
Methodology for an intraday common capacity
calculation in accordance with Article 21 of
Commission Regulation (EU) 2015/1222 of 24 July
2015 establishing a guideline on capacity allocation
and congestion management within Italy North CCR

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Whereas

- (1) Decision No 04/2024 of the European Union Agency for the Cooperation of Energy Regulators (ACER) of 19 March 2024 on the amendment to the determination of capacity calculation regions has established the new Central Europe Capacity calculation region, created by merging, in a stepwise approach, the current Core CCR and Italy North CCR. The merging process started in March 2023 with the development of the Central Europe capacity calculation methodology in the day-ahead timeframe to be followed by other methodologies taking into account potential interdependencies with existing regional implementation projects under the applicable Union law. Each subsequent step of the merger should require an amendment to the CCR determination. Consequently, in August 2023 and May 2024, IN NRAs agreed with the proposals by IN TSOs to de-prioritize TRM study in D-2 and ID CCM v2 as resource-intensive development of the IN capacity calculation, in order to concentrate the available IN TSOs resources on the development and implementation of the upcoming Central Europe methodologies.
- (2) This document (hereafter referred to as “ID CCC methodology Proposal”), including its annexes, is the methodology for the common capacity calculation performed for the capacity allocation within the intraday timeframe for Italy North Capacity Calculation Region (hereafter referred to as “Italy North CCR”). This methodology is required by Article 21 of Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management as amended by Commission implementing regulation (EU) 2021/280 of 22 February 2021 (hereafter referred to as the “CACM Regulation”).
- (3) This methodology takes into account the general principles and goals set in the CACM Regulation while respecting the principles set in the Regulation (EC) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (hereafter referred to as “Regulation (EC) 2019/943”).

In addition, this methodology takes into account the effective structure of the grid and the borders between Italy and third countries by establishing TSO-TSO based contractual frameworks to include third countries as Technical Counterparties. Therefore, this methodology takes into account Technical Counterparties’ grid elements.

- (4) This methodology takes into account the general principles and goals set in CACM Regulation. Ensuring optimal use of the transmission infrastructure and operational security, which are among the objectives of capacity allocation and congestion management cooperation, laid down by Article 3 of CACM Regulation, requires the inclusion of Third Countries’ grid elements in the capacity calculation process of Italy North CCR. CACM Regulation’s objectives cannot be achieved in any other way but by including Third Countries’ grid elements. This inclusion is in line with Article 13 of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as “SOGI Regulation”), providing that EU TSOs must establish “cooperation concerning secure system operation” with non-EU TSOs belonging to the same synchronous area via an agreement with these non-EU TSOs. In order to comply with the requirement laid down by EU Regulation, this methodology includes Third Countries’ TSOs as Technical Counterparties.
- (5) Coordinated capacity calculators will take into account the whole Area of Common Interest (hereafter referred to as “ACI”) of the Italy North CCR and include Technical Counterparties’ remedial actions into coordinated remedial action preparation and the optimization procedure. TSOs of Italy North CCR will conclude an agreement with relevant Technical Counterparties. In order to be taken into consideration in the capacity calculation process and enter into a TSO-TSO based contractual framework, Technical Counterparties must fulfil the conditions laid down by Article 1(3) of the “All TSOs’

proposal for a common grid model methodology in accordance with Article 17 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management", applicable to TSOs from jurisdictions outside the area referred to in Article 1(2) of CACM Regulation. The agreement between Italy North CCR TSOs and the Technical Counterparty will include ID CCC methodology's provisions and ensure that the Technical Counterparty is contractually bound by equivalent obligations as the ones binding upon TSOs of the Italy North CCR by virtue of EU Regulations. Such agreement will govern mutual obligations and responsibilities of the Technical Counterparty with TSOs of Italy North CCR in relation to the capacity calculation process on all elements of the Area of Common Interest. Ensuring optimal use of the transmission infrastructure and operational security, which are among the objectives of capacity allocation and congestion management cooperation, laid down by Article 3 of CACM Regulation, requires the inclusion of Technical Counterparties' grid elements in the capacity calculation process of Italy North CCR. 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. To facilitate the achievement of these aims and implement single day-ahead and intraday coupling, it is necessary for TSOs to calculate in a coordinated manner the available cross-border capacity. In line with the requirements of the CACM Regulation, the TSOs of Italy North CCR will strive to cooperate with Capacity Calculation Regions (hereafter referred to as "CCR") connected to Italy North CCR in order to ensure that capacity calculation takes place in the most efficient and thorough way.

- (6) Article 21(1) of the CACM Regulation constitutes the legal basis for this methodology and defines several specific requirements that the ID Common Capacity Calculation (hereafter referred to as "CCC") methodology should take into account:

"1. The proposal for a common capacity calculation methodology for a capacity calculation region determined in accordance with Article 20(2) shall include at least the following items for each capacity calculation timeframe:

- (a) methodologies for the calculation of the inputs to capacity calculation, which shall include the following parameters:*

- i. a methodology for determining the reliability margin in accordance with Article 22;*
- ii. the methodologies for determining operational security limits, contingencies relevant to capacity calculation and allocation constraints that may be applied in accordance with Article 23;*
- iii. the methodology for determining the generation shift keys in accordance with Article 24;*
- iv. the methodology for determining remedial actions to be considered in capacity calculation in accordance with Article 25.*

- (b) a detailed description of the capacity calculation approach which shall include the following:*

- i. a mathematical description of the applied capacity calculation approach with different capacity calculation inputs;*
- ii. rules for avoiding undue discrimination between internal and cross-zonal exchanges to ensure compliance with point 1.7 of Annex I to Regulation (EC) No 714/2009;*
- iii. rules for taking into account, where appropriate, previously allocated cross-zonal capacity;*

