

**Explanatory document concerning the Nordic TSOs' request for amendments in accordance with Article 9(13) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management on Arrangements concerning more than one NEMO in one biddingzone in accordance with Article 45 and 57**

**16 April 2018**

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## Introduction

This document is a common explanatory document concerning the amendments to the approved arrangements concerning more than one NEMO in a bidding zone (hereafter “MNA”) requested by respectively Energinet, Fingrid, Svenska Kraftnät and Statnett.

Before sending the request for amendment into consultation, Nord Pool and EPEX Spot have been asked to comment on a draft version. Based on the comments, the TSO adjusted the amendments and/or the arguments for the amendments.

The four Nordic TSOs submitted their revised MNA Proposals at the beginning of February 2017. The proposals were approved by the respective Nordic NRAs at the beginning of April 2017.

The Nordic TSOs and NEMOs are currently working on implementing the arrangements and preparing common procedures. During that work, some issues have been identified, which justify an amendment of the current arrangements.

According to CACM Regulation Art 9.13, TSOs may request amendments to the arrangements. The amendment shall be submitted for consultation.

The requested amendments are explained in this document and will be elaborated and further specified in the common Nordic procedures between the TSOs, the relevant CCC(s) and the relevant NEMOs.

## Amendments

### Amendment to Article 5.1 on pre-coupling arrangements for single day-ahead coupling

Each Nordic TSO has the following Article 5.1 included in their MNA:

### **Current wording of MNA Article 5.1**

*The coordinated capacity calculators established in accordance with Article 27 (2) of the CACM Regulation (hereafter “CCCs”) shall be responsible for providing the cross-zonal capacities (hereafter referred to as “CZCs”) and allocation constraints (hereafter referred to as “ACs”) for the relevant national bidding zone borders (note: depending on which MNA) to the relevant NEMOs in accordance with Article 46(1) of the CACM Regulation to ensure the publication of CZCs and ACs.*

Today market participants in the Nordic region are used to publication of the CZCs at 10:00 CET at Nord Pool’s website. This information is important for the market participants in their planning phase.

CACM states that publication to the market has to be no later than 11:00

#### **CACM Article 46(1):**

Each coordinated capacity calculator shall ensure that cross-zonal capacity and allocation constraints shall be provided to relevant NEMOs in time to ensure the publication of cross-zonal capacity and allocation constraints to the market no later than 11:00 market time day-ahead.

The Nordic TSOs, therefore, request to amend Article 5.1 to include a more precise statement on the publication.

Since CACM is open to the possibility for an earlier publication, this will be further discussed and agreed in common Nordic procedures between the TSOs and the relevant NEMOs. The goal is to ensure that Nordic market participants as a minimum receive the same information at the same time as today.

#### **Nordic TSOs’ request for amendment of the MNA Art 5 (1)**

Based on the above-mentioned arguments the Nordic TSOs request to amend the Danish, Finnish, Norwegian and Swedish MNAs with the following change as shown in red:

*The coordinated capacity calculators established in accordance with Article 27 (2) of the CACM Regulation (hereafter “CCCs”) shall be responsible for providing the cross-zonal capacities (hereafter referred to as “CZCs”) and allocation constraints (hereafter referred to as “ACs”) for the relevant national bidding zone borders (note: depending on which MNA) to the relevant NEMOs in accordance with Article 46(1) of the CACM Regulation to ensure the publication of CZCs and ACs to the market by the relevant NEMOs.*

### **Amendment to Article 5.3 on pre-coupling arrangements for single day-ahead coupling**

Each Nordic TSO has the following Article 5.3 included in their MNA:

#### **Current wording of MNA Article 5.3**

*The relevant NEMOs shall be responsible for the necessary arrangements between them in order to process the information. Format and timing for sending of the CZCs and ACs to the MCO functions shall follow the corresponding single day-ahead coupling and/or NEMO procedures.*

Since the Nordic TSOs request amending the MNA with a new article 14 on data exchange, it is relevant to move part of the current article 5.3 to the new article 14, thereby compiling all requirements on data exchange in one single article.

### **Nordic TSOs' request for amendment of the MNA Art 5 (3)**

Based on the above-mentioned arguments the Nordic TSOs request to amend the Danish, Finnish, Norwegian and Swedish MNAs with the following change as shown in red:

*The relevant NEMOs shall be responsible for the necessary arrangements between them in order to process the information. ~~Format and timing for sending of the CZCs and ACs to the MCO functions shall follow the corresponding single day-ahead coupling and/or NEMO procedures.~~*

### **Amendment to Article 5.4 on pre-coupling arrangements for single day-ahead coupling**

During the development of detailed pre-coupling processes and procedures, the dedicated Nordic TSO-NEMO procedures task force has come across a liability issue with the CCC verification of input data for the Market Coupling calculation executed by the MCO PMB as it is currently stated in the MNAs in Article 5(4).

