

Response to the public consultation on Italy North TSOs proposal for amendment of the Methodology for long-term cross-zonal capacity calculation for Italy North CCR

Brussels, 24 July, 2025

Detailed Comment

As Energy Traders Europe, we welcome the opportunity to comment on the proposed amendment to the LTCC methodology for the Italy North CCR by TSOs.

Forward electricity markets are essential for hedging price risks for market participants. To support them, the maximum available transmission capacity should be allocated through auctions of long-term transmission rights (LTTRs) by TSOs, helping to manage market participants' cross-border risks. To accurately evaluate capacity, long-term capacity calculations should be as robust and transparent as possible.

We generally welcomed the introduction of the „Export corner“ in the day-ahead and intraday timeframes as a better way to calculate and allocate capacity based on the actual security situation, respecting the physical constraints of the grid.

While we appreciate that adding the “Export corner” to long-term capacity calculations, based on statistical data from the past three years, is a positive step, we emphasise the importance of clarity and transparency. We understand that triggering the “Export corner” is an optional parameter that individual TSOs may choose to use or not in the day-ahead timeframe.

We therefore urge TSOs to publish the values used in their calculations, alongside the final capacity available before each LTTR auction. This will promote long-term visibility and methodological clarity, which are critical for market participants' calculations and hedging strategies.

Other Comments

Additionally, we reiterate our position on the firmness of LTTRs. Market participants use transmission rights to hedge their forward positions within respective bidding zones. If their cross-border risks are not fully protected when purchasing LTTRs, this undermines trust, leads to lower auction prices offered by market participants, reduces liquidity in forward markets, and ultimately increases the cost of electricity for consumers.

CONSULTATION RESPONSE



The practice of TSOs in Italy's North CCR to offer payback for curtailed LTTRs from market participants with a premium helps cover auction costs but does not fully mitigate their cross-border risks in the event of curtailment. We urge TSOs to develop solutions that guarantee the full financial firmness of LTTRs, as seen at most other borders within the EU, enabling market participants to fully hedge their cross-border positions when securing LTTRs at the Italy-North borders.

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