- iv. *rules on the adjustment of power flows on critical network elements or of cross-zonal capacity due to remedial actions in accordance with Article 25;*
 - v. *for the flow-based approach, a mathematical description of the calculation of power transfer distribution factors and of the calculation of available margins on critical network elements;*
 - vi. *for the coordinated net transmission capacity approach, the rules for calculating cross-zonal capacity, including the rules for efficiently sharing the power flow capabilities of critical network elements among different bidding zone borders;*
 - vii. *where the power flows on critical network elements are influenced by cross-zonal power exchanges in different capacity calculation regions, the rules for sharing the power flow capabilities of critical network elements among different capacity calculation regions in order to accommodate these flows.*
- (c) *a methodology for the validation of cross-zonal capacity in accordance with Article 26.”*
- (7) Article 14 of the CACM Regulation defines the capacity calculation time-frames as *“intraday, for the intraday market. For the intraday market time-frame, individual values for cross-zonal capacity for each remaining intraday market time unit shall be calculated. All TSOs in each capacity calculation region shall ensure that cross-zonal capacity is recalculated within the intraday market time-frame based on the latest available information. The frequency of this recalculation shall take into consideration efficiency and operational security.”*
 - (8) Article 20(1) of the CACM Regulation defines the approach to use in the common capacity calculation methodologies as *“flow-based approach”* and Article 20 (3) of the CACM Regulation specifies that: *“The TSOs from the capacity calculation region where Italy, as defined in point (c) of point 3.2 of Annex I to Regulation (EC) No 714/2009, is included, may extend the deadline without prejudice to the obligation in paragraph 1 for submitting the proposal for a common coordinated capacity calculation methodology using flow-based approach for the respective region pursuant to paragraph 2 up to six months after Switzerland joins the single day-ahead coupling.”*
 - (9) TSOs of Italy North CCR agreed on a first version of ID CCC methodology proposing to apply a coordinated net transmission capacity methodology as interim approach for capacity calculation within the Italy North CCR, without prejudice to the future implementation of a Flow Based approach as the target methodology for the Italy North CCR as foreseen in Article 20(1) of the CACM Regulation.
 - (10) The first version of the ID CCC methodology was submitted to the NRAs of Italy North CCR according to Article 9(7)(a) of the CACM Regulation and was approved by the same NRAs on 25th November 2019.
 - (11) Article 2(8) of the CACM Regulation defines the coordinated net transmission capacity approach as *“the capacity calculation method based on the principle of assessing and defining ex ante a maximum energy exchange between adjacent bidding zones”*.
 - (12) As per the definition set in Article 2(11) of the CACM Regulation, the coordinated capacity calculator is delegated the task of calculating transmission capacity, at regional level or above.
 - (13) Article 9(9) of the CACM Regulation requires that the proposed timescale for the implementation and the expected impact of the ID CCC methodology Proposal on the

objectives of the CACM Regulation are described. The impact is presented below in the point (17) of this Whereas Section, while the timescale is included in the methodology.

- (14) Article 16(3) of Regulation (EU) 2019/943 describes the capacity calculation process and attributes the role of coordinated capacity calculator to the regional coordination centres. Regional coordination centres shall carry out coordinated capacity calculation using data from transmission system operators, including data on the technical availability of remedial actions, while respecting operational security limits.
Article 16(4) of Regulation (EU) 2019/943 provides a framework for the consideration of remedial actions in capacity calculation. It requires that the maximum level of capacity of interconnections and transmission networks affected by cross-border capacity is made available to market participants while complying with the safety standards of secure network operation.
- (15) The ID CCC methodology contributes to and does not in any way hinder the achievement of the objectives of Article 3 of the CACM Regulation.

Article 3(a) of the CACM Regulation aims at promoting effective competition in the generation, trading and supply of electricity.

The ID CCC methodology serves the objective of promoting effective competition in the generation, trading and supply of electricity by defining a set of harmonised rules for capacity calculation and congestion management which contributes to the effectiveness of the intraday market. Establishing common and coordinated processes for the capacity calculations within the intraday market timeframe contributes to achieving this aim.

Article 3(b) of the CACM Regulation aims at ensuring optimal use of the transmission infrastructure.

The ID CCC methodology contributes to the objective of ensuring optimal use of the transmission infrastructure by using last available inputs based on the best possible forecast of transmission systems at the time of each capacity calculation, updated in a timely manner.

Article 3(c) of the CACM Regulation aims at ensuring operational security.

The ID CCC methodology contributes to the objective of ensuring operational security by coordinating the capacity calculation with updated inputs for the intraday market timeframe at regional level to ensure its reliability.

Article 3(d) of the CACM Regulation aims at optimising the calculation and allocation of cross-zonal capacity.

By coordinating the timings for the delivery of inputs, calculation approach and validation requirements of the CCC between TSOs and the coordinated capacity calculator, the ID CCC methodology contributes to the objective of optimising the calculation and allocation of cross-zonal capacity.

Article 3(g) of the CACM Regulation aims at contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union.

By using the best possible forecast of the transmission systems at the time of each capacity calculation within the Italy North CCR, the results of the coordinated capacity calculation contribute to determine the most limiting branches within this region, by then help TSOs for a more efficient development of the electricity transmission system.

- (16) In conclusion, the ID CCC methodology contributes to the general objectives of the CACM Regulation.

Article 1 Subject matter and scope

1. The ID CCC methodology as determined in this document is the common methodology for the capacity calculation performed for the capacity allocation within the intraday timeframe for Italy North CCR in accordance with Article 21 of the CACM Regulation. The previous version of the ID CCC methodology approved by the NRAs of Italy North CCR on 24/02/2025 is repealed.
2. Considering the structure of the grid, Third Countries' borders are taken into account via a separate agreement in the capacity calculation process.

Article 2 Definitions and interpretation

1. For the purposes of the ID CCC methodology, the terms used shall have the meaning given to them in Article 2 of Regulation (EC) 2013/543, Article 2 of the CACM Regulation, and Article 2 of Regulation (EC) 2019/943.
2. In addition, the following definitions shall apply:
 - a. 'APG' means Austrian Power Grid AG, the Austrian system operator;
 - b. 'AT-IT border' means bidding zone border between Austria and Italy;
 - c. 'CH-IT border' means bidding zone border between Switzerland and Italy;
 - d. 'ELES' means ELES, d.o.o., the Slovenian system operator;
 - e. 'export corner calculation' means the common capacity calculation when at least one country is expected to be importing from Italy;
 - f. 'FR-IT border' means bidding zone border between France and Italy;
 - g. 'RTE' means Réseau de Transport d'Electricité, the French system operator;
 - h. 'SI-IT border' means bidding zone border between Slovenia and Italy;
 - i. 'Technical Counterparty' means any non-EU TSO to be included in the procedures of this methodology through respective agreements;
 - j. 'TERNA' means TERNA S.p.A. Rete Elettrica Nazionale, the Italian system operator;
 - k. 'Third Country' means country from jurisdiction outside the area referred to in Article 1(2) of the CACM Regulation.