When analyzing this issue, the task force has come to the conclusion that the current MNA Art 5(4) is requesting for more than specified in CACM, specifically Art 7(2.b) and also Art 46(1).

### **Relevant MNA and CACM articles**

#### **Current wording in Art 5(4) in the Nordic MNAs**

*Art 5(4) in the MNAs says that "The CCC shall validate that the correct CZCs and ACs are used as input for the calculations by the MCO functions. The MCO functions shall provide relevant information back to CCC to ensure that CCC can make this validation."*

#### **CACM Art 7(2.b)**

According to CACM Art 7(2.b), NEMOs shall carry out MCO functions including "processing input data on cross-zonal capacity and allocation constraints provided by coordinated capacity calculators in accordance with Articles 46 and 58".

#### **CACM Art 46(1)**

According to CACM Art 46(1) "Each coordinated capacity calculator shall ensure that cross-zonal capacity and allocation constraints shall be provided to relevant NEMOs in time to ensure the

publication of cross-zonal capacity and of allocation constraints to the market no later than 11.00 market time day-ahead.”

#### **Nordic TSOs view on the issue with current wording in MNAs**

The Nordic TSOs see an issue with the current wording in the MNAs in relation to Art 7(2.b) and Art 46(1) in CACM in terms of mixing up responsibilities. The CACM regulation puts no responsibility on the CCC to validate that the correct CZCs and ACs are used as input in MCO function calculations, only that correct data is provided to the NEMOs. Instead, CACM Art 7(2.b) puts the responsibility of processing CCC input, including carrying out the MCO functions, on the NEMOs.

The Nordic TSOs are of the opinion that responsibilities for NEMOs and TSOs respectively would be clearer if the CCC responsibility would be restricted to sending validated information to NEMOs and not validating the data used in the MCO function. This would also ensure that the liabilities for any imbalances caused by MCO using erroneous input lays strictly with the NEMOs providing the CZCs and ACs to the MCO.

#### **Technical and timing issues**

If the CCC were to validate the CZCs and ACs actually used by the MCO function calculations, it would also impose technical and timing issues. Currently, the MCO function has no means to communicate the input data used in the calculation to the CCC. Therefore, this communication would need to go via the NEMOs. NEMOs would need to reformat data received from the CCC into a format used by the MCO function, then copy that data and format it back to CCC-format and finally distribute it to the CCC for validation. For NEMOs to perform this operation in the limited time available, would be challenging in reference with the deadline stipulated in CACM Art 46(1), especially when considering the time needed for the CCC to validate the data received back from the MCO and also to correct any errors found in the validation.

#### **Comparison to other MNAs**

Further, Nordic TSOs have analyzed the MNAs applicable for the Dutch bidding zone, the German bidding zones, the French bidding zone and the Belgian bidding zone. None of these arrangements explicitly include a requirement for the CCC to validate the CZCs and ACs processed by NEMOs and sent to the MCO function. By enforcing a validation requirement on the CCC (in this case the Nordic RSC) more responsibility is required of the CCC in CCR Nordic than CCCs in other regions. The Nordic CCC would then be liable not only for imbalances caused by erroneous CZCs and ACs sent to the NEMOs (like other CCCs) but also for failing to discover any errors by the NEMOs when forwarding the data to the MCO function.

#### **Verification of Market Coupling Results is still ensured**

Following the market coupling, the NEMOs will still provide the market coupling results to the TSOs and the CCC, in accordance with requirements in both CACM Art 48 and in accordance with the MNAs Article 6.

The Nordic TSOs have agreed to delegate the verification task to the Nordic CCC for the Nordic internal borders. The CCC will, therefore, verify that the results are within the correct (validated)

CZCs and ACs provided to the NEMOs. Omitting the initial validation (MNA Art 5(4)) by the CCC of the CZCs and ACs sent by NEMOs to the MCO function does not impact the CCC's responsibility to carry out this verification of the market coupling results in any way.

According to the MNAs Art 6, the verification is to confirm that "...results have been calculated within the validated CZCs and ACs...". "Validated" shall in this case be understood as CZCs and ACs having been validated by the TSOs before the relevant CCC is providing them to the NEMOs (e.g. ensuring that data is not missing for any of the Nordic Interconnectors). This would be in line with the intention of CACM Art 30 as validation of data sent by NEMOs to the MCO function has never been the intention of the CACM Regulation.

