

## Response to ACER's public consultation on the amendments to the Core region's long-term capacity calculation methodology

Brussels, 26 March

### Questions

#### Do you have any comments regarding the proposal for the introduction of the adjusted historic ATC benchmark to the long-term flow-based capacity calculation process?

Energy Traders Europe supports the introduction of the ATC benchmark, as stated previously in our consultation responses and workshops. The benchmark can play an important role in preserving historically observed levels of long-term capacity and ensuring that cross-border exchanges relevant for hedging remain feasible within the flow-based domain.

However, we reiterate our disagreement with the removal of LTA inclusion, expressed in a previous consultation and workshops. Until now, LTA inclusion ensured a certain level of capacity availability, corresponding to the expected capacity available in DA. Even without its removal, the current framework, based on minRAM applied to individual CNECs, still leaves capacity availability exposed to Individual Validation Adjustments (IVAs) performed by TSOs.

Removing this guarantee risks reducing capacity availability on already constrained borders, particularly in the CEE region. Hence, we call for maintaining LTA inclusion in the capacity calculation process, as well as enacting transparent, coordinated, and non-discriminatory rules governing the use of IVAs.

Furthermore, the proposed benchmark may act as a cap on capacity in situations where the flow-based calculation would allow higher exchanges. We recall that, in accordance with Article 16 of Regulation (EU) 2019/943 and the FCA Regulation, TSOs are required to maximise the capacity made available to the market, while respecting operational security limits.

# CONSULTATION RESPONSE

No mechanism within the long-term capacity calculation methodology should result in an artificial limitation of cross-border capacity. The ATC benchmark should not serve as a de facto cap on the capacity that would otherwise be available under system conditions.

We emphasise that the application of the benchmark must remain consistent with the overarching legal principle of maximising cross-border capacity and should allow higher capacities to be offered whenever the network permits.

## **Do you have any comments or concerns regarding the way in which the historic long-term ATC benchmarks are determined?**

The use of historical data is appropriate to guarantee minimum volumes of hedging instruments made available to the market by the TSOs. However, it should not result in locking in outdated capacity levels or preventing the market from benefiting from improvements in network conditions.

The 4.900 MW guaranteed capacity at the DE-AT border in the forward timeframe was a compromise between BNetzA and E-Control in the context of the DE-AT bidding zones split, down from around 10.000 MW before that. While we understand that the rationale of the new LTCCM is to move to a true capacity calculation at all Core borders and do away with fixed capacity agreements, we question the choice of the 50% ratio for the benchmark of historical values at the DE-AT borders. We request more detailed justifications on the ratio choice for this border, with illustrations of the effect of adopting alternative benchmarks.

We also note that adjustments such as splitting factors and seasonal aggregation introduce additional complexity and reduce transparency. Market participants should be able to understand and anticipate how benchmark values are derived and how they influence the calculation process.

In addition, any differentiated treatment across borders should be clearly justified and subject to regulatory oversight to avoid arbitrary or discriminatory outcomes.

We recommend full transparency of input data, assumptions, and resulting benchmark values, as well as regular reviews to ensure alignment with evolving system conditions.

## **How do you consider this approach for Polish borders, where no capacity was allocated in the long-term timeframe in the past?**

We are deeply concerned regarding the application of allocation constraints on the Polish borders, where we have observed significant under-issuance of LTTRs. This situation has

# CONSULTATION RESPONSE



not improved over the years despite several calls from market participants and the evolution of network topology (internal and cross-border transmission lines, PSTs, etc.).

In the Polish case, reliance on historical ATC values risks perpetuating the underissuance of long-term transmission rights (LTTRs). The persistent lack of LTTRs at the South-western Polish borders restricts cross-border hedging and undermines market development.

At the borders with Germany, Czechia, and Slovakia, long-term transmission rights (LTTRs) have either been unavailable or underissued in recent years. Monthly transmission rights have seldom been allocated since 2021, while yearly products have been largely absent since 2017. This situation persists despite significant network improvements, multiple requests from market participants, and ongoing dialogue with the Polish transmission system operator (TSO).

In this context, a methodology based on historical benchmarks – especially if it includes a cap based on historical values – cannot function as intended and risks locking in a structurally deficient situation. The absence of historical capacity should not justify the continued absence of long-term hedging instruments.

We recall that EU legislation, notably Regulation (EU) 2019/943 and the FCA Regulation, requires TSOs to make capacity available to the market and to provide long-term transmission rights unless specific conditions are met. To our knowledge, no such regulatory justification exists for the prolonged absence of LTTRs on the relevant Polish borders.

We therefore strongly recommend that alternative, forward-looking approaches be applied for such borders, including the definition of minimum capacity levels or proxy benchmarks.

**Do you have any comments or concerns regarding the integration of the Ireland - France bidding zone border into the Core LT CCM once Celtic interconnector commissioning is finalised?**

Energy Traders Europe considers the inclusion of the Single Electricity Market (SEM) into Core LT CCM to be a positive step. We recommend timely and transparent communication regarding go-live, as well as information on auctions to help market participants sufficiently prepare in advance.

# CONSULTATION RESPONSE



## Do you have any other comments or concerns related to the Proposal for the amendment to the Core LT CCM?

Energy Traders Europe would like to reiterate that long-term capacity calculation must ensure predictable, stable, and sufficient capacity to support forward markets and effective hedging.

While the introduction of the ATC benchmark represents a step in the right direction, it remains an indirect and non-binding mechanism. In its current form, it does not fully replace the role previously played by long-term allocation (LTA) inclusion in safeguarding capacity availability, especially as it is subject to Individual Validation Adjustments (IVAs) applied by TSOs, which can further jeopardise the effective capacity. The recent ENTSO-E policy paper on forward markets also highlighted TSOs' reluctance to issue LTTRs, exacerbating these concerns and underscoring the need to guarantee a minimum level of capacity for market participants.

We are also concerned that, in practice, the benchmark could act as an upper limit on capacity, similar to the previously proposed MaxATC concept, which we have opposed. Any such limitation would be inconsistent with the EU obligation to maximise capacity made available to the market, while respecting operational security.

We therefore recommend:

- Strengthening the link between benchmark values and actual capacity outcomes
- Enhancing the transparency of the methodology
- Ensuring that no artificial constraints are introduced that could limit efficient cross-border trading.

Finally, we encourage continued stakeholder engagement and the publication of sensitivity analyses to assess the impact of benchmark assumptions on capacity calculation and market outcomes.

## Contact

Name: Andrej Stancik  
Position: Senior Policy Advisor  
E-Mail: [a.stancik@energytraderseurope.org](mailto:a.stancik@energytraderseurope.org)