CONSULTATION RESPONSE

Central Europe Day Ahead Capacity Calculation Methodology (CE DA CCM)

Brussels, 29 April 2026

General comments

We support the continued development of capacity calculation methodologies (CCM) that enhance:

- efficient cross-zonal trade,
- system security, and
- the integration of European electricity markets.

We support the integration of Core, Ireland (I-SEM) and Italy North into a single Central Europe capacity calculation region for day-ahead capacity calculation. We emphasise that any amendment to the Central Europe day-ahead CCM must remain fully aligned with the core principles of the CACM Regulation, in particular the obligation to maximise cross-zonal capacity while ensuring operational security.

We welcome the inclusion of Switzerland (iTCP) in all paragraphs to ensure coordination in capacity calculation and consistency with DA capacity calculation. The inclusion of Switzerland in CE intraday capacity calculation should be accelerated.

We warn against the use of non-flow-based constraints (i.e. allocation and ramping) in the CCM. They can reduce capacity availability for the market if overly conservative and TSOs should aim to do away with them. In the meantime, their usage should be properly monitored and transparently reported.

Full transparency on active flow-based constraints, additional constraints added by the TSOs, as well as IVAs, is necessary to ensure the best price formation possible. In a price-volatile spot market environment, all the above influence the availability of day-ahead cross-zonal capacity, with effects on price formation and market liquidity.

Finally, consistency between the day-ahead and intraday CCMs is also paramount, and we look forward to the TSOs' plans to integrate CCMs over a coherent geographic area across timeframes.

Detailed comments

Capacity maximisation

CACM requires maximisation of cross-zonal capacity unless it threatens system security. All constraints must be justified, transparent and proportionate. Therefore, allocation and ramping constraints must be last-resort tools, not default settings.

Flow-based already captures physical limits (CNEs), contingencies and PTDF interactions. Adding external constraints risks double counting security margins and reduces economic efficiency unless their necessity and calibration are clearly demonstrated.

We support the objective of preserving usable and coordinated intraday capacity after SDAC. At the same time, Article 25 should be interpreted with more practical details and, if possible, further clarified so that any update, recalculation or adjustment of post-SDAC capacities remains:

- transparent,
- proportionate,
- strictly limited to what is necessary for operational security, and
- oriented towards maximising usable coordinated intraday capacity.

This matters because in surplus-renewable conditions the market most needs the possibility to adjust positions close to real time. If the CE methodology is too conservative in the passage from SDAC to intraday, then capacity is effectively withdrawn precisely when the need for it is the greatest.

LTA removal

We have serious concerns with the removal of the LTA inclusion in CE, as it could lead to critical situation in day-ahead.

The CE TSOs proposal is to make operational security in day-ahead independent from the amount of long-term capacity allocated by removing LTA inclusion at the latest with the

first delivery period of the Core or Italy North LT CCM. They propose as a substitute a new fallback concept, revised SDAC fallback ATCs, and a **20% Fmax RAM floor** after validation and again in the final CE flow-based parameters, with immediate UMM publication and a justification report where deviation from the RAM floor is needed.

We can understand the rationale to decouple day-ahead operational security from long-term allocation. However, this proposal leaves the market exposed to last-minute and largely opaque IVAs, while LTA inclusion is a robust and transparent process at the moment. The TSOs should therefore undertake an impact assessment (or share transparently any assessment that has been conducted already) of the impacts of the measure on DA and LT capacity calculation and on operational security.

Should TSOs proceed with the removal of LTA inclusion, their proposal should have clear, transparent, coordinated, and non-discriminatory rules. In particular, the CE CCM should include:

- stronger transparency on every deviation from the RAM floor,
- publication of the expected capacity impact of such deviations, and
- ex post monitoring of the impact of the substitute arrangements on capacity availability.

Any replacement of the LTA inclusion would need to ensure that internal vs. cross-border trades are treated fairly. And it must make sure that it will not lead to repeated or even permanent reductions of available capacity. This is especially relevant given the practical examples seen recently in the region, where a few active constraints and validation choices have had a disproportionate effect on price formation.

Operational security limits

This amendment could open the door to any type of limit being applied. There is no clear visibility or transparency on which limits are used. Core TSOs should better specify or create a list.

Allocation constraints (Article 7)

A cost-benefit analysis of the impact of the Italian, Irish and Polish allocation constraints on capacity availability in the whole CE region should be performed. This impact assessment should also monitor all indicators of the SDAC algorithm.

For Italy, maximising import capacity is critical for welfare and security of supply and constraints should not substitute for internal congestion management.

Given I-SEM's structural constraints, any additional limitations risk undermining market integration and the efficiency of new interconnectors such as Celtic.