#### **Nordic TSOs' request for amendment of the MNA Art 5(4)**

Based on the above-mentioned arguments the Nordic TSOs request to amend the Danish, Finnish, Norwegian and Swedish MNAs by deleting Art 5(4). This deletion does not impact other articles (e.g. Art 6) of the MNA as argued above.

#### **Amendment to Article 6 on Delivery and validation of single day-ahead result**

Following the calculations done in the Single day-ahead coupling, the results shall be delivered to TSOs, CCC(s) and NEMOs for verification. This is described in the MNAs Art 6:

##### **Current wording of MNA Art 6**

*Each NEMO offering services in the relevant national bidding zones (note: depending on which MNA) shall deliver the single day-ahead coupling results to the relevant TSO (note: depending on which MNA) and the relevant CCC(s). The relevant TSO (note: depending on which MNA) is responsible for verifying that the results have been calculated within the validated CZCs and ACs. Each NEMO in the relevant national bidding zones (note: depending on which MNA) shall verify that the results have been calculated based on the orders of the concerned NEMO.*

In practice, this means that the TSOs and the CCC(s) will receive several results files with the exact same information from several NEMOs, as the NEMOs have the responsibility to send the results to both the TSOs and the CCC(s). This de facto puts a not-intended task on the TSOs and the CCC(s) to do a cross-check of the results files and this has to be done within the very short time allocated to do the necessary verification of results being within the CZCs and ACs provided. When a rotational setup is used no responsibility is transferred to the TSOs and CCC(s) neither in terms of detecting any possible errors in a cross-check between NEMO results files nor for resolving them within the short time allocated for the verification of results being within the CZCs and ACs provided. This amendment clarifies that it is the responsibility and liability of the NEMOs to ensure the data sent to TSOs and CCC(s) is the correct data calculated by the MCO function, a responsibility which cannot be accepted by the TSOs or CCC(s). The verification by the CCC(s) and TSOs has only one objective – to check that the results are within the CZCs and ACs provided, as intended by the CACM Regulation art 48.

Nordic TSOs, therefore, propose to amend the article by requiring NEMOs to provide the results on a rotational basis. The details of the rotational setup is the responsibility of the NEMOs to develop and then subsequently describe in the common procedures. The rotational setup for sending results to

the TSOs and CCC(s) should be aligned with other rotational setups agreed between the parties – e.g. as described in the common Nordic proposal for fallback.

#### **Nordic TSOs' request for amendment of the MNA Art 6**

Based on the above-mentioned arguments the Nordic TSOs request to amend the Danish, Finnish, Norwegian and Swedish MNAs with the following change as shown in red:

1. *NEMOs offering services in the relevant national bidding zones (note: depending on which MNA) shall deliver on a rotational basis to be agreed by these NEMOs the single day-ahead coupling results to the relevant TSO (note: depending on which MNA) and the relevant CCC(s).*
2. *The relevant TSO (note: depending on which MNA) is responsible for verifying that the results have been calculated in accordance with the validated CZCs and ACs. This verification can be delegated to the relevant CCC(s) according to Article 81 of the CACM Regulation.*
3. *Each NEMO in the relevant bidding zones (note: depending on which MNA) shall verify that the results have been calculated based on the orders of the concerned NEMO.*

#### **Amendment to include a new Article 14 on Data Exchange**

During the implementation of the MNAs, it is necessary to agree between parties on file formats and communication protocols for data exchange. TSOs are in general obliged to take International or ENTSO-E standards and technical specifications into consideration, e.g. as stated in the utilities Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC. The reasoning behind using the ENTSO-E standard is to ensure harmonization in data standards and thus enable competition and transparency when exchanging data with the TSOs. The Nordic TSOs envision using the CIM format which is an ENTSO-E standard, in order to respect the arguments and regulations above. The Nordic TSOs recognize that other CCRs accept that NEMOs communicate in other data standards; however the Nordic TSOs do not see any arguments for choosing data standards that are not recognized by ENTSO-E, and thus will follow the standards provided by ENTSO-E.

#### **Nordic TSOs' request for amendment of the MNA with a new Article**

Based on the above-mentioned arguments the Nordic TSOs request to amend the Danish, Finnish, Norwegian and Swedish MNAs with the following new Article 14 as shown in red:

1. *The relevant TSO (note: depending on which MNA) shall define the file formats and communication protocols for data exchange between the relevant TSO (note: depending on which MNA) (including relevant CCC(s) and relevant settlement entity(ies)) and relevant NEMOs (including relevant CCP(s)) in the relevant national bidding zones (note: depending on which MNA). For this purpose:*
  - a. *the technical specifications used in the common single day-ahead and/or single intraday solutions shall be favored to the extent possible; and*
  - b. *the file formats and communication protocols based on International or ENTSO-E standards shall be relied on where possible.*

2. NEMOs shall define the file formats and communication protocols for data exchange between NEMOs (including relevant CCP(s)) in accordance with corresponding SDAC, SIDC and/or NEMO procedures.

