CONSULTATION RESPONSE

Italy North intraday capacity calculation amendment

11 November 2026

General comments

- The methodology provides useful improvements (export capacity calculation) and streamlining (removal of monitored network elements or MNE concept)
- However, transparency is still imperfect (and sometimes deteriorating) on elements such as the application of remedial actions, the justifications to apply allocation or ramping constraints, and the TSO validations
- The removal of any reference to the minimum 70% requirement and its reporting of MACZT seems at odds with the long-term project to apply flow-based capacity calculation to the Italy North /Central Europe borders once Switzerland joins market coupling

Detailed comments

Article 3 – Choice of methodology

The methodology confirms the continued use of the coordinated Net Transmission Capacity (NTC) approach as the interim solution for the Italy North intraday capacity calculation process. Separately, the six-month deadline following Switzerland's possible accession to SDAC remains the regulatory backstop for submitting a flow-based methodology proposal applicable to the region including Italy. How this interacts with the integration of capacity calculation with Core into the Central Europe CCR, in day-ahead and intraday, remains rather unclear.

We would welcome a clear implementation and transition roadmap explaining how and when the Italy North ID CCM will be integrated into, or superseded by, the Central Europe (CE) ID CCM. In particular, TSOs should clarify how the Italy North-specific methodological

choices introduced through the present amendment – particularly the deletion of references to the minimum 70% requirement and removal of MACZT transparency – will be aligned with the future CE framework and avoid creating transitional inconsistencies or solutions that will shortly need to be redesigned.

Article 5 – Reliability margin methodology

Article 5(2) retains a fixed reliability margin until the TRM study is completed, while Article 5(3) provides for annual review. Annex I(D) describes a statistical approach based on a full year of data, combining forecast uncertainty and unintended deviations, with a risk level below 10%. We are concerned that the fixed value may remain in place for an undefined period, despite the proposal's stated reliance on a dedicated study.

We recommend that Article 5(2) include a firm deadline for completing and publishing the study, and that the fixed value be treated only as a strictly temporary measure. The annual review under Article 5(3) should publish the resulting value and explain any decision to retain or change it. Intraday uncertainty should be assessed using intraday-to-real-time evidence rather than automatically importing a day-ahead parameter.

Article 6 – Critical network elements, allocation constraints and discretisation

Article 6(2–3) sets out the CNEC selection process and a 5% sensitivity threshold, while Article 6(7–9) provides for Italian voltage and dynamic-stability constraints and ramping constraints to be expressed as allocation constraints. Article 6(9) also envisages a temporary arrangement under which specified constraints are applied directly to the coordinated capacity calculator's result as computation constraints.

We support transparent identification of genuine security constraints and agree that capacity calculation should solely take account of network elements influenced by cross-border exchanges (CNECs). We therefore support the deletion of the concept of Monitored Network Elements (former paragraphs 4 and 5).

The TSOs should ensure that the removal of MNEs does not negatively affect remedial action optimization (RAO) or result in additional reductions during capacity validation - and provide adequate transparency on the matter. We invite the TSOs to also remove the MNE concept from the definitions list in Article 2, for consistency purposes.

The methodology should make clear that allocation constraints are not a substitute for coordinated remedial actions or a means of managing internal congestion by limiting cross-zonal trade. Allocation constraints should only be applied as a measure of last resort, after TSOs have demonstrated that available coordinated remedial actions – costly or non-costly – cannot address the identified operational security issue. In addition, the continued necessity of recurring constraints should be reviewed, with a view to addressing structural issues through redispatching, countertrading, market design and balancing mechanism arrangements, operational improvements or network investment rather than through systematic restrictions.

When constraints are applied, the TSOs should publish the technical rationale, responsible TSO, applicable period and direction, the affected interconnectors or border groups, formula/parameter values, and quantified impact on each border and market time unit. TSOs should also identify the remedial actions considered and explain why they were unavailable or insufficient. For voltage and stability constraints, the explanatory data already envisaged by Article 12 should be accompanied by the calculation linking forecast load, non-dispatchable generation and minimum dispatchable thermal generation to the resulting constraint level – transparency on a simple MW value does not enable market participants to understand the drivers and best anticipate TSO actions that have a material impact on available cross-zonal capacity.

