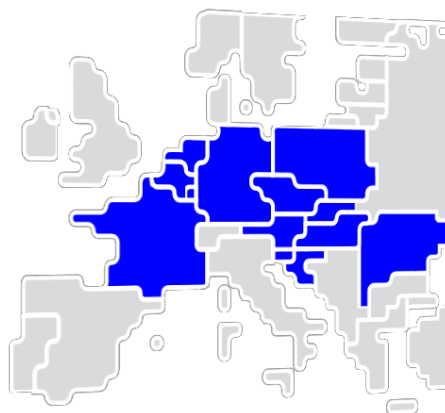




# Core CCR TSOs' methodology for splitting long-term cross-zonal capacity in accordance with article 16 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation

<b>Purpose:</b>	<input type="checkbox"/> methodology draft	<input type="checkbox"/> for public consultation
	<input checked="" type="checkbox"/> for NRA approval	<input type="checkbox"/> for final publication
<b>Status:</b>	<input type="checkbox"/> draft	<input checked="" type="checkbox"/> final
<b>TSO approval:</b>	<input type="checkbox"/> for approval	<input checked="" type="checkbox"/> approved
<b>NRA approval:</b>	<input checked="" type="checkbox"/> outstanding	<input type="checkbox"/> approved



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Transmission System Operators (hereafter referred to as “TSOs”) of the Core Capacity Calculation Region (hereafter referred to as “Core CCR”), taking into account

### Whereas

- (1) This document is the methodology for the splitting of long-term cross-zonal capacity in a coordinated manner between different long-term time frames within the Core CCR in accordance with article 16 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (hereafter referred to as “FCA Regulation”). This methodology was developed by the TSOs of the Core CCR (hereinafter referred to as “Core TSOs”) as defined in accordance with article 15 of Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”) and is hereinafter referred to as “Core TSOs’ Long-Term Splitting Methodology”.
- (2) The Core TSOs’ Long-Term Splitting Methodology takes into account the general principles and goals set by the FCA Regulation, Commission Regulation (EU) 2017/1485 of 02 August 2017 establishing a guideline on electricity transmission system operation and Regulation (EU) 2019/943 of the European Parliament and of the Council of 05 June 2019 (hereinafter referred to as “Regulation (EU) 2019/943”). The FCA Regulation lays down detailed rules on cross-zonal capacity allocation in the forward markets, on the establishment of a common methodology to determine long-term cross-zonal capacity, on the establishment of a single allocation platform at European level offering long-term transmission rights in a transparent and non-discriminatory way, offering the possibility to return long-term transmission rights for subsequent forward capacity allocation or transfer long-term transmission rights between market participants.
- (3) The FCA Regulation also sets rules for establishing capacity calculation methodologies based either on the coordinated net transmission capacity (hereinafter “cNTC”) approach or on a flow-based approach. The FCA Regulation also sets rules for establishing a methodology for the splitting of long-term capacity on different time frames. For the Core CCR the coordinated capacity calculation according to article 10(2) of the FCA Regulation will follow the cNTC approach.
- (4) Article 4(8) of the FCA Regulation requires that the expected impact of the Core TSOs’ Long-Term Splitting Methodology on the objectives of the FCA Regulation is described. The expected impact is assessed in the following points of this ‘Whereas’ section.
- (5) The Core TSOs’ Long-Term Splitting Methodology is a common proposal developed by Core TSOs contributing to the achievement of the conditions of article 16(2) of the FCA Regulation. In particular it contributes to and does not in any way hinder the achievement of the objectives of article 3 of the FCA Regulation.
- (6) The Core TSOs’ Long-Term Splitting Methodology serves the objective of promoting effective and non-discriminatory long-term cross-zonal trade with long-term cross-zonal hedging opportunities for market participants in accordance with article 3(a) of the FCA Regulation by providing fractions of long-term capacities to all long-term allocation time frames as defined in article 6 of the Core CCR TSOs’ regional design of long-term transmission rights in accordance with article 31 of the FCA Regulation so that market participants are equally granted access to long-term transmission rights at all long-term time frames.
- (7) The Core TSOs’ Long-Term Splitting Methodology contributes to the objective of optimising the calculation and allocation of long-term cross-zonal capacity rights in accordance with article 3(b) of the FCA Regulation by taking into account the results of the long-term capacity calculation

methodology in accordance with article 10 of the FCA Regulation, which takes duly into account the provisions and limitations related to secure system operation by applying a security analysis based on multiple scenarios, as a key technical input to the Core TSOs' Long-Term Splitting Methodology.