Polish internal grid limitations should be resolved through redispatch and investment rather than limiting cross-zonal capacity. It is important to have a view on when allocation constraints can be removed, given the new initiatives in Poland to procure balancing capacity (balancing auction in the morning and PICASSO).

We object to any move that weakens reporting obligations for allocation constraints that can materially affect cross-zonal capacity and price formation. Namely, if a constraint is important enough to shape capacity allocation, then it is important enough to be monitored and publicly reported. This is not only a matter of principle, but a matter of practical market relevance.

As repeatedly observed in practice, only a limited number of active flow-based constraints may materially influence price formation and cross-zonal capacity across the CE region through their shadow prices, even where the relevant CNECs are geographically far from the bidding zones experiencing the strongest price effects.

In such situations, insufficient reporting makes it unnecessarily difficult for market participants and regulators to understand the drivers of price divergence. Full transparency will also help with the prioritisation of TSO investment in grid reinforcement or deployment.

Accordingly, we would recommend the following:

- continued reporting for all allocation constraints with material market effect, including Article 7(2)(e),
- ex post publication of affected MTUs and borders,
- and publication of the estimated capacity impact where feasible.

SDAC fallback (Article 24)

We support clarity and legal consistency in fallback, but we insist that fallback arrangements be assessed through the lens of market usability. Fallback situations are

precisely the moments when the market is most vulnerable to fragmentation, loss of transparency and deterioration of effective tradability. For that reason, we ask for stronger ex-post transparency whenever fallback is activated, including:

- which allocation constraints became binding,
- which borders and MTUs were most affected,
- and how the fallback extraction changed available ATCs compared with the normal coordinated outcome.

Italy North's ramping constraints

We believe that ramping constraints should only be used as a measure of last resort for Italy North. They should be dynamic, evidence-based, and only applied where strictly necessary to preserve system security, avoiding systematic capacity reductions.

Ramping constraints can artificially cap capacity, even when steady-state is safe. Terna should adopt adaptive ramping constraints based on system inertia, RES penetration and real-time conditions instead of fixed MW/hour limits. Ramping can alternatively be handled via the balancing markets, redispatch and countertrading.

Just like allocation constraints mentioned before, the potential application of ramping constraints in the day-ahead process makes a high level of transparency essential. Market participants need clear and timely visibility on how such constraints affect cross-zonal capacities and market outcomes.

In this regard, Terna should ensure a timely and dynamic publication (i.e. on a daily basis) of the operational constraints applied. This disclosure should include, at a minimum:

- the specific allocation and/or ramping constraints effectively applied, including their magnitude and geographical distributions;
- the concrete operational security reasons justifying their activation.
- the affected MTUs,
- the affected interconnectors or border groups,
- and the estimated reduction in cross-zonal capacity attributable to ramping constraints.

Such information is necessary to preserve an adequate level of informational granularity comparable to that available under the former NTC-based model and to maintain confidence in the day-ahead market coupling process even under the flow-based regime.

Maintaining this level of transparency is crucial to allow market participants to properly understand cross-zonal capacity outcomes and to perform consistent market simulations.

Moreover, as these constraints can reasonably be considered price-sensitive information, in accordance with REMIT provisions on the publication of inside information, market operators are entitled to their immediate publication as soon as the constraints are definitively confirmed by the TSO, in order to properly assess market conditions and to be able to take prompt and informed decisions.

110kV network elements in final CNEC list

The inclusion of elements of the 110 kV network in the final CNEC list must be strictly restricted and sufficiently substantiated.

TSOs shall clearly and transparently indicate the reason for such inclusion and the duration thereof.

Such inclusions shall not be permanent and shall be justified by appropriate assessments.

Monitoring and reporting (Article 29)

The amendment request adds to Article 29(4) a new reporting point requiring CE TSOs to report on reductions of default flow-based parameters with due justifications. We see this as a positive step.

However, it is still too narrow if the aim is to understand real market outcomes. The same reporting logic should also cover:

- material post-SDAC adjustments under Article 25,
- material fallback-related capacity reductions under Article 24,
- and material effects of allocation constraints and ramping constraints.

Without these additions, there will still be a transparency gap precisely where price formation, liquidity and balancing risks are the strongest.

In summary, we would like to support the general direction of the amendment, while making the following explicit requests in its common response:

- stronger and more explicit protection of usable coordinated intraday capacity in Article 25;
- practical assessment of the replacement arrangements accompanying removal of LTA inclusion;
- no weakening of reporting obligations for allocation constraints with material market impact;
- stronger fallback transparency under Article 24;
- more practical quantitative transparency for ramping constraints;
- broader reporting under Article 29 covering the main drivers of capacity reductions seen by the market.

Contact

Lorenzo Biglia
Director for European Electricity Markets
E-Mail: l.biglia@energytraderseurope.org