

Date: July 29th, 2020

Subject: MPP answer to ENTSO-E's consultation on the Core day-ahead capacity calculation methodology

The MPP welcomes the opportunity to provide comments on the Core CCR TSOs' amendment proposal to the Core day-ahead capacity calculation methodology (CCM).

Firstly, when it comes to the go-live date of the Core day-ahead CCM, the MPP observes that the Core TSOs propose in Article 8 to postpone the latest date for the go-live from November 30, 2020 to September 30, 2021 but conversely believes that the new methodology should be applied as soon as technically feasible, after a 6-months external parallel run. We are not convinced that the methodology should be updated to acknowledge the prerequisite of the technical readiness of the TSOs.

The MPP welcomes the several amendments providing the possibility for a third-party TSO to declare CNECs to be taken into account in the calculation of the flow-based domain, as this development will likely improve the calculation of cross-zonal capacities in the Core CCR and at the borders of the third-party TSO.

However, the process of approving a new CNEC for a third-party TSO should not be left to the discretion of that TSO. The same process of collective validation as for Core TSO CNECs should be applied here.

Moreover, the inclusion of third-party CNECs would however be most efficient if the third-party TSO were part of the process to develop the common grid model (CGM) supporting the definition of the reference flows. Furthermore, the interdependence between cross-zonal capacities at the borders of the third-party TSO would be more efficiently addressed if the corresponding bidding zone was included in the Single Day-Ahead Coupling and Single Intra-Day Coupling solutions.

The MPP also acknowledges the possibility introduced by several amendments to modify the modalities of the "LTA patch" that aims at managing the proposed Whereas n°24 stating that "cross-zonal capacities determined by the day-ahead capacity calculation shall ensure that the combinations of net positions that could result from previously-allocated cross-zonal capacity can be accommodated". It is to be highlighted that this Whereas is mainly impactful for borders where long-term transmission rights are allocated as Physical Transmission Rights, as Financial Transmission Rights have no impact on the net positions of the corresponding bidding zones.

The MPP considers that it would be relevant to simplify the "LTA patch" approach if its necessity is demonstrated (MPP invites TSO to assess the necessity of the LTA patch in a nearly 100% FTR world). Indeed, considering that the capacity calculation methodology relies on the concept of minRAM (and possibly on additional measures to achieve the required level of MACZT), a "LTA patch" is – in MPP's view – not a must and its additional complexity should be balanced with its benefits in terms of socio-economic surplus (this should not be about congestion rents for TSOs only). While it certainly is relevant to ensure an unconditional minimum FB domain – in particular while some TSOs happen to withdraw sometimes the application of minRAMs in specific periods –, applying such an "LTA patch" might not be the most relevant way to achieve this objective.

Based on the fruitful exchanges with the Core consultative group, the MPP would finally like to propose the following remarks with respect to the transparency section:

- The publication of individual static grid models by each TSO (as mandated by Article 25(2)f of the methodology) should be organized so that the individual grid models are consistent with each other and allow for capacity calculation. The article could be completed by relating these individual grid models with the CGM used for capacity calculation in the last 6 months. One could also consider that the CGM corresponding to the SPAIC cases could be fully disclosed.
- The MPP is fundamentally opposed to the principle that some TSOs may withhold information for security reasons and considers this approach inconsistent with the REMIT and transparency requirements.