### **Impact of amendments on implementation of MNA**

In order for this request for amendments to the MNA to have the lowest impact on the timeline of the implementation the Nordic TSOs propose to continue the work with implementing the MNA and not stop the work while awaiting the NRAs decision on the request. However, when doing so, the Nordic TSOs would have the working assumption that the request for amendment is approved.

The biggest risk of delay is if the deletion of article 5 (4) or the new article 14 on Data Exchange is not approved, as this might mean that the IT systems adjustments designed for supporting the MNA are either not built or built on the wrong assumptions regarding data formats. This would directly lead to delays of the implementation, test and deployment of the needed changes to the IT systems.

From a strict timeline perspective, the TSOs view the other requested amendments as less challenging. Still, in order to minimize impact to the timeline, TSOs will continue working with designing procedures and routines under the assumption that the requested amendments will be approved by the NRAs.



## **ANNEX: Proposed amended MNA proposal in track changes based on the approved MNA proposal**

In order to visualize the changes made in the proposed amended MNA arrangements, changes to the approved MNA arrangements have been added/changed in track changes. For reasons of readability, both "Whereas"-parts are provided from the approved and proposed amended MNA arrangements.

**TSO's proposal for Arrangements concerning more than one NEMO in one bidding zone in accordance with Article 45 and 57 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management**

**Disclaimer:**

For the purpose of the comparison between approved and proposed amended MNA arrangements during the consultation this document has been developed. In this document Energinet, Fingrid, Statnett or Svenska kraftnät respectively, is substituted by **TSO**; Danish, Finnish, Norwegian or Swedish bidding zone is substituted with **relevant bidding zone**; Danish, Finnish, Norwegian or Swedish regulatory authority is substituted with **relevant regulatory authority**; Denmark, Finland, Norway or Sweden is substituted with **country**; and date of NRA approval of the original MNA Proposal is substituted with **approval date**.

**TSO**, taking into account the following:

Whereas

(1) This is a proposal developed by **TSO** (hereafter referred to as “**TSO**”) regarding the multiple NEMOs arrangements (hereafter referred to as “**MNA**”) in the **relevant bidding zone**. This document takes into account and aligns the work done in co-operation with other Nordic TSOs for MNA.

(2) This proposal (hereafter referred to as the “**MNA Proposal**”) takes into account the general principles and goals set in 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. To facilitate these aims, it is necessary to develop arrangements for providing non-discriminatory access to cross-zonal capacity in cases of more than one NEMO in one bidding zone.

(3) Article 45 and 57 of the CACM Regulation constitute the legal basis for the MNA Proposal and define specific requirements that the MNA Proposal should take into account. Article 45 that relates to the day-ahead capacity allocation has the following content:

“1. TSOs in bidding zones where more than one NEMO is designated and/or offers trading services, or where interconnectors which are not operated by TSOs certified according to Article 3 of Regulation (EC) No 714/2009 exist, shall develop a proposal for cross-zonal capacity allocation and other necessary arrangements for such bidding zones in cooperation with concerned TSOs, NEMOs and operators of interconnectors who are not certified as TSOs to ensure that the relevant NEMOs and interconnectors provide the necessary data and financial coverage for such arrangements. These arrangements must allow additional TSOs and NEMOs to join these arrangements.”

2. The proposal shall be submitted to the relevant national regulatory authorities for approval within 4 months after more than one NEMO has been designated and/or allowed to offer trading services in a bidding zone or if a new interconnector is not operated by a certified TSO. For existing interconnectors which are not operated by certified TSOs the proposal shall be submitted within four months after entry into force of this Regulation.”

Article 57 of the CACM Regulation has identical content but relates to the intraday capacity allocation.

The content of the MNA Proposal has been developed in cooperation with Nordic TSOs. Nordic TSOs have been in dialogue with relevant NEMOs during the development of the proposal.

(4) Article 2 (26) and 2 (27) of the CACM Regulation define the single day-ahead and intraday coupling:

“‘single day-ahead coupling’ means the auctioning process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the day-ahead market;”

“‘single intraday coupling’ means the continuous process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the intraday market.”

(5) Article 4 (5) of the CACM Regulation states that:

“A NEMO designated in one Member State shall have the right to offer day-ahead and intraday trading services with delivery in another Member State. The trading rules in the latter Member State shall apply without the need for designation as a NEMO in that Member State.”

(6) In regards to regulatory approval, Article 9 (8) of the CACM Regulation states:

“The following terms and conditions or methodologies shall be subject to individual approval by each regulatory authority or other competent authority of the Member State concerned:[...]

