



Core CCR TSOs' proposal for regional design of long-term transmission rights in accordance with Article 31(3) following the decision of concerned NRAs in accordance with Article 30(2) and its subsequent amendment based on Article 4(12) of Commission Regulation (EU) 2016/1719

20 October 2017

Version for public consultation

TSOs of the Core CCR (Core TSOs), taking into account the following,

Whereas

- (1) On 03 October 2017 the CCR Core national regulatory authorities (Core NRAs) on their Core Energy Regulators Regional Forum ("CERRF") approved the Core CCR TSOs' proposal for the regional design of long-term transmission rights in accordance with article 31 of Commission Regulation (EU) 2016/1719 (FCA Regulation) (Core TSOs' LTR Design).
- (2) By the Decision No. 0001/2017/E-EU of the Slovak Regulatory Office for Network Industries on 26 May 2017 and by the Decision No. 04811-7/2017-ERU of the Czech Energy Regulatory Office on 17 May 2017 it was decided to introduce long-term transmission rights (LTR) on the bidding zone border between Czech Republic and Slovakia (CZ-SK BZB) in accordance with article 30 (2) and (5) of the FCA Regulation.

The Core TSOs' LTR Design mentioned in Whereas (1) shall be completed by introducing physical transmission rights pursuant to UIOSI principle on the CZ-SK BZB by submitting it to the Core NRAs for approval based on article 31(3) of the FCA Regulation.

This proposal for completing the Core TSOs' LTR Design by stipulations for the CZ/SK bidding zone border (Completed Core TSOs' LTR Design) is a joint proposal by the Core TSOs, as defined in the decision No 06/2016 of the Agency on 17 November 2016 pursuant to article 15(1) of the Commission Regulation (EU) 2015/1222.

- (3) Following the agreement between Bundesnetzagentur and E-Control dated 15 May 2017, TSOs on the bidding zone border between Austria and Germany/Luxembourg (AT-DE/LU BZB) are required to introduce physical transmission rights pursuant to UIOSI principle on that bidding zone border.¹

The Completed Core TSOs' LTR Design shall be amended by introducing physical transmission rights pursuant to UIOSI principle on the AT-DE/LU BZB by submitting them to the Core NRAs for approval based on article 4(12) of the FCA Regulation.

This proposal for amending the Core TSOs' LTR Design by stipulations for the AT-DE/LU bidding zone border (Completed Core TSOs' LTR Design Amendment No. 1) is a joint proposal by the Core TSOs, as defined in the decision No 06/2016 of the Agency on 17 November 2016 pursuant to article 15(1) of the Commission Regulation (EU) 2015/1222

- (4) This proposal provides a consolidated list of LTR products across bidding zone borders of the Core CCR and support flexible range of options for cross-zonal hedging opportunities (objective 3a and 3f FCA Regulation) on a non-discriminatory basis subject to them meeting market requirements for participation (objective 3c FCA Regulation).

¹Core TSOs issue the LTTR on the border however some Core TSOs are not accepting and questioning the level of capacities as mentioned in this agreement. Anyhow, as soon as the coordinated capacity calculation methodology based on art 10 FCA regulation will be implemented the level of LTTR capacities to be offered to the market will result from this methodology.

- (5) For the avoidance of doubt, the processes described in Whereas (2) and (3) are separate proposals seeking separate decisions of national regulatory authorities of the CCR Core.

submit the following proposal to the national regulatory authorities of the Core CCR:

Article 1 LTR Design for the CZ-SK BZB

Based on article 31(3) FCA Regulation Core TSOs propose the design of long-term transmission rights for the bidding zone border CZ-SK in the following way:

Table I Long-term transmission rights type of Core bidding zone border

Core CCR borders	Type of long-term transmission right
CZ-SK	Physical transmission rights pursuant to UIOSI principle

Article 2 Forward capacity time frames for the CZ-SK BZB

Long-term transmission rights shall be issued for the forward capacity time frames month and year.

Article 3 Form of product for the CZ-SK BZB

1. Long-term transmission rights shall be issued in form of base load products with a fixed amount of MW over the product period.
2. The product form may include reduction periods, i.e. specific calendar days and/or hours within the product period, in which Cross Zonal Capacities with a reduced amount of MW are offered, taking into account a foreseen specific network situation (e.g. planned maintenance, long-term outages, foreseen balancing problems).
3. Where the product to be auctioned includes reduction periods, the auction specification shall include for each reduction period information on the duration of the reduction period and the amount of offered capacities.

