) of Regulation 2019/943.

In particular, market parties consider of utmost importance to provide clarity on the potential derogations requested by TSOs and submitted to NRAs' approval and/or action plans decided by Member States, and on their impact in terms of cross-zonal capacities offered to the market.

The MPP stresses that the existence, content and consequences of such derogations or action plans should be made public no later than November 15<sup>th</sup>, 2019 so as to give sufficient time to market parties to make the necessary preparations ahead of their application on January 1<sup>st</sup>, 2020 and avoid major market disruptions.

In the CWE region, the MPP considers that such potential derogations and action plans should not – under any circumstances – lead to a step back compared to the current 20% minRAM threshold.

Furthermore, and more generally, the MPP underlines that the processes of national derogations and action plans foreseen by the Clean Energy Package should not be detrimental to the coordinated approaches developed so far in each Capacity Calculation Region and the overall European market integration. The MPP notes that, due to the evolutions introduced by the Clean Energy Package (in particular the possibility of action plans), it is not only the regional cooperation of TSOs and NRAs which is required, but also the one of Member States.

As a first step, the MPP thus believes the Pentalateral Energy Forum could be the coordination and consultation instance on those topics in the CWE region, and stresses that market parties should be included from the start in those discussions, given their large impacts on their role and activities.