(d) where applicable, the proposal for cross-zonal capacity allocation and other arrangements in accordance with Articles 45 and 57.”

(7) Article 9 (9) of the CACM Regulation requires that the expected impact of the MNA Proposal on the objectives of the CACM Regulation is described. The impact is presented below (points (8) to (14) of this Whereas Section).

(8) The MNA Proposal contributes to and does not in any way hamper the achievement of the objectives of Article 3 of the CACM Regulation. In particular, the proposal serves the objectives providing non-discriminatory access to cross-zonal capacity (Article 3(j) of the CACM Regulation), creating a level playing field for NEMOs (Article 3(i) of the CACM Regulation) and respecting the need for a fair and orderly market and fair and orderly price formation (Article 3(h) of the CACM Regulation).

(9) For the single day-ahead coupling, the objectives are met by creating a hub for each NEMO within a bidding zone. Between hubs within a bidding zone exists unlimited transmission capacity. This approach ensures that within a bidding zone there is no limitation to access transmission capacity and that each NEMO has equal access to cross-zonal capacity as orders from all market participants in spite of which NEMO they use shall be treated equally as regards to access to cross-zonal capacity. Furthermore, this approach respects the need for a fair and orderly market and orderly price formation taking into account all orders of each NEMO equally when allocating cross-zonal capacity across bidding zones within day-ahead market coupling. In general, the proposed approach together with post-coupling arrangements creates a level playing field for NEMOs within a bidding zone as related to access to cross-zonal capacity. This is ensured also during the pre-coupling phase for day-ahead coupling, where the coordinated capacity calculator will make cross-zonal capacity available to all NEMOs for publication to the market and to carry out MCO functions in accordance with Article 7(3) of the CACM Regulation.

(10) For the intraday timeframe, the objectives are met with single intraday coupling as there is no need for specific arrangements for pre-coupling or matching phase in case of several NEMOs within a bidding zone. The shared order book will accommodate all orders from all bidding zones and all

NEMOs and the capacity management module shall ensure that cross-border capacity is allocated accordingly to each order coming from the shared order book.

(11) Regarding the objective of ensuring fair and non-discriminatory treatment of TSOs and NEMOs (Article 3(e) of the CACM Regulation), the financial and settlement arrangements proposed by this MNA Proposal ensure that TSOs and NEMOs are treated in a fair and non-discriminatory way.

(12) The arrangements proposed in this MNA Proposal serve the objective of optimising the allocation of cross-zonal capacity in accordance with Article 3(d) of the CACM Regulation as the arrangements lay down a common approach across the Nordic countries for several NEMOs. By this coordination, Nordic TSOs ensure compatible arrangements and their application across the Nordic region. Like the single day-ahead and intraday coupling solutions, these complementary arrangements ensure optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation).

(13) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), the arrangements proposed in this MNA Proposal shall be the basis for market coupling in the most transparent way. With regard to the arrangements, reliability and transparency is ensured as data is provided allowing for all NEMOs to access this data and by following the verification process to ensure that correct data is used.

(14) In conclusion, the MNA Proposal contributes to the general objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

(1) This document is a proposal for amendment (hereafter referred to as the “Proposal for Amendment”) developed by TSO to the Arrangement concerning more than one NEMO in a bidding zone (hereafter referred to as “MNA”) as defined in accordance with Articles 45 and 57 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”). This document takes into account and aligns the work done in co-operation with the other Nordic TSOs for MNA (hereafter referred to as “Nordic TSOs”).

(2) The relevant regulatory authority has approved the MNA Proposal on approval date.

(3) In accordance with Article 9(13) of the CACM regulation, TSO hereby issues a Proposal for Amendment to the Arrangement concerning more than one NEMO in one bidding zone as defined in accordance with Articles 45 and 57 of the CACM Regulation.

(4) This Proposal for Amendment takes into account the general principles and goals set in 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 harmonization of capacity calculation and allocation in the day-ahead and intraday cross-border markets. To facilitate these aims, it is necessary to develop arrangements for providing non-discriminatory access to cross-zonal capacity in cases of more than one NEMO in one bidding zone.

(5) According to Article 9 (9) of the CACM Regulation, the expected impact of the proposal on the objectives of the CACM Regulation has to be described. The impact is presented below (points (6) to (9) of this Whereas section).

(6) This Proposal for Amendment contributes to, and does not hamper in any way, the achievement of the objectives of the CACM Regulation. In particular, the proposal serves the objectives of ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants (Article 3(e)), providing non-discriminatory access to cross-zonal capacity (Article 3(j) of the CACM Regulation), creating a level playing field for NEMOs (Article 3(i) of the CACM Regulation) and respecting the need for a fair and orderly market and fair and orderly price formation (Article 3(h) of the CACM Regulation).