3. Definition of Acronyms

CC	Capacity Calculation
CCC	Common Capacity Calculation
CGM	Common Grid Model
CGMES	Common Information Model (CIM) for Grid Model Exchanges
CNE	Critical Network Element
CNEC	Critical Network Element and Contingency. For the purpose of this methodology, the term CNEC also covers the case where a CNE is used in capacity calculation without a specified contingency.
CRA	Curative Remedial Action
D-2	Two Days Ahead
D2CF	D-2 Congestion Forecast
DACF	Day-Ahead Congestion Forecast
GSK	Generation Shift Key
ID	Intraday

IDCF	Intraday Congestion Forecast
IDCM	Intraday Coupling Model
IGM	Individual Grid Model
LSK	Load Shift Key
MC	Market Coupling
MNE	Monitored Network Element
NEMOs	Nominated Electricity Market Operators
NRAs	National Regulatory Authorities
NTC	Net Transfer Capacity
PRA	Preventive Remedial Action
PST	Phase Shifter Transformer
RAO	Remedial Action Optimization
RSC	Regional Security Coordinator
SDAC	Single Day-Ahead Coupling
SPS	Special Protection Scheme
TRM	Transmission Reliability Margin
TTC	Total Transfer Capacity (of the Italy North CCR)
Ur	Uncertainty of regulation
Us	Uncertainty of scenario
σ	Standard Deviation

4. In this ID CCC methodology, unless the context requires otherwise:
- the singular indicates the plural and vice versa;
 - headings are inserted for convenience only and do not affect the interpretation of this methodology; and
 - any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.

Article 3 Application of this methodology

1. This methodology applies solely to the ID common CCC based on the coordinated net transmission capacity approach within the Italy North CCR. For the avoidance of doubt the respective or relevant provisions of this methodology apply to any relevant Technical Counterparty of the Italy North CCR, by virtue of separate contracts as mentioned above in Article 1. The ID CCC methodology using the flow-based approach, the CCC methodologies within others CCRs and other timeframes are outside the scope of this methodology.

Article 4 Cross-zonal capacities for the intraday market

1. For the intraday market timeframe, individual values for cross-zonal capacity for each remaining intraday market time unit shall be calculated using the ID CCC methodology.

Article 5 Reliability margin methodology

1. For the CC performed in ID, the TSOs of the Italy North CCR and Technical Counterparties shall define the reliability margin in line with Article 22 of the CACM Regulation and based on the analysis of the following data:
 - a. unintended deviations of physical electricity flows within a market time unit caused by the adjustment of electricity flows within and between control areas, to maintain a constant frequency;
 - b. uncertainties which could affect CC, and which could occur between ID and real time, for the market time unit being considered.

More details on the computation of the reliability margin are provided in Annex I (D): TRM figure computation of the ID CCC methodology.

2. The reliability margin shall be defined as a fixed value, developed in accordance with Article 21 of CACM Regulation until the TRM study described in Annex I.D of the ID methodology is completed.
3. The TSOs of the Italy North CCR and Technical Counterparties shall review once a year the reliability margin for the whole Italy North CCR.¹

Article 6 Operational security limits, contingencies and allocation constraints

1. For the CC, each TSOs of the Italy North CCR and Technical Counterparties shall provide the coordinated capacity calculator with its individual list of CNECs created based on a common contingency list. The coordinated capacity calculator shall then define the initial list of CNECs to be considered during the CC, by merging the individual list of CNECs provided by all TSOs of the Italy North CCR and Technical Counterparties into a single list.
2. Subsequently, the coordinated capacity calculator shall use the initial list of CNECs pursuant to paragraph 1 to create the final list of CNECs to be considered in the CC by selecting only network elements significantly influenced by cross-zonal power exchanges. The selection of these CNECs shall be based on a sensitivity analysis performed for each calculated timestamp in the different network states including but not limited to base case, after contingency and after remedial action.
3. Only CNECs that include a tie-line as a CNE, elements that are necessary for the calculation process or the RAO process (i.e.: topological remedial actions) and CNECs with a sensitivity to cross-zonal power exchanges equal or higher than 5% shall be monitored during the CC process. The sensitivity shall be assessed as explained in Annex I (C): PTDF computation for the selection of critical network elements. Any change to the sensitivity threshold shall lead to an amendment of the entire ID CCC methodology according to Article 9(13) of CACM Regulation.
4. Where the power flows on CNEs monitored in the CC are influenced by cross-zonal power exchanges indifferent CCRs, the TSOs of the Italy North CCR and Technical Counterparties shall

¹ As agreed with IN NRAs on 28/08/2023, it was decided to deprioritise the TRM study in order to allocate available resources to other topics such as the update of the LTTC concept, the optimization of operational processes and the merger of Core and Italy North.

define the rules for sharing the power flow capabilities of CNEs among different CCRs in order to accommodate these flows. These rules will be detailed in cooperation with the other CCRs during the implementation phase of this methodology.

5. The TSOs of the Italy North CCR and Technical Counterparties shall review the list of CNEs to be monitored in the CC process at least once a year.
6. The coordinated capacity calculator shall use the CNECs in accordance with Article 7(3) for the CC performed within Italy North CCR in order to determine the maximum net transmission capacity for each bidding-zone border.
7. The Italian operational constraints related to the control of voltage profiles and dynamic stability of Italian system, which are needed to maintain the transmission system within operational security limits but cannot be transformed efficiently into maximum flows on CNEs, shall be expressed via allocation constraints pursuant to Article 2(6) of the CACM Regulation.
8. Ramping constraints, which are needed to avoid large variations of the exchange programs between one MTU and the next that may endanger the grid security during real time operations, shall be expressed via allocation constraints.
9. As a temporary solution, allocation constraints indicated in Article 6(7) and 6(8) will be directly applied to the results of the calculation performed by the coordinated capacity calculator, in the form of computation constraints. During this period, the unconstrained capacity will be computed in any case and made publicly and easily accessible according to the provisions set in Articles 12(4) and 12(5). Once the market coupling algorithm will be fully capable of managing the above-mentioned allocation constraints in accordance with the definition given in Article 2(6) of the CACM Regulation, computation constraints will be abandoned in favour of proper allocation constraints pursuant to Article 2(6) of the CACM Regulation.
10. Allocation constraints will be given with a level of discretization of 50 MW.

Article 7 Generation shift keys

1. The TSOs of Italy North CCR shall define the generation shift keys in accordance with Article 24 of the CACM Regulation.
2. RTE shall define generation shift keys proportional to the base case scenarios for each market time unit with all expected generating units in the IGM, reflecting RTE's best forecast of market behaviour.
3. TERN shall define generation shift keys merit order to the base case scenarios for each market time unit with all expected generating units in the IGM, reflecting TERN's best forecast of market behaviour:

4. ELES shall define generation shift keys proportional to the base case scenarios for each market time unit with all expected generating units and selected loads in the IGM, reflecting ELES's best forecast of market behaviour.
5. APG shall define generation shift keys participation factors to the base case scenarios for each market time unit with all expected generating units in the IGM, reflecting APG's best forecast of market behaviour. To achieve this the shift is done in generation/load nodes (PV or PQ nodes), according to a participation factor. The chosen nodes are evaluated by APG and are nodes with generation/load units that will change along with a market change. The participation factor for each node is set by APG and reflects the best forecast of generation/load distribution in the Austrian grid.
6. The TSOs of the Italy North CCR have the possibility to use some nodes belonging to non-participating TSOs for the shifting during winter period (from October 1st to April 30th).