In particular, given the material impact that allocation and ramping constraints may have on Italy North import capacity, market welfare, price formation and security of supply, TSOs should assess whether applying computation constraints directly to the capacity calculation result is the least distortive approach, or whether alternative arrangements, including appropriately designed ex-post validation, could meet the same operational

security objective while preserving a higher level of cross-zonal capacity. This assessment should cover the frequency and duration of each constraint, the affected borders and Market Time Units, the reduction in available cross-zonal capacity, the alternative implementation approaches considered and, where feasible, the constraint's impact on market outcomes and social welfare.

Moreover, ramping constraints should be dynamic and evidence-based, taking account, where relevant, of system inertia, renewable generation penetration, forecast uncertainty, balancing capability and the latest available operational conditions. For each ramping constraint, TSOs should explain how these variables are reflected in the applicable ramping limit. The 50 MW discretisation in Article 6(10) can create avoidable step changes and rounding losses. TSOs should justify why this granularity is necessary and assess a finer resolution. The 5% CNEC threshold should be reviewed periodically against actual congestion and capacity outcomes, with the sensitivity analysis and any excluded elements made available for scrutiny. Detailed information on excluded elements should be made available to the competent regulatory authorities and, where operational-security considerations allow, to market participants. Where computation constraints are temporarily used, Article 6(9) should require the simultaneous publication of both constrained and unconstrained capacity at the same border and MTU level, using the same frequency and granularity, together with the resulting difference in MW and the constraint responsible for the reduction. This information, together with evidence on the remedial actions considered, is necessary to verify that allocation and ramping constraints are necessary, proportionate and applied only as measures of last resort.

Article 9 – Remedial actions, capacity calculation and removal of the explicit intraday 70% minimum-capacity mechanism – and missing HVDC provisions

For the provisions on the calculation of capacity in the export direction from Italy North zone to the other bidding zones of the region (article 9(5)), we support the move toa daily capacity calculation on the days when exports are forecasted (instead of a yearly calculation in the previous version of the methodology). A clear indication where this

export forecast of the TSOs comes from (day-ahead market results?) should be included in the methodology.

We support the explicit inclusion of curative actions, but recommend that the methodology require TSOs to consider the full set of technically feasible and cost-effective remedial actions before reducing cross-zonal capacity. As just mentioned for ramping and allocation constraints, this should expressly include countertrading and redispatch, including cross-border redispatch, where available and consistent with operational security. TSOs should not exclude an action merely because it is located in another control area; its feasibility, cost, availability and effect on other monitored elements should be assessed in a coordinated manner.

The proposed amendment appears to remove the explicit provisions in the existing Article 9(9–11) requiring the coordinated capacity calculator to ensure that the 70% minimum capacity requirement is met in the intraday timeframe, including the associated calculation and adjustment mechanisms, as well as transparency requirements on the MACZT (in article 12). We are conscious of the ongoing debate about the application of the minimum 70% capacity requirement in intraday, though Italy North TSOs seemed to have taken a clear position on the matter in the previous version(s) of the CCM. The apparent change in position of the Italy North TSOs comes with no assessment on its impact on available capacity. Hence, we ask the TSOs to explain the legal, operational and methodological rationale for removing the explicit intraday provisions and to provide a quantitative assessment of the expected impact on cross-border capacity offered to the intraday market, by border, direction and market time unit.

Article 9(6) says the iterative steps are repeated until a higher secure capacity level cannot be achieved. To make this obligation verifiable, the coordinated capacity calculator should record the binding constraint at each iteration, the remedial actions considered and selected, and the incremental capacity obtained.

Finally, we are missing provisions that would clarify the treatment of the 1.2 GW PiSa HVDC, while future CE DA capacity calculation methodology intends to us an Evolved Flow-Based approach with virtual hubs (similar to the ALEGrO cable linking Belgium and Germany). Moving from that representation in DA capacity calculation to an Italy North CNTC calculation creates a risk of inconsistent treatment of the PiSa schedule, remaining capacity and available HVDC remedial-action range. The methodology should explicitly define how PiSa and its DA commitments are carried into the transitional ID calculation.