(7) Deleting the requirement on CCCs to validate that correct CZCs and ACs are used as input for the calculations by the MCO function meets the objective of ensuring fair and non-discriminatory treatment. By ensuring that responsibilities of the CCCs and the NEMOs are clear and in line with CACM Regulation Article 7(2)(b) and Article 46(1), the relevant CCC(s) for the **relevant bidding zone** borders are not required to perform a task not required by CCCs in general and thereby not treated unfairly.

(8) Requiring NEMOs to deliver single day-ahead coupling results on a rotational basis ensures fair and non-discriminatory treatment of relevant NEMOs and does not hamper the level playing field for NEMOs. The rotation between NEMOs to deliver the results is to be agreed by these NEMOs. In addition to enhance the process to verify the results, **TSO** can delegate the verification to the relevant CCC(s) or other relevant entities.

(9) Requiring **TSO** to define file formats and communication protocol between TSOs and NEMOs for data exchange based on international or ENTSO-E standards ensures fair and non-discriminatory treatment of TSOs and NEMOs. TSOs are not required to change already implemented formats and protocols or to accept non-international or non-ENTSO-E standards to allow for multiple NEMO arrangements. In addition, NEMOs are not facing non-discriminatory treatment since they are treated equally. A level playing field for NEMOs is ensured as they will be following equal data exchange requirements. Besides, NEMOs shall define the file formats and communication protocols for data exchange between NEMOs in accordance with corresponding SDAC and/or NEMO procedures.

SUBMITS THE FOLLOWING MNA PROPOSAL TO RELEVANT REGULATORY AUTHORITY ;

**Deleted:** AS THE NATIONAL REGULATORY AUTHORITY IN COUNTRY

Article 1

Subject matter and scope

Arrangements described in this MNA Proposal concerning more than one NEMO in one bidding zone are in accordance with articles 45 and 57 of the CACM Regulation.

## Article 2

### Definitions and interpretation

1. For the purposes of this MNA Proposal, the terms used shall have the meaning of the definitions included in Article 2 of the CACM Regulation and Regulation (EC) No 714/2009 and Regulation (EC) No 543/2013.

2. In addition, in this MNA Proposal, the following terms shall have the meaning below:

- a) "Hub" means a combination of a NEMO and a bidding zone
- b) "Pre-coupling" means procedures before MCO functions are executed for single day-ahead and intraday coupling; and
- c) "Post-coupling" means procedures after MCO functions have been executed for single day-ahead and intraday coupling

3. In this MNA Proposal, unless the context requires otherwise:

- a) the singular indicates the plural and vice versa;
- b) the headings are inserted for convenience only and do not affect the interpretation of this proposal; and
- c) 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 proposal

1. This MNA Proposal applies to Pre-coupling and Post-coupling arrangements, which shall give more than one NEMO in one bidding zone access to cross-zonal capacity in the day-ahead and intraday timeframe in the **relevant bidding zone**, when single day-ahead and intraday coupling are implemented.

## Article 4

### Single day-ahead coupling arrangements

1. Each NEMO offering services in **country** shall be a full member of single day-ahead coupling and implement the single day-ahead coupling process in accordance with the CACM Regulation.

2. There shall be one hub for each NEMO per bidding zone and each hub shall be connected to the order book of the concerned NEMO. There shall be no limitations as to how many transactions can take place between the hubs in a bidding zone.

## Article 5

### Pre-coupling arrangements for single day-ahead coupling

1. The ~~coordinated capacity calculators~~ established in accordance with Article 27 (2) ~~of the CACM Regulation~~ (hereafter “~~CCC<sub>s</sub>~~”) shall be responsible for providing the cross-zonal capacities (hereafter referred to as “~~CZCs~~”) and allocation constraints (hereafter referred to as “~~AC<sub>s</sub>~~”) for the **relevant bidding zone** borders to the relevant NEMOs in accordance with ~~article 46(1) of the CACM Regulation~~ to ensure the publication of CZCs and ACs ~~to the market by the relevant NEMOs~~.

**Deleted:** relevant

**Deleted:** the CACM Regulation

2. For capacity allocation in accordance with article 30(3) the CCC shall provide the CZCs and ACs to all relevant NEMOs for the purpose of processing in accordance with Article 7 (2) of CACM Regulation the provided CZCs and ACs as part of the MCO functions to be carried out jointly with all NEMOs.

3. The relevant NEMOs shall be responsible for the necessary arrangements between them in order to process the information.

**Deleted:** Format and timing for sending of the CZCs and ACs to the MCO functions shall follow the corresponding single day-ahead coupling and/or NEMO procedures.