Article 8 Remedial actions in capacity calculation

1. The TSOs of Italy North CCR shall define the remedial actions in accordance with Article 25 of the CACM Regulation.
2. Each TSO of Italy North CCR shall define individually the remedial actions of its responsibility area to be made available for the ID CCC within Italy North CCR.
3. The available remedial actions are those which can be activated in a coordinated way by the TSOs of Italy North CCR and Technical Counterparties to ensure the operational security.
4. The remedial actions to be defined by each TSO of Italy North CCR shall be either preventive (pre-fault) or curative (post-fault). The TSOs of Italy North CCR may use the following remedial actions, but not limited to:
 - a. changing the tap position of a phase shifter transformer;
 - b. topology measure: opening or closing of a line, cable, transformer, bus bar coupler;
 - c. switching of a network element from one bus bar to another; or
 - d. modification of generation.

The remedial actions given to CC process are assessed by each TSO of the Italy North CCR on a daily basis.

5. All types of remedial actions can be used in preventive and/or curative state. SPS will act only in curative stage, after tripping of grid elements. Due to this, there are three different types of remedial actions used in the Italy North CC process:
 - a. PRA: They correspond, in operation, to remedial actions to be implemented independently of the occurrence of any outage to relieve the grid. They are also implemented in the CGM.
 - b. CRA: Each CRA is associated with a given outage and applied after the outage happened. They are taken into account during the CC process but not implemented in the model.
 - c. SPS: This represents an automatic change in grid topology in case predefined conditions (e.g. outage of 2 parallel lines) are met. They are taken into account during the CC process but not implemented in the model.
6. Preventive Remedial Actions are implemented in the final CGM of the CC. Their application during later operational security timeframes (IDCF and real time) shall be evaluated based on the Security Analysis taking into account the latest grid information and in line with the methodologies to be defined according to the Articles 75 and 76 of the Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation.

7. Each TSO of Italy North CCR shall inform the coordinated capacity calculator in a timely manner on any change in its remedial actions within Italy North CCR to ensure an efficient CC.
8. TSOs of the Italy North CCR shall coordinate with each other regarding the use of remedial actions to be taken into account in CC and their actual application in real time operation. The coordination of remedial actions is ensured by the CC methodology.
9. Each TSO of the Italy North CCR and Technical Counterparty shall ensure that the available remedial actions after CC are sufficient to ensure operational security. Furthermore, all TSOs of the Italy North CCR shall ensure that remedial actions agreed in the CC are also made available in the subsequent timeframes. In case multiple market directions are calculated (as, for example, in case of export corner calculation), the remedial actions representing the result closest to market outcome shall be considered in the subsequent timeframes. All TSOs of the Italy North CCR and Technical Counterparties shall in the day-ahead or intraday operational planning, when preparing a remedial action, make sure that cross-border relevant remedial actions agreed in the CC are coordinated pursuant to the processes defined in the methodologies developed according to Articles 75 and 76 of the SOGL Regulation.

Article 9 Intraday capacity calculation

1. In accordance with Article 8 of the CACM Regulation, the TSOs of Italy North CCR shall calculate cross-zonal capacities for each bidding-zone border of Italy North CCR.
2. The TSOs of Italy North CCR shall provide the coordinated capacity calculator with the last updated information on the transmission systems in a timely manner for the CC that is started in the end of D-1.
3. The coordinated capacity calculator shall use the CGM built in accordance with Article 28 of the CACM Regulation no later than 6 months after the implementation of the CGM methodology developed in accordance with Article 17 of the CACM Regulation, provided that the necessary tools are developed, and compatibility is ensured.
4. Before using the CGM built in accordance with Article 28 of the CACM Regulation, the CGM is created by merging the whole IDCF data set which contains the single IDCF data sets from the participating and non-participating TSOs.
5. The import direction to Italy is still expected to be the primary market direction. Therefore, a calculation in import direction from all the concerned countries to Italy is always performed.
In case of forecasted exports from Italy on one or more borders, a second, parallel calculation based on this most likely market direction is performed. Otherwise the export capacity value from Italy (considering the planned outages) is used, which is reassessed every day.
6. The CC is performed by the coordinated capacity calculator with an iterative process made up of the following steps, these will be repeated until it is not possible to achieve a higher secure level of capacity:
 - a. Security analysis on the CGM, considering the constraints defined in Article 6;
 - b. RAO to secure the CGM;
 - c. In case the CGM is secure, increase of exchanges between Italy and the concerned countries as explained in Annex I (B): Iterative Approach for TTC Calculation.
7. The purpose of the RAO is to find an optimal set of Remedial Actions to secure the CGM. In case the operational security limits of a CNEC defined in Article 6 are exceeded, Remedial Actions are applied. The final set of Remedial Actions that has the highest positive effect on the congested CNEC without creating any negative impact on other CNECs is chosen based on sensitivities.

8. The minimum capacity as defined in the day-ahead capacity calculation methodology in accordance with Article 16(8) of the Regulation (EU) 2019/943 will be applied in the D-2 timeframe.
9. The coordinated capacity calculator shall define the values of TTC for each hour. These values shall be provided to TSOs of the Italy North CCR and Technical Counterparties via separate contracts, for validation.
10. In case several coordinated capacity calculators compute the values of TTC for each market time unit in parallel, the minimum value of the computed TTCs is provided to TSOs of the Italy North CCR and Technical Counterparties for validation. The provided value shall ensure maximisation of social welfare while respecting operational security constraints. The TSOs of Italy North CCR shall in cooperation with the coordinated capacity calculators deliver a yearly report to the NRAs of Italy North CCR with explanations on the significant differences in the calculated values.
11. The NTC Calculation for each border is achieved according to the following steps:
 - a. TTC Selection: in this sub process, the TTC value is forced to be upper than a minimum value Lower Total Transfer Capacity (LTTC) corresponding to already allocated capacity (ID schedule) plus TRM;
 - b. TTC Validation, performed in accordance with Article 9;
 - c. Border NTC Calculation: the lowest value provided by the TTC Validation sub process is considered, reduced by the TRM and then split between the borders according to agreed splitting factors. In this step, the already allocated long-term rights per border are taken into account.
12. In the DA Timeframe, in case a critical grid situation is declared, for adequacy reason, by one or several TSOs of Italy North region, then, an operational procedure (Tense situation procedure) is applied according to the ENTSO-E DA operational procedure for tense situation. In that case, the new NTCs agreed between the whole region to ensure minimum required adequacy, will be the final values of the IDCC process for the hours that the procedure was triggered.
13. In accordance with Article 58 of the CACM Regulation, the coordinated capacity calculator and the TSOs of the Italy North CCR shall ensure that the relevant NEMOs are provided with the validated NTCs for each bidding-zone border of Italy North CCR after application of the reliability margin defined in accordance with Article 5.
14. Discrimination between internal and cross-zonal exchanges is avoided by the proper bidding zones configuration and CNEC selection in accordance with Article 6 based on the methodology described in Annex I (C): PTDF computation for the selection of critical network elements.

