
**Consultation Report to Capacity Calculation Region Hansa's
regional design of long-term transmission rights in accordance with
Article 31 of the Commission Regulation (EU) 2016/1719 of 26
September 2016 establishing a guideline on forward capacity
allocation**

17th of November 2017

1. Introduction

The Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (hereinafter “**FCA Regulation**”) sets out rules regarding the type of long-term transmission rights that can be allocated via explicit auctions, and the way holders of transmission rights are compensated in case their rights are curtailed. The overarching goal is to promote the development of liquid and competitive forward markets in a coordinated way across Europe, and provide market participants with the ability to hedge their risk associated with cross-border electricity trading. In order to deliver these objectives, a number of steps are required.

One of these steps is to propose a regional design of long-term transmission rights (hereinafter “**regional design of LTTRs**”) within the Capacity Calculation Regions (hereinafter “**CCRs**”). This regional design of LTTRs should contribute to a transparent and non-discriminatory allocation of LTTRs.

Pursuant to Article 31 of the FCA Regulation, all Transmission System Operators (hereinafter “**TSOs**”) in the CCR Hansa have developed a regional design of LTTRs.

This document is meant to explain the reasons for changing the submitted regional design of LTTRs compared to the document which was sent to public consultation.

2. Consultation responses

In the consultation period from 14th of June 2017 to 30th of July 2017, CCR Hansa received one consultation response. A second response not including any information was also received.

Comments	CCR Hansa response
<p>We are happy to see that the proposal is open for other time periods than monthly and yearly auctions. Danske Commodities suggests also considering weekly auctions. For some years the southbound auction between DK1 and Germany has been cancelled due to the very low allocated capacity on the interconnector. This year the TSO's in Denmark and Germany has agreed to implement a minimum capacity on the interconnector of 700 MW. This means that there is no issue with having firm capacity on the dayahead market. So Danske Commodities expect that the auction between DK1 and Germany is reopened as a consequence of this change in capacity and in accordance with CCR Hansa regional design of long-term transmission rights.</p>	<p>The TSOs in CCR Hansa appreciate the view from the market participant.</p> <p>To accommodate the suggestion for weekly products the TSOs will take this opportunity and initiate a work to identify possible benefits and risks in liquidity by implementing weekly and/or other products besides the monthly and yearly auction.</p> <p>The TSOs will invite the market participants to this work.</p> <p>If the TSOs identify the benefits of implementing additional products, the regional design of LTTRs will be updated accordingly and subject to approval by all TSOs in CCR Hansa.</p> <p>The southbound auctions between DK1 and DE have, as rightfully stated, been cancelled due to very low allocation capacity on the interconnector.</p> <p>The agreement reached between the Danish and German ministries, and implemented by TenneT TSO and Energinet, however is not related to the FCA Regulation, and therefore out of scope of this proposal.</p> <p>However, the Hansa TSOs thoroughly took the wish for more long-term transmission capacity between DK1 and DE into account. In order to meet the requirements of the market, TenneT TSO and Energinet decided to implement FTR - options on the respective bidding zone border as of 2019. With FTR - options, the TSOs are confident in being able to offer more long-term transmission capacity since it has no physical impact.</p> <p>Further 50 Hertz Transmission and Energinet have decided to also change the product on the bidding zone border DK2 – DE from PTR to FTR – options to align the products in CCR Hansa.</p>