5. Each NEMO offering services in the **relevant bidding zone** shall submit the orders to the MCO functions in accordance with Article 47 of the CACM Regulation.

**Deleted:** 4. The CCC shall validate that the correct CZCs and ACs are used as input for the calculations by the MCO functions. The MCO functions shall provide relevant information back to the CCC to ensure that the CCC can make this validation.

## Article 6

### Delivery and validation of single day-ahead results

1. ~~NEMOs~~ offering services in the **relevant bidding zone(s)** shall deliver ~~on a rotational basis to be agreed by these NEMOs~~ the single day-ahead coupling results to TSO and the ~~relevant CCC(s)~~.

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**Deleted:** in accordance with Article 48 of the CACM Regulation.

2. TSO is responsible for verifying that the results have been calculated ~~in accordance with the validated CZCs and ACs~~. ~~This verification can be delegated to the relevant CCC(s) or other relevant entities according to Article 81 of CACM Regulation~~.

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3. Each NEMO ~~in the relevant bidding zone(s)~~ shall verify that the results have been calculated ~~in accordance with the orders of~~ the concerned NEMO.

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## Article 7

### Post-coupling arrangements for single day-ahead coupling

1. In accordance with Article 7 (1) of CACM Regulation, the NEMOs shall be responsible for acting as central counter parties (hereafter referred to as “CCP”) for clearing and settlement of the exchange of energy in accordance with Article 68 (1) of CACM Regulation.



2. Each CCP shall clear and settle the contracts, which result from the day-ahead trading between the market participants. The CCP shall provide, based on the information on the single day-ahead coupling, results of the hub nominations to **TSO**. The hub nominations shall consist of information related to market participant's trade with the relevant NEMO and information related cross-border nominations.

3. The CCPs acting in the **relevant bidding zone** shall agree on clearing and settlement arrangements between them. The clearing and settlement shall be done in an efficient manner with as low cost as possible.

4. Each NEMO offering services in the **relevant bidding zone** shall be a balance responsible party in **country**. They shall comply with terms and conditions set for balancing and imbalance settlement and conclude relevant agreements to act as balance responsible party.

5. In accordance with Article 68 (3 and 6) of the CACM Regulation, CCPs shall act as counter party to each other for the exchange of energy between bidding zones with regard to the financial rights and obligations arising from these energy exchanges. A shipping agent may act as a counter party between different central counter parties for the exchange of energy, if the parties concerned conclude a specific agreement to that effect. If no agreement is reached, the shipping arrangement shall be decided by the national regulatory authorities responsible for the bidding zones between which the clearing and settlement of the exchange of energy is needed.

6. The shipping agent or CCPs shall collect the congestion income and distribute it to the relevant TSOs.

## Article 8

### Clearing price and system price

1. Each NEMO offering services in **country** for single day-ahead coupling shall allow its orders to be used for calculating and publishing unique clearing price for the **relevant bidding zone**. This applies as well for the fallback situation in accordance with relevant fallback procedures to be approved in accordance with Article 9(7)(e) of the CACM regulation.

2. Each NEMO offering services in **country** for single day-ahead coupling shall allow its orders to be used under conditions set in Article 8(1) of this MNA Proposal for calculating and publishing one unconstrained reference price for each market time unit (MTU), e.g. the system price for Nordic bidding zones.

## Article 9

### Change of bidding zone configurations

Each NEMO offering services in **country** for single day-ahead coupling shall be able to implement a change of bidding zone configuration in accordance with Article 32 and 33 of the CACM Regulation in its procedures no later than 4 weeks after the request for a change has been received.

## Article 10

### Single intraday coupling arrangements

1. Each NEMO offering services in **country** shall be a full member of single intraday coupling and implement the single intraday coupling process in accordance with the CACM Regulation.
2. There shall be one hub for each NEMO per bidding zone and each hub shall be connected to the order book of the concerned NEMO. There shall be no limitations as to how many transactions can take place between the hubs in a bidding zone.

## Article 11

### Pre-coupling arrangements for single intraday coupling

1. The CCC shall provide CZCs and ACs for the **relevant bidding zone** borders to the capacity management module (hereafter referred to as "CMM") in accordance with Article 58 of the CACM Regulation.
2. Each NEMO offering services in the **relevant bidding zone** shall submit the orders for a given market time unit for single matching immediately after the orders have been received from the market participants in accordance with Article 59 (5) of the CACM Regulation.

## Article 12

### Delivery of single intraday results

1. Each NEMO offering services in the **relevant bidding zone** shall deliver the single intraday coupling results to **TSO** and the CCC in accordance with Article 60 of the CACM Regulation.
2. The results shall include for each market time unit net positions for **relevant bidding zone** and net scheduled flow for each bidding zone border.

