

Response to Core TSOs' proposal for the first amendment of the Long-term capacity calculation methodology of the Core capacity calculation region

Brussels, 20th October 2025

Response

Energy Traders Europe appreciates the opportunity to comment on the proposed first amendment to the Core Long-Term Capacity Calculation Methodology (LT CCM).

As market participants, we disagree with the removal of Long-Term Allocation (LTA) inclusion in the Day-Ahead market. Removing this guarantee could further exacerbate constraints on already tight borders, particularly in Central and Eastern Europe (CEE). While LTA inclusion ensured capacity availability, the application of minimum Remaining Available Margin (minRAM) to each CNEC still leaves capacities exposed to Individual Validation Adjustments (IVAs) by TSOs. Therefore, transparent, coordinated, and non-discriminatory rules governing the use of IVAs should be established.

Additionally, increased revenue risks for TSOs resulting from LTA inclusion removal may incentivise TSOs to issue fewer LTTRs, further limiting cross-border hedging opportunities, which goes against the legal principles defined in FCA Regulation.

We see the inclusion of *MinATC* benchmark data as a way to protect historic capacity at bidding zone borders and provide more clarity and transparency to the long-term flow-based calculation process. This was the key recommendation for market participants to ensure that the application of the flow-based calculation methodology will not leave market participants on specific borders unable to hedge their cross-border risks. It is also welcome that these values will be re-evaluated annually, to reflect changing market and grid conditions.

While *MinATC* benchmark values can help safeguard a minimum level of long-term capacity on specific borders and thereby support market participants in managing cross-border risks, the introduction of *MaxATC* risks artificially limits the capacity made available to the market.

We acknowledge concerns about potential revenue impacts for TSOs; however, available evidence does not show that these would lead to significant financial constraints. As demonstrated on slide 18 of the presentation at the Core Consultative Group, TSOs' congestion income from the Day-Ahead market, combined with revenues from LTTR auctions,

CONSULTATION RESPONSE



greatly exceeds expenditures for LTTR remuneration to market participants, even in the absence of *MaxATC* benchmark values.

We therefore see no reason from a revenue adequacy point of view to impose *maxATC* values as an upper limit on the transmission capacity made available to the market, as this would unnecessarily restrict cross-border trading and hedging opportunities.

We would like to recall that such an artificial cap on calculated capacity would be inconsistent with **Article 16(3) of Regulation (EU) 2019/943** and **Article 16 of the FCA Regulation**, which require TSOs to make the *maximum capacity available to the market*, consistent with operational security.

Therefore, we recommend that *MaxATC* values should serve only as indicative reference points, allowing for higher capacities whenever system and operational conditions permit.

Finally, to ensure benchmark values are robust and do not inadvertently limit market efficiency, we encourage Core TSOs to publish sensitivity analyses showing how different *MinATC* and *MaxATC* assumptions affect the resulting RAM and long-term capacity. Such scenarios (e.g. low, base, high) should be shared with stakeholders to enhance transparency and allow assessment of impacts on hedging and cross-border capacity.

Fallback mechanisms

We welcome the use of parameters from previous monthly auctions as fallback values, which better reflect market realities, as we have reiterated in the past. As we observe monthly fluctuations on specific borders, we recommend implementing a monitoring framework to identify and mitigate distortions caused by irregular market or system events, ensuring fallback values remain representative and the system is robust.

SEM Inclusion

While the inclusion of the Single Electricity Market (SEM) into Core LT CCM is 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.

Parallel Run

The decision to run a parallel external run for 12 months following the abandonment of the ATC extraction period is a welcome step for market participants. This will enable a proper

CONSULTATION RESPONSE



testing period, taking into account seasonal changes. In this light, we also support TSO's aim to provide more detailed information on frequency, scope and data publication.

Non-Core Bidding Zone Borders Consideration

Linking the assessment of consideration of non-Core CCR bidding zone borders with the LTCC go-live instead of AHC is positive for coherent market functioning.

To remove any uncertainty, we encourage Core TSOs to publish a clear, coordinated roadmap covering both LTCC and AHC implementation across all relevant borders, including non-Core CCRs, and to ensure that no transitional arrangements unduly restrict capacity allocation or cross-border hedging opportunities for market participants.

ANNEX

The distinct approach to the Polish border appears arbitrary and, in our view, cannot be deemed reasonable or acceptable. This divergence contradicts the goal of a common internal electricity market and undermines fair market conditions by disrupting a level playing field.

Although PSE is required to produce a quarterly analysis of allocation constraints, the reports, while technically available on the JAO platform, are not practically accessible.

In conclusion, Energy Traders Europe strongly endorses the aim of a harmonised, transparent, and efficient long-term capacity calculation methodology. Nevertheless, the proposed removal of LTA inclusion and introduction of *MaxATC* benchmarks risk damaging market integration, limiting hedging opportunities, and increasing uncertainty for both TSOs and market participants.

We urge Core TSOs and NRAs to ensure that the final methodology maintains transparency, facilitates efficient cross-border risk management, and remains fully aligned with EU market and operational regulations.

Contact

Name: Andrej Stancik
Position: Senior Policy Advisor
E-Mail: a.stancik@energytraderseurope.org