Article 10 Cross-zonal capacity validation methodology

1. The TSOs of Italy North CCR shall validate the cross-zonal capacities calculated by the coordinated capacity calculator of the Italy North CCR.
2. The coordinated capacity calculator shall make available the common grid model for Italy North CCR for all scenarios for the relevant market time unit to the TSOs of Italy North CCR.
3. TSOs of the Italy North CCR shall validate the cross-zonal capacities calculated by the coordinated capacity calculator with grid model provided in accordance with Article 9(2).
4. In case one of the following situations endangers the operational security, the TSOs of Italy North

CCR shall assess and validate a secure capacity value.

- a. Contingencies or critical network elements are missing in the list of CNECs to be monitored in the CC process;
 - b. A mistake in an IGM, GSK or a CGM was found (e.g. a wrong topology);
 - c. Unplanned outages or a trip of an element in the respective TSO grid occurred;
 - d. An issue with the tools used in the CC process occurred;
 - e. Expectation of significant changes in the flow distribution due to high discrepancies between forecast in ID CC and the expected real-time market outcome (e.g. change of net positions or market directions) which are not covered by the statistical uncertainty related to the TRM.
 - f. Resulting NTC exceeds thermal limit of cross-border elements.
5. Where one or more TSOs of the Italy North CCR do not validate the cross-zonal capacity calculated, the concerned TSO(s) shall provide the updated amount of cross-zonal capacities for the border(s) considered and the reasons for the change. The final cross-zonal capacity is the minimum value sent by the TSOs of the Italy North CCR.
6. Whenever a TSO of the Italy North CCR reduces the amount of cross-zonal capacity during the validation, the location and amount of the reduction and further details about the reduction shall be stored.

Article 11 Fallback procedures

1. Prior to each CC performed in ID, the TSOs of Italy North CCR shall ensure the coordinated capacity calculator is provided with the already allocated capacities within the day-ahead timeframe.
2. For the CC performed in ID, where an incident occurs in the CC process and the coordinated capacity calculator is unable to produce results within the allotted time for the calculation process, the TSOs of the Italy North CCR shall validate the last coordinated cross-zonal capacities calculated within the day-ahead timeframe. After this validation step, the coordinated capacity calculator or TSOs of the Italy North CCR where applicable, shall provide the relevant NEMOs with this coordinated value.

Article 12 Publication of data

1. The TSOs of the Italy North CCR and Technical Counterparties publish the following CC relevant data:
 - a. For each reference hour and CNEC:
 - i. Timestamp of the associated hour;
 - ii. Clear name and EIC code of both CNE and Contingency;
 - iii. Maximum flow of a CNE (FMAX);
 - iv. Reference flow in base case scenario (FREF);
 - v. Sensitivity used for CNEC selection and computed according to Annex I (C);
 - vi. Final flow at the end of the CC process (FNTC);
 - vii. Binary indicator whether the CNEC was limiting the NTC domain;
 - viii. Zone to Zone PTDF for all the different borders (Italy – France, Italy – Switzerland, Italy – Austria, Italy - Slovenia) computed in the base case scenario (PTDFREF);
 - ix. Zone to Zone PTDF for all the different borders (Italy – France, Italy – Switzerland, Italy – Austria, Italy - Slovenia) computed at the end of the CC process (PTDFNTC);
 - x. Flow reliability margin (FRM);
 - xi. Flow after long term nomination (FLTn);
 - xii. Remaining available margin (RAM);
 - xiii. Adjustment for minimum RAM (AMR);
 - b. For each market time unit and bidding zone:
 - i. Forecasted vertical load;

- ii. Forecasted production;
- iii. Forecasted net position;
- c. Final NTC.

2.

Starting from 2021, all data listed in paragraph 1 are published on a daily basis contemporary to the provision to NEMOs of the cross-zonal capacity values. Until the implementation of a common coordinated CC methodology using flow-based approach referred to in Article 14(3), data defined in paragraph 2(a)(xiii)-(xvi) are populated with null entry values. If the data defined in paragraph 2(a)(iv),(v)(viii)-(xii) are not available, the reporting will be populated with null entry values.

3. For voltage and stability constraints referred to in Article 6(7), TSOs of Italy North CCR publish at least the following elements for each market time unit:
 - a. the expected total load in the Italian system;
 - b. the expected total non-dispatchable production in the Italian system;
 - c. the minimum dispatchable thermal generation needed to grant voltage and system stability in the Italian system.

TSOs of Italy North CCR publish also a feature to provide an estimation of the cross-dependence between the level of the allocation constraint and the parameters listed above.

4. All data mentioned in this Article shall be published on one centralized web-platform (e.g. JAO) based on API (application programming interface) interaction.

Article 13 Reporting

1. In accordance with Article 26(5) of the CACM Regulation, the coordinated capacity calculator shall prepare a report about all reductions called during the validation of cross-zonal capacity, reporting all the information mentioned in Article 10(6). The report shall be sent to all the NRAs of Italy North CCR on a quarterly basis 45 working days after the end of each quarter.

Article 14 Publication and Implementation of the ID CCC methodology Proposal

1. The TSOs of Italy North CCR shall publish the ID CCC methodology Proposal without undue delay after all NRAs of Italy North CCR have approved it.
2. The ID CC methodology is used immediately after the approval by the NRAs of Italy North CCR. The individual values for cross-zonal capacity are calculated and offered to the intraday market time units covered by the auction (12h-24h).