## Article 13

### Post-coupling arrangements for single intraday coupling

1. In accordance with Article 7 (1) of CACM Regulation, the NEMOs shall be responsible for acting as CCP for clearing and settlement of the exchange of energy in accordance with Article 68 (1) of CACM Regulation.
2. Each CCP shall clear and settle the contracts, which result from the intraday trading between the market participants. The CCP shall provide, based on the information on the single intraday coupling,

results of hub nominations to TSO. The hub nominations shall consist of information related to market participant's trade with the NEMO and information related to cross-border nominations.

3. The CCPs acting in the **relevant bidding zone** shall agree on clearing and settlement arrangements between them. The clearing and settlement shall be done in an efficient manner with as low cost as possible.

4. Each NEMO offering services in the **relevant bidding zone** shall be a balance responsible party in **country**. They shall comply with the terms and conditions set for balancing and imbalance settlement and conclude relevant agreements to act as balance responsible party.

5. In accordance with Article 68 (3 and 6) of the CACM Regulation, CCPs shall act as counter party to each other for the exchange of energy between bidding zones with regard to the financial rights and obligations arising from these energy exchanges. The shipping agent may act as a counter party between different central counter parties for the exchange of energy, if the parties concerned conclude a specific agreement to that effect. If no agreement is reached, the shipping arrangement shall be decided by the national regulatory authorities responsible for the bidding zones between which the clearing and settlement of the exchange of energy is needed.

#### Article 14 Data Exchange

1. TSO shall define the file formats and communication protocols for data exchange between TSO (including relevant CCC(s) and relevant settlement entity(ies)), and relevant NEMOs (including relevant CCP(s)) in the **relevant bidding zone(s)**. For this purpose:

a. the technical specifications used in the common single day-ahead and/or single intraday solution shall be favoured to the extent possible; and

b. the file formats and communication protocols based on international or ENTSO-E standards shall be relied on where possible.

2. NEMOs shall define the file formats and communication protocols for data exchange between NEMOs (including relevant CCP(s)) in accordance with corresponding SDAC, SIDC and/or NEMO procedures.

#### Article 15

##### Financial arrangements

1. According to Article 45 and 57 of the CACM Regulation, relevant NEMOs offering services in the single day-ahead and intraday coupling shall provide the necessary financial coverage for the arrangements concerning more than one NEMO in one bidding zone.

2. Costs shall be assessed by relevant NRAs according to Article 75 of the CACM regulation. Costs arising from the arrangements concerning more than one NEMO in one bidding zone of this MNA proposal, which are not covered by Article 77 and 78 of the CACM Regulation shall be shared and

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recovered by national arrangements approved by NRA. Common and regional costs, where appropriate, arising from the arrangements concerning this MNA proposal shall be shared in accordance with Article 80(3) and 80 (4) of the CACM Regulation.

#### Article 16

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##### Publication and implementation of MNA Proposal

1. TSO shall publish the MNA without undue delay after **relevant regulatory authority** as the national regulatory authority has approved the MNA Proposal.

2. The implementation of the MNA shall coincide with the implementation of single day-ahead or intraday coupling on the corresponding bidding zone border in accordance with the CACM Regulation.

3. Implementation of the MNA Proposal for single day-ahead coupling will be according to the following milestones:

a) The establishment of the coordinated capacity calculator in accordance with Article 27 (2) of the CACM Regulation in the relevant CCR;

b) The implementation of the MCO function for single day-ahead market coupling by the relevant NEMOs in accordance with Article 7 (3) of the CACM Regulation;

c) Implementation of the fallback procedures in accordance with Article 44 of the CACM Regulation in the relevant CCR; and

d) Implementation of clearing and settlement arrangements in accordance with Article 68 of the CACM Regulation.

4. Implementation of the MNA Proposal for single intraday coupling will be according to the following milestones:

a) The establishment of the coordinated capacity calculator in accordance with Article 27 (2) of the CACM Regulation in the relevant CCR;

b) The implementation of the MCO function for single intraday coupling by the relevant NEMOs, in accordance with Article 7 (3) of the CACM Regulation; and

c) Implementation of clearing and settlement arrangements in accordance with Article 68 of the CACM Regulation.

#### Article 4 of amendment

#### Implementation date of the amendments

TSO shall apply the amendments described under Title 1 as soon as the amendments have been approved by the relevant regulatory authority taking into account the implementation of MNA Proposal as set in Article 15 of MNA proposal approved by relevant regulatory authority on approval date.

Article 17

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Language

The reference language for this Proposal for Amendment shall be English. For the avoidance of doubt, where TSOs need to translate this Proposal for Amendment 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 this Proposal for Amendment.