

Intraday Continuous Capacity Allocation Rules for the Italian–Swiss Bidding Zone Border

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General comments

We welcome the proposed introduction of continuous explicit intraday capacity allocation at the Italy–Switzerland border and strongly support its implementation as soon as practicable.

Market participants have consistently supported the transition from the current auction-based intraday capacity allocation framework towards a continuous explicit allocation mechanism for more than five years. Continuous allocation is better suited to the needs of intraday trading, allowing market participants to access available cross-border capacity closer to delivery and to manage changing portfolio positions more efficiently.

We therefore encourage Terna and Swissgrid to ensure that the new mechanism is operational no later than Q1 2027, and to publish a clear implementation, testing and go-live timetable sufficiently in advance to allow market participants to prepare their systems and operational processes.

Detailed comments

The design should, to the greatest extent possible, be aligned with the continuous explicit intraday capacity allocation mechanisms already operating at the Swiss-German and Swiss-Austrian borders.

In particular, market participants would benefit from a consistent approach to:

- first-come-first-served allocation;
- 15-minute market time units;
- capacity publication and updating;

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- technical/API access;
- nomination procedures;
- operational timelines and gate closure;
- outage and fallback procedures.

Avoiding unnecessary differences between Swiss borders would reduce operational complexity and facilitate efficient cross-border portfolio management.

The proposed mechanism currently permits capacity allocation until one hour before the start of the relevant delivery period.

While this represents an improvement over the current arrangements, we encourage the TSOs to establish a clear pathway towards a 30-minute lead time, in line with the direction of travel identified by Swissgrid for cross-border intraday capacity allocation.

The Rules should therefore allow this reduction to be implemented through an operational amendment without requiring a fundamental redesign of the mechanism.

The effectiveness of a first-come-first-served mechanism depends critically on market participants having timely and reliable information regarding available capacity.

We therefore encourage the TSOs to specify clear operational requirements concerning:

- the frequency and maximum latency of capacity updates;
- the publication of changes to available capacity;
- the availability and performance of the Capacity Allocation Platform;
- the timestamp applied to capacity requests; and
- the treatment of technically simultaneous requests.

This is particularly important where available capacity is scarce and small differences in access or system latency may affect the ability of market participants to obtain capacity.

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For professional market participants, continuous capacity allocation should support automated participation. We therefore encourage Terna and Swissgrid to provide robust machine-to-machine/API functionality. GUI-only access would create unnecessary operational limitations for market participants using automated intraday trading and scheduling systems.

We note that PTRs obtained through the CAP are automatically nominated by Terna, while market participants remain responsible for nomination towards Swissgrid.

We encourage the TSOs to consider harmonising the two processes or, at a minimum, providing an automated nomination interface for the Swiss side.

A manual nomination requirement following an automated capacity allocation creates avoidable operational risk, particularly where capacity is acquired close to delivery and market participants may be executing a high number of intraday transactions.

We understand and support the need to prevent systematic capacity hoarding. However, the obligation to use PTRs in their entirety should distinguish between deliberate capacity hoarding and genuine circumstances in which a market participant is unable to execute the corresponding energy transaction for reasons outside its control.

The Rules should provide appropriate treatment for technical failures, platform outages, nomination failures and other objectively verifiable exceptional circumstances.

Regarding the proposed reduction of the ID1 and ID2 matching cycles from 15 to 10 minutes, we are supportive of the change insofar as it is necessary to enable the timely opening of the continuous capacity allocation mechanism.

However, the resulting timetable should be published sufficiently in advance and should not reduce the effective preparation time available to market participants.

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More generally, the continuous allocation mechanism should not be unnecessarily constrained by the timing of the existing intraday auctions once the new process is operational.

Conclusion

We reiterate our strong support for the introduction of continuous explicit intraday capacity allocation at the IT-CH border. The mechanism represents an important improvement to the current intraday framework and should facilitate more efficient cross-border trading and portfolio management.

We encourage Terna and Swissgrid to:

1. ensure go-live no later than Q1 2027;
2. align the mechanism as closely as possible with the continuous allocation arrangements already operating at the CH-DE and CH-AT borders;
3. establish a clear pathway towards a 30-minute lead time;
4. provide transparent, timely and machine-readable capacity information;
5. support robust API/machine-to-machine access;
6. minimise operational asymmetries between the Terna and Swissgrid nomination processes; and
7. ensure proportionate treatment of technical failures, outages and genuine non-use of capacity.

These elements would materially strengthen the effectiveness of the proposed mechanism and facilitate its use by market participants across the Swiss borders.

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