3. In derogation to what is stated in paragraph 2, The TSOs of Italy North CCR have implemented the following parts of the ID CCC methodology, based on the timeline below:

IDCC²	Planned implementation	Effective implementation
Export Corner Calculation Implementation	30/06/2021	29/11/2023
CNEC Selection Implementation	31/01/2021	06/05/2021
Regional process for the minimum capacity adjustment Implementation	31/03/2021	29/10/2021
Allocation Constraints Adaptation of IDCC process to long term solution	As soon as Request for Change for the algorithm was implemented and agreements with JAO about congestion rent and LTTR firmness and remuneration were updated	17/02/2022

4. Any changes made by the 2nd amendment of the ID CCC Methodology shall be implemented by the TSOs of the Italy North CCR no later than the implementation date outlined in Article 30(2) of the current version of the Day-Ahead Capacity Calculation Methodology of the Central Europe Capacity Calculation Region. For sake of clarity, until the implementation date outlined in Article 30(2) of the current version of the Day-Ahead Capacity Calculation Methodology of the Central Europe Capacity Calculation Region, the ID CCC Methodology, as amended by the 1st amendment, remains applicable, while at the same time the necessary implementation measures based on the 2nd amendment of the ID CCC Methodology are taken.
5. In case TSOs of Italy North CCR cannot match any of the deadlines set in this Article, they shall inform all the NRAs of Italy North CCR at least six months before the affected deadline.

Article 15 Language

1. The reference language for this ID CCC Methodology shall be English.
2. For the avoidance of doubt, where TSOs of the Italy North CCR need to translate this ID CCC methodology into their national language(s), in the event of inconsistencies between the English version published by TSOs of the Italy North CCR in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs of the Italy North CCR shall be obliged to dispel any inconsistencies by providing a revised translation of this ID CCC methodology to their relevant national regulatory authorities.

² The implementation of IDCC V2 (0-24) and the Reliability Margin Methodology have been deprioritized in alignment with all NRAs on the 28/08/2023 and 11/07/2024. Higher priority has been given to other topics such as the update of the LTTC concept, optimization of operational processes and the merger of Core and Italy North.

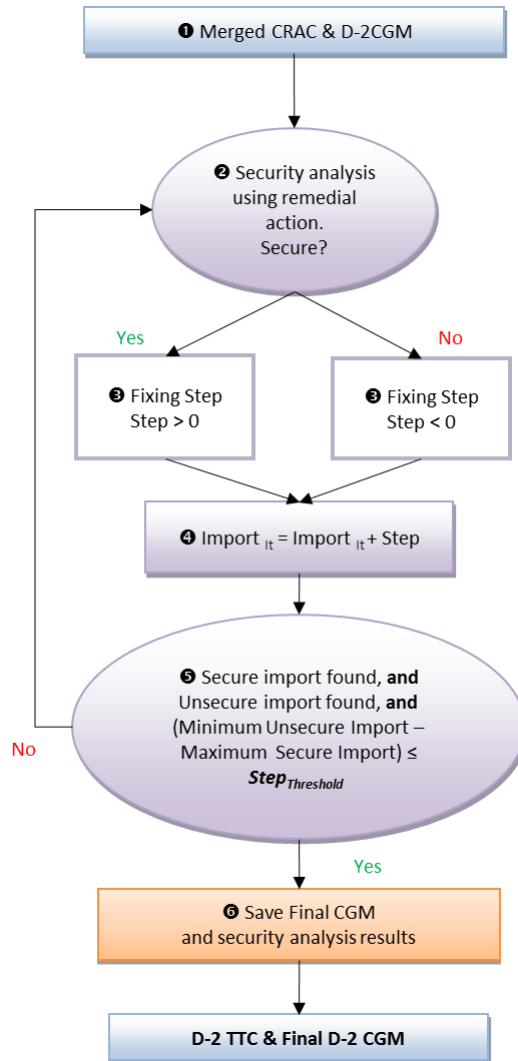
Annex I: Technical explanation

A. Load Flow Algorithm

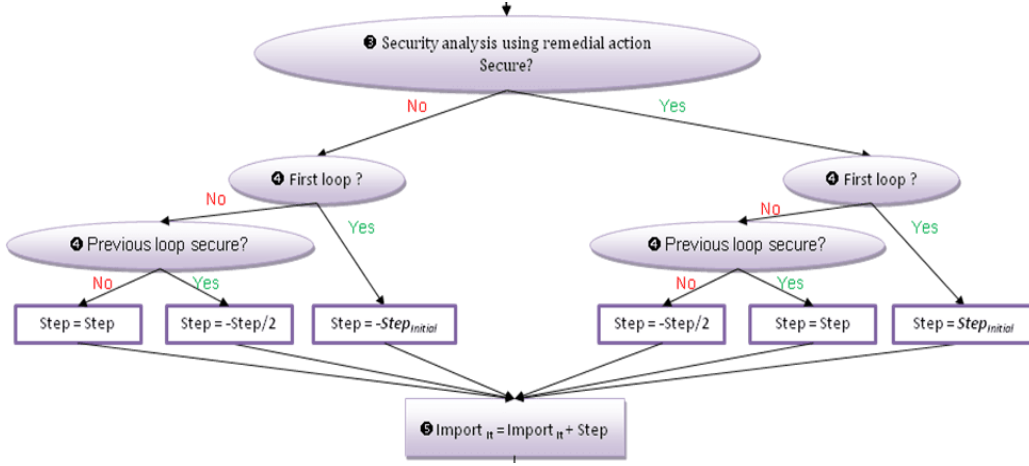
The CC process is performed using Alternate Current (AC) load flow algorithms (available in the technical literature), considering reactive power capability limits of generators.

B. Iterative Approach for TTC Calculation

The CC step can be described as a calculation by dichotomy. The coordinated capacity calculator will define a starting capacity level and check if this level of exchange allows the transmission system to be operated within its operational security limits (i.e. no overloads are observed on CNECs). Starting capacity level is equal to the latest available control program of Italy.



If the level is secure or can be made secure by optimizing remedial actions, the coordinated capacity calculator will then test a higher value of TTC. Otherwise, it will then test a TTC value in between the secure and unsecure TTC values until it reaches the last secure TTC. Stopping criteria for optimization is finding last secure and first unsecure level of import. Once both are found, last secure import is considered as maximum Italian import.



The dichotomy is set with a 50 MW step in order to optimize the capacity offered to the market while reducing the computation time. Considering optimal remedial actions have been applied in each step of CC, the dichotomy approach guaranties final solution is less than 50 MW suboptimal compared to absolute maximum Italian import.