Article 10 – Validation and capacity reductions

We support the requirement to record reductions, but "stored" is not sufficient for meaningful transparency. Article 10(5–6) should require publication, alongside the final capacity result, of the reducing TSO, timestamp, border/direction and market time unit affected, original and revised values, reason code, relevant CNEC or security issue, and remedial actions considered. Commercially sensitive or security-critical details may be protected narrowly, but the public explanation should still allow the scale and rationale of the reduction to be assessed.

Validation should correct genuine errors or new security risks, not apply an undisclosed conservative buffer on top of the coordinated calculation and TRM. For forecast discrepancies, TSOs should identify why the risk was not captured by the TRM or other inputs and avoid double-counting. We also recommend that Article 13 reporting include aggregated and case-specific statistics on validation reductions, including the frequency of repeated reductions by TSO and border, and corrective measures planned.

Article 12 and Article 13 – Publication and reporting

We welcome the transparency and reporting requirements retained in the proposal, but recommend making them more comprehensive and operationally precise. Article 12 should require publication in a machine-readable format, via one central platform and API, at the same time as capacity is delivered to NEMOs. The data should include initial capacity before validation, each material adjustment, final offered capacity, unconstrained capacity while computation constraints remain, the binding CNEC/MNE, and the quantified impact

of each remedial action or constraint. Any unavailable data should be accompanied by a reason, responsible entity and deadline for publication; null values should not become a routine substitute for required transparency.

Moreover, neither the methodology nor the explanatory note provides a specific justification for deleting the publication of the internal, external and total MACZT values. TSOs should explain whether these indicators are no longer calculated, are considered no longer applicable, or will be replaced by equivalent information under another publication framework. For market participants, this information gap may reduce the accuracy of cross-border capacity forecasts, bidding-zone price and spread forecasts, and market simulations. It may also make it more difficult to identify whether recurring capacity reductions reflect temporary system conditions or structural network limitations requiring redispatching, countertrading, operational improvements or grid investment. This may increase uncertainty around capacity availability, congestion patterns and price formation, particularly on the Italy North borders.

The concern is amplified by the proposed removal of the explicit publication requirement for unconstrained capacity and of the reporting obligation concerning capacity reductions resulting from insufficient remedial actions. Taken together, these changes would make it harder to reconstruct the sequence from the underlying network capability to the final capacity offered to the market, quantify the impact of allocation and ramping constraints, and verify whether capacity reductions are necessary, proportionate and applied only as a measure of last resort.

Regarding information on allocation and ramping constraints, they should be published as soon as the applicable values are confirmed (i.e. on a daily basis) and should be updated whenever the constraints change. Ex-post reporting should complement, rather than replace, timely operational publication.

Full transparency on the parameters affecting capacity calculation should include:

- publication, sufficiently in advance, of any planned change to the PTDF threshold, including the implementation date and the new threshold value;
- continued reporting and justification of PTDF threshold changes, given their potential impact on cross-zonal capacity calculation outcomes

With specific regard to allocation constraints, the methodology should ensure:

- continued reporting for all allocation constraints with material market impact;
- ex-post publication of affected MTUs and borders;
- publication of the estimated impact on available intraday cross-zonal capacity, where feasible.

With regard to ramping constraints, the relevant TSOs, including Terna, should ensure a timely and dynamic publication of the operational constraints applied, including, at a minimum:

- the specific 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;
- the estimated reduction in cross-zonal capacity attributable to the ramping constraints.

The methodology should establish a specific and timely publication obligation for constraints materially affecting cross-zonal capacity.

Article 13 should require public summaries in addition to reports sent to NRAs and ACER. Reports should identify the cause, volume and duration of reductions, whether remedial actions were unavailable or insufficient, and steps to prevent recurrence. Publication should be frequent enough to support market monitoring; quarterly reporting should be supplemented by timely event-level data under Article 12. The algorithm version, key

parameter changes and methodology updates should also be archived so market participants can compare results over time.

Article 14 – Implementation and accountability

We recommend publishing a detailed implementation plan with milestones, dependencies, responsible parties and a stakeholder update process. Alignment with the Central Europe timetable should not delay the publication and reporting improvements that can be delivered earlier than January 2028.

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