Article 4 Implementation timeline for the CZ-SK BZB

The regional design of long-term transmission rights on the CZ-SK BZB shall be implemented no later than for the first auction for the time frame 2019 according to competent regulatory authorities decisions.

Article 5

LTR Design for the AT-DE/LU BZB

Based on article 4(12) FCA Regulation and subsequent to the Core NRAs' decisions on Articles 1 until 4 of this proposal based on 31(3) FCA Regulation Core TSOs propose the design of long-term transmission rights for the bidding zone border AT-DE/LU BZB in the following way:

Table II Long-term transmission rights type of Core bidding zone border

Core CCR borders	Type of long-term transmission right
AT-DE/LU	Physical transmission rights pursuant to UIOSI principle or FTR-options ²

Article 6

Forward capacity time frames for the AT-DE/LU BZB

Long-term transmission rights shall be issued for the forward capacity time frames month and year.

Article 7

Form of product for the AT-DE/LU BZB

4. Long-term transmission rights shall be issued in form of base load products with a fixed amount of MW over the product period.
5. The product form may include reduction periods, i.e. specific calendar days and/or hours within the product period, in which Cross Zonal Capacities with a reduced amount of MW are offered, taking into account a foreseen specific network situation (e.g. planned maintenance, long-term outages, foreseen balancing problems).
6. Where the product to be auctioned includes reduction periods, the auction specification shall include for each reduction period information on the duration of the reduction period and the amount of offered capacities.

Article 8

Implementation timeline for the AT-DE/LU BZB

The regional design of long-term transmission rights on the AT-DE/LU BZB shall be implemented no later than for the first auction for the time frame 2019 according to competent regulatory authorities decisions.

² At the moment there is no final preference by Core TSOs on whether to use LT PTR UIOSI or LT FTR Options on that BZB. Some Core TSOs expressed their concerns on the potential negative impact of high (or full) nomination of LT PTRs on the remaining flow-based day-ahead capacity for other Core BZB, which could be mitigated by introduction of FTR Options. Due to timing restrictions Core TSOs decided to propose both types of LTR for public consultation. The eventual LT capacity calculation methodology in the CCR Core will be developed by Core TSOs based on article 10 FCA Regulation.

Article 9 Language

The reference language for the LTR Design proposals under this document shall be English. For the avoidance of doubt, where TSOs need to translate the LTR Design proposals into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with article 4(13) of FCA Regulation and any version in another language the relevant TSO shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the proposal.

Annex I

Overview on long-term transmission rights types of CCR Core bidding zone borders

Table III Long-term transmission rights type of each Core bidding zone border

Core CCR borders	Type of long-term transmission right
NL-BE	FTR-options
NL-DE/LU	Physical transmission rights pursuant to UIOSI principle
BE-FR	FTR-options
BE-DE/LU	No LTRs defined yet
FR-DE/LU	Physical transmission rights pursuant to UIOSI principle
PL-DE/LU	Physical transmission rights pursuant to UIOSI principle
PL-CZ	Physical transmission rights pursuant to UIOSI principle
CZ-DE/LU	Physical transmission rights pursuant to UIOSI principle
PL-SK	Physical transmission rights pursuant to UIOSI principle
AT-DE/LU	Physical transmission rights pursuant to UIOSI principle or FTR-options ³
AT-CZ	Physical transmission rights pursuant to UIOSI principle
AT-SI	Physical transmission rights pursuant to UIOSI principle
SI-HR	Physical transmission rights pursuant to UIOSI principle
HR-HU	Physical transmission rights pursuant to UIOSI principle
AT-HU	Physical transmission rights pursuant to UIOSI principle
HU-SK	Physical transmission rights pursuant to UIOSI principle
HU-RO	Physical transmission rights pursuant to UIOSI principle
CZ-SK	Physical transmission rights pursuant to UIOSI principle
SI-HU ⁴	Physical transmission rights pursuant to UIOSI principle

³ At the moment there is no final preference by Core TSOs on whether to use LT PTR UIOSI or LT FTR Options on that BZB. Some Core TSOs expressed their concerns on the potential negative impact of high (or full) nomination of LT PTRs on the remaining flow-based day-ahead capacity for other Core BZB, which could be mitigated by introduction of FTR Options. Due to timing restrictions Core TSOs decided to propose both types of LTR for public consultation. The eventual LT capacity calculation methodology in the CCR Core will be developed by Core TSOs based on article 10 FCA Regulation.

⁴ SI-HU bidding zone border will become effective according to point 4 of Article 5 of CCR decision (ACER Decision No 06/2016).