C. PTDF computation for the selection of critical network elements

Critical network elements are selected based on their sensitivity to cross-zonal power exchanges, evaluated through a *PTDF* matrix. The elements of this matrix represent the influence of a commercial exchange between bidding zones on power flows on the considered combinations of CNECs. The calculation of the *PTDFs* matrix is performed on the basis of the CGM and the *GSK*.

The nodal *PTDFs* are first calculated by subsequently varying the injection on each node of the CGM. For every single nodal variation, the effect on every CNECs loading is monitored and calculated³ as a percentage (e.g. if an additional injection of a 100 MW has an effect of 10 MW on a CNEC, the nodal *PTDF* is 10 %). Then the *GSK* translates the nodal *PTDFs* into zonal *PTDFs* (or zone-to-slack *PTDFs*) as it converts the zonal variation into an increase of generation in specific nodes.

PTDFs can be defined as zone-to-slack *PTDFs* or zone-to-zone *PTDFs*. A zone-to-slack $PTDFA_{il}$ represents the influence of a variation of a net-position on a CNEC. A zone-to-zone $PTDFA \rightarrow Bi$ represents the influence of a variation of a commercial exchange from A to B on a CNEC i . The zone-to-zone $PTDFA \rightarrow Bil$ can be linked to zone-to-slack *PTDFs* as follows:

$$PTDFA \rightarrow Bil = PTDFA_{,i} - PTDFB_{il} \quad \text{Equation 1}$$

Zone-to-zone *PTDFs* must be transitory i.e.

$$PTDFA \rightarrow C,i = PTDFA \rightarrow Bil + PTDFB \rightarrow C,i \quad \text{Equation 2}$$

The validity of Equation 2 is ensured by Equation 1.

³In this load flow calculation, the variation of the injection of the considered node is balanced by an inverse

Once all $PTDFA \rightarrow B, i$ are computed for each element i , all the elements which satisfy the condition:

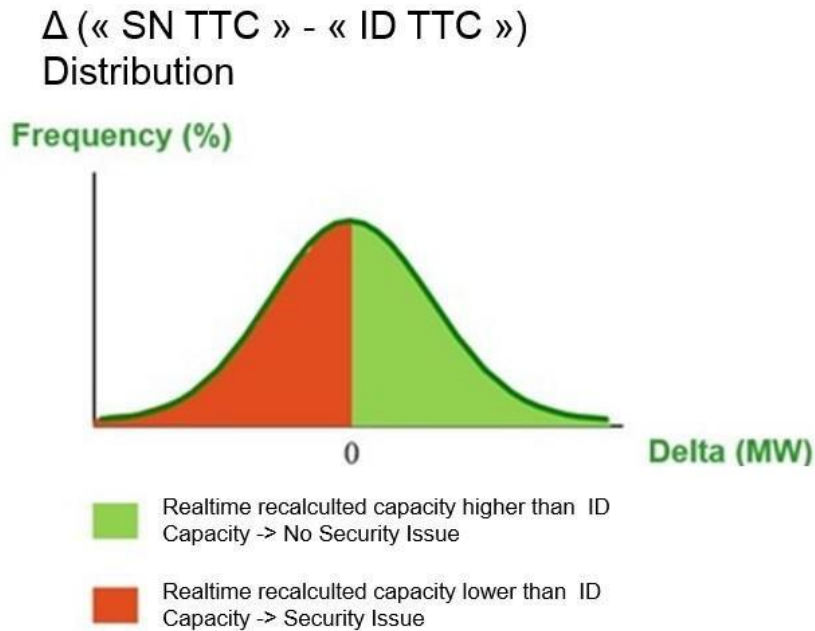
$$PTDFFR \rightarrow IT, i * SF_{FR-IT} + PTDFCH \rightarrow IT, i * SF_{CH-IT} + PTDFAT \rightarrow IT, i * SF_{AT-IT} + PTDFSI \rightarrow IT, i * SF_{SI-IT} \geq threshold$$

can be classified as CNEC significantly impacted by cross zonal power exchanges of the Italy North CCR, where SF_{j-IT} represents the splitting factor for the border $j-IT$, in line with the shifting methodology applied during CC.

D. TRM figure computation

The process for the TRM1 determination could be described as follows:

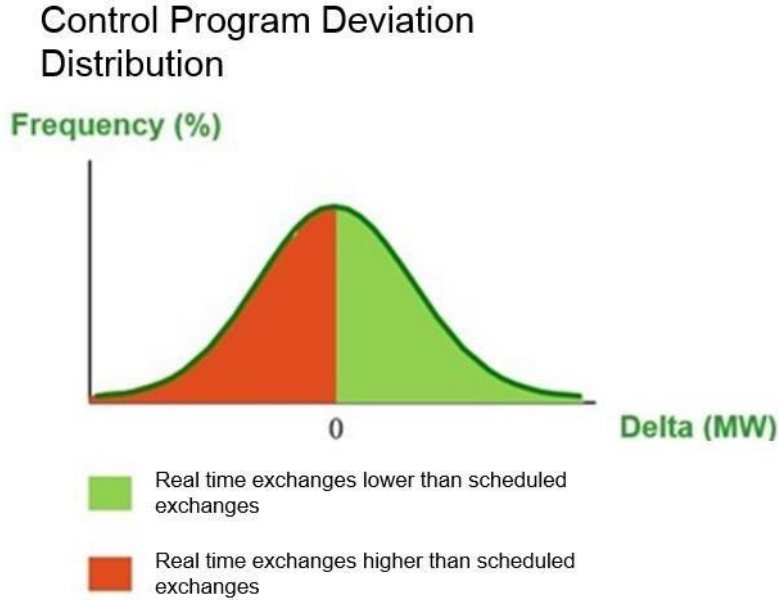
- Step 1: define the statistical period: one full year.
- Step 2: discard the timestamps (TSs) of the statistical period not useful for the study (e.g. TS where no CC has been performed, etc.).
- Step 3: retrieve the following data for all the selected TSs:
 - ID TTC without cap/floor (referred as “TTC ID”),
 - the Real time CGM for the selected TS,
 - reduced Splitting factors.
- Step 4: estimate the TTC on the real time CGM (referred as “TTC RT”) selected after step 3 for all the selected TS. The estimation will be based on a linearised approach checking the operational security limits of a fixed set of CNECs. Then compute all the difference between ID and real-time estimated TTCs (“TTC RT” – “TTC ID”) and plot those deltas in a distribution curve.



