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# All TSOs' proposal for the day-ahead firmness deadline (DAFD) in accordance with Article 69 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

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## **DISCLAIMER**

This document is released on behalf of the all transmission system operators ("TSOs") only for the purposes of the public consultation on the all TSOs' proposal for day-ahead firmness deadline ("DAFD Proposal") in accordance with Article 69 of the Commission Regulation (EU) No 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management ("CACM Regulation"). This version of the DAFD Proposal does not in any case represent a firm, binding or definitive TSOs' position on the content.

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All TSOs, taking into account the following,

### Whereas

- (1) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) regarding the development of a day-ahead firmness deadline (hereafter referred to as “DAFD”).
- (2) This proposal (hereafter referred to as the “DAFD Proposal”) takes into account the general principles and goals set in the Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (hereafter referred to as the “CACM Regulation”) as well as Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Regulation (EC) No 714/2009”). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets. It sets for this purpose requirements to determine by when day-ahead cross-zonal capacity should become firm, known as the DAFD.
- (3) Article 2(35) of the CACM Regulation defines the DAFD as “the point in time after which cross-zonal capacity becomes firm”.
- (4) A single DAFD allows having a common firmness principle for the whole European Union. For this purpose, Article 69 of the CACM Regulation requires all TSOs to develop a single pan-European DAFD.
- (5) Article 9(9) of the CACM Regulation requires that the expected impact of the proposed DAFD on the objectives of the CACM Regulation is described. The impact is presented below (points (6) to (13) of this Whereas Section).
- (6) The proposed DAFD contributes to and does not in any way hamper the achievement of the objectives of Article 3 of the CACM Regulation. In particular, the proposed DAFD serves the objective of promoting effective competition in the generation, trading and supply of electricity (Article 3(a) of the CACM Regulation) since the same deadline will apply to all market participants across all capacity calculation regions and all market participants will have the same time to adapt their positions, if needed. The proposed DAFD also ensures the optimal use of transmission infrastructures (Article 3(b) of the CACM Regulation) by ensuring that any cross-zonal capacity offered to the market matches the operationally available cross-zonal capacity.
- (7) The proposed DAFD affects positively operational security in accordance with Article 3(c) of the CACM Regulation by providing sufficient time for coordinated capacity calculators to calculate the operationally available cross-zonal capacity, incorporating the latest information from renewable energy sources and network status, and to deliver it to the nominated electricity market operators (hereafter referred to as “NEMOs”).
- (8) The proposed DAFD serves the objectives of optimising the calculation and allocation of cross-zonal capacity and of contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union in accordance with Article 3(d) and (g) of the CACM Regulation as it lays the ground for the development of a pan European

firmness regime for day-ahead market. It also contributes to the achievement of the target model set by the CACM Regulation by applying a pan European DAFD to coupled day-ahead markets. It also reconciles the need to grant sufficient time for TSOs and coordinated capacity calculators to adequately confirm the offered cross-zonal capacity in terms of operationally available cross-zonal capacity and the need for market participants to have firm orders that could be curtailed only under certain conditions.

- (9) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), the DAFD Proposal determines a deadline after which cross-zonal capacity becomes firm. For coordinated capacity calculators, the DAFD Proposal allows to match the offered cross zonal and operationally available capacities with the most updated and reliable information, incorporating for instance the latest information on renewable energy sources and network when calculating the available cross-zonal capacity for day-ahead capacity allocation.
- (10) The DAFD Proposal also contributes to the objective of respecting the need for a fair and orderly market and price formation (Article 3(h) of the CACM Regulation) by guaranteeing the accuracy of the estimation of cross-zonal capacity to be released in the market.
- (11) When preparing the DAFD Proposal, TSOs took careful consideration of the objective of creating a level playing field for NEMOs (Article 3(i) of the CACM Regulation). At the time of drafting the proposal, several interim situations apply in the day-ahead market. The CACM Regulation fixes the day-ahead market gate closure time at noon CET. It also temporarily allows TSOs and NEMOs based in the Central Eastern Europe region or its neighbouring countries to set a different day-ahead gate closure time until the region has joined single day-ahead coupling (Article 46(2) of the CACM Regulation). The DAFD Proposal takes into account all interim situations by defining the DAFD with regard to the day-ahead market gate closure time, providing therefore a general and harmonised principle for DAFD, sufficiently flexible to support the progressive convergence of these interim situations towards a single pan-European value for all NEMOs.
- (12) Finally, the DAFD Proposal contributes to the objective of providing non-discriminatory access to cross-zonal capacity (Article 3(j) of the CACM Regulation) by granting market participants a level-playing field throughout the European Union with a clear and harmonised framework for firmness.
- (13) In conclusion, the DAFD Proposal contributes to the general objectives of the CACM Regulation to the benefit of all market participants.

SUBMIT THE FOLLOWING DAFD PROPOSAL TO ALL REGULATORY AUTHORITIES:

### **Article 1** **Subject matter and scope**

The DAFD as determined in this DAFD Proposal shall be considered as the common proposal of all TSOs in accordance with Article 69 of CACM Regulation.

### **Article 2** **Definitions and interpretation**

1. For the purposes of the DAFD Proposal, terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation.

2. In this DAFD Proposal, unless the context requires otherwise:
  - a) the singular indicates the plural and vice versa;
  - b) the table of contents and headings are inserted for convenience only and do not affect the interpretation of this DAFD Proposal; and
  - c) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force.
3. This DAFD Proposal shall be binding upon and shall ensure to the benefit of the TSOs as referred to herein and their permitted successors and assigns.

### **Article 3** **Day-ahead firmness deadline**

The DAFD shall be half an hour before the day-ahead market gate closure time.

### **Article 4** **Publication and Implementation of DAFD Proposal**

1. The TSOs shall publish the DAFD Proposal without undue delay after all national regulatory authorities have approved the proposed DAFD or a decision has been taken by the Agency for the Cooperation of Energy Regulators (hereafter referred to as "Agency") in accordance with Article 9(11) and 9(12) of the CACM Regulation.
2. The implementation of the DAFD shall coincide with the implementation of single day-ahead coupling on the corresponding bidding zone border in accordance with the CACM Regulation.

### **Article 5** **Language**

The reference language for this DAFD Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this DAFD Proposal into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the proposal.