TRM1 = uncertainties of the forecast

The process for the TRM2 determination could be described as follows:

- Step 1: define the statistical period: one full year.
- Step 2: for the statistical period retrieve the control program error for the Italian control area (difference between the scheduled program and the actual physical exchange at the Northern Italian interconnection). One minute average values could be used.
- Step 3: plot those deltas in a distribution curve:



TRM2= unintended deviation

Once TRM1 and TRM2 distribution functions have been calculated (f_{TRM1} and f_{TRM2} , respectively) the TRM distribution function (f_{TRM}) can be calculated as convolution of the above-mentioned distribution functions:

$$f_{TRM} = f_{TRM1} * f_{TRM2}$$

The TRM shall be defined as the percentile of the convolution of the probability distribution functions of the two variables TRM1 and TRM2, with risk level kept below 10% (e.g. 90 percentile means 10% risk, 99 percentile 1% risk). When defining the percentile and the risk level, the historical experiences (i.e. TRM of 500 MW) should be taken into account.

E. Generation and Load Shift Keys

GSK file is defined for:

- an area;
- a time interval: GSK is dedicated to individual daily hours in order to model differences between peak and off-peak conditions per TSO.

Generation and Load shift keys are needed to transform any change in the balance of control area into a change of injections in the nodes of that control area. In order to avoid newly formed unrealistic congestions caused by the process of generation shift, TSOs define both generation shift key (GSK) and load shift key (LSK), where GSKs constitute a list specifying those generators that shall contribute to the shift and LSKs constitute a list specifying those load that shall contribute to the shift in order to take into account the contribution of generators connected to lower voltage levels (implicitly contained

in the load figures of the nodes connected to the 220 and 400 kV grid). Each TSO can decide how to represent its best generation shift. If GSK and LSK are defined, a participation factor is also given:

- G(a) Participation factor for generation nodes
- L(a) Participation factor for load nodes

The sum of G(a) and L(a) for each area has to be to 1 (i.e. 100%).

Definition of GSK and LSK Nodes:

The list of GSK nodes contains one or more node defined by:

- the name of UCTE Node
- the maximum power production of the node (optional for prop and fact, mandatory for the other methods)
- the minimum power production of the node (optional for prop and fact, mandatory for the other methods)

Several methods are supported by the process:

- *Proportional:*

Shift in defined generation/load nodes, proportionally to the base case generation/load.

- Pg(n) Active generation in node n, belonging to area a (nodes n defined in GSK list) or
- Pl(n) Active load in node n, belonging to area a (nodes n defined in LSK list).

The participation of node n in the shift, among selected gen. nodes (GSK) is given by:

$$Kg(n, a) = G(a) \cdot \frac{Pg(n)}{\sum_n Pg(n)}$$

The participation of node n in the shift, among selected load nodes (LSK) is given by:

$$Kl(n, a) = L(a) \cdot \frac{Pl(n)}{\sum_n Pl(n)}$$

- *Participation factors:*

Shift in defined generation/load nodes (PV or PQ nodes), according to the participation factors:

- kg(n) Participation factor for generation in node n, belonging to area a
- kl(n) Participation factor for load in node n, belonging to area a

The participation of node n in the shift, among selected gen. nodes (GSK) is given by:

$$Kg(n, a) = G(a) \cdot \frac{kg(n)}{\sum_n kg(n)}; 0 \leq kg(n) \leq 10$$

The participation of node n in the shift, among selected load nodes (LSK) is given by:

$$Kl(n, a) = L(a) \cdot \frac{kl(n)}{\sum_n kl(n)}; 0 \leq kl(n) \leq 10$$

- *Reserve:*

All power plants, which are chosen for the shift, are modified proportionally to the remaining available capacity, as presented hereafter in these equations (1) and (2).

$$P_i^{inc} = P_i + \Delta E \cdot \frac{P_i^{max} - P_i}{\sum_{i=1}^n (P_i^{max} - P_i)} \quad (1)$$

$$P_i^{dec} = P_i + \Delta E \cdot \frac{P_i^{min} - P_i}{\sum_{i=1}^n (P_i^{min} - P_i)} \quad (2)$$

Where:

P_i = Actual power production.

P_i^{min} = Minimal power production.

P_i^{max} = Maximal power production.

ΔE = Power to be shifted.

P_i^{inc} = New power production after positive shift.

P_i^{dec} = New power production after negative shift.

- *Merit order*

The chosen generation nodes shift up or down according to the correspondent merit order list GSKup or GSKdown, as described following:

- upward list contains the generation nodes which performs the total positive shift.
- downward list contains the generation nodes which performs the total negative shift.

Merit order factor defines the number of generation node to be shifted simultaneously.

It means that the first group (number defined with Merit order factor) of generating nodes are shifted together and if it is not sufficient, the next group generating nodes are used to complete the total shift, and so on.

The total shift is distributed to the last group of Merit order factor generation nodes proportionally to their available margin as defined for Reserve shift.

Generation shift keys in Italy North CCR are determined by each TSO individually on the basis of the latest available information about the generating units and loads.

F. Activities and timings of the process

The main activities of the process are summarized in the following table:

ID	Activity	Start Time	End Time
001	Italy North TSOs deliver input files to Coordinated Capacity Calculator	-	2:15
002	Quality check of the inputs by the Coordinated Capacity Calculator	2:15	2:40
002	Merge of the inputs, TTC Calculation and transmission of the selected results to Italy North TSOs	2:40	7:00
003	Validation of the results by Italy North TSOs and NTC Calculation	7:00	9:30

The intermediate timings may be subject to adjustments in the future if deemed necessary by Italy North TSOs.

Annex II: Handling of Remedial Actions

The scheme below summarizes the conditions to be fulfilled with this combination of remedial actions to state that all security constraints are respected. Each rounded square represents a different network state.

On N state, preventive remedial actions are implemented and I_{max} of “base case” CNEs are monitored.

On N-1 states, CNECs are applied and $I_{max_AfterOutage}$ are monitored. They represent transient admissible current on the monitored branches. Transient current can exceed permanent admissible current provided that available SPS and curative remedial actions are sufficient to keep permanent current not greater than permanent admissible current.

On After Curative states, outage, SPS and curative remedial actions are implemented and $I_{max_AfterCRA}$ are monitored. They represent permanent admissible current on the monitored branches.

If an outage or a remedial action leads to an unbalance situation due to a modification of generation or load pattern, this unbalance has to be compensated inside the concerned country, by using the GSK of this one.

On SPS states, outage and SPS are applied, $I_{max_AfterSPS}$ are monitored. $I_{max_AfterSPS}$ represent transient admissible current on the monitored branches after SPS. Transient current can exceed permanent admissible current, provided that available curative remedial actions are sufficient to keep permanent current not greater than permanent admissible.