- (8) The Core TSOs' Long-Term Splitting Methodology contributes to the objective of providing non-discriminatory access to long-term cross-zonal capacity in accordance with article 3(c) of the FCA Regulation by not applying barriers for access to the auction of long-term transmission rights (hereinafter "LTTRs") via the Single Allocation Platform and consequently it is in full compliance with Harmonised Allocation Rules for long-term transmission rights.
- (9) The Core TSOs' Long-Term Splitting Methodology contributes to the objective of ensuring fair and non-discriminatory treatment of TSOs, the Agency, regulatory authorities and market participants in accordance with article 3(d) of the FCA Regulation by securing full transparency of the Core TSOs' Long-Term Splitting Methodology preparation and adoption process due to consulting with all relevant stakeholders as required by provisions of the article 6 of the FCA Regulation.
- (10) The Core TSOs' Long-Term Splitting Methodology contributes to the objective of respecting the need for a fair and orderly forward capacity allocation and orderly price formation in accordance with article 3(e) of the FCA Regulation by publishing and making available cross-zonal capacity in due time to be released in the long-term time frame for forward markets, where appropriate, taking into account hedging needs of market participants.
- (11) The Core TSOs' Long-Term Splitting Methodology contributes to the objective of ensuring and enhancing the transparency and reliability of information on forward capacity allocation in accordance with article 3(f) of the FCA Regulation by timely publication of all relevant information and inputs to Core TSOs' Long-Term Splitting Methodology i.e. results of the long-term capacity calculation methodologies, applied splitting criteria and inputs to splitting criteria enabling full auditability of the results.
- (12) The Core TSOs' Long-Term Splitting Methodology contributes to the efficient long term operation and development of the electricity transmission system and electricity sector in the Union in accordance with article 3(g) of the FCA Regulation by providing to the long-term markets the maximum possible amount of the long-term capacity supported by market participants' activities on the forward markets and enabling proper long-term price formations on electricity markets.
- (13) Further, the Core TSOs' Long-Term Splitting Methodology complies with the conditions set out as described in article 16(2) of the FCA Regulation, (a) meeting the hedging needs of market participants; (b) being coherent with the capacity calculation methodology and (c) not leading to restrictions in competition, in particular for access to long-term transmission rights.
- (14) The Core TSOs' Long-Term Splitting Methodology was publicly consulted from 10 June 2019 until 10 July 2019 in accordance with article 6 of the FCA Regulation.

developed the following Core TSOs' Long-Term Splitting Methodology:

## **Article 1**

### **Subject Matter and Scope**

1. The Core TSOs' Long-Term Splitting Methodology covers the methodology for splitting long-term cross-zonal capacity in a coordinated manner between long-term timeframes for the Core CCR bidding zone borders in accordance with article 16 of the FCA Regulation.
2. The principles laid down in this Core TSOs' Long-Term Splitting Methodology shall be applied for splitting the long-term capacity between the yearly and monthly long-term time frames as defined in article 6 of the Core CCR TSOs' regional design of long-term transmission rights in accordance with article 31 of the FCA Regulation.

## **Article 2**

### **Definitions and Interpretation**

For the purposes of this Core TSOs' Long-Term Splitting Methodology the terms used shall have the meaning given to them in article 2 of the FCA Regulation, in article 2 of the CACM Regulation, in article 2 of Regulation (EU) 2019/943 and in article 2 of Commission Regulation (EU) 543/2013 of June 2013 on submission and publication of data in electricity markets.

## **Article 3**

### **Splitting Approach for AC Interconnectors**

1. In case of high voltage alternating current interconnectors, eighty percent of the long-term capacity available at the year ahead time frame will be offered to the subsequent yearly capacity allocation session at the Single Allocation Platform.
2. Long-term capacities resulting from the monthly capacity calculations in accordance with article 10 of the FCA Regulation, reduced by those capacities already allocated to the yearly timeframe and increased by returned capacity from the yearly time-frame, are offered to the subsequent monthly capacity allocation sessions at the Single Allocation Platform.

## **Article 4**

### **Splitting Approach for DC Interconnectors**

1. In case of new high voltage direct current interconnectors for the first three years of operation, sixty five percent of long-term capacity available at the year ahead time frame will be offered to the subsequent yearly capacity allocation session at the Single Allocation Platform.
2. In case of high voltage direct current interconnectors with more than three years of operation, eighty percent of long-term capacity available at the year ahead time frame will be offered to the subsequent yearly capacity allocation session at the Single Allocation Platform.
3. Long-Term capacities resulting from the monthly capacity calculations in accordance with article 10 of the FCA Regulation, reduced by those capacities already allocated to the yearly timeframe and increased by returned capacity from the yearly time-frame, are offered to the subsequent monthly capacity allocation sessions at the Single Allocation Platform.

## **Article 5**

### **Transparency**

The Core TSOs' Long-Term Splitting Methodology shall be published without undue delay after the approval by all relevant regulatory authorities or ACER in accordance with article 4(13) of the FCA Regulation.

## **Article 6**

### **Implementation Plan**

The Core TSOs' Long-Term Splitting Methodology shall be implemented at the latest once the results of the first capacity calculation for the yearly time frame, based on the approved Core TSOs' common capacity calculation methodology for long-term time frames elaborated in accordance with article 10(1) of the FCA Regulation, are available.

## **Article 7**

### **Reassessment and Efficiency Reporting**

1. Six months after the approval of the Core TSOs' common capacity calculation methodology for long-term time frames in accordance with article 10(1) of the FCA Regulation, Core TSOs will submit a review on possible adjustments of this Core TSOs' Long-Term Splitting Methodology resulting from the final methodology in accordance with article 10(1) of the FCA Regulation to all Regulatory Authorities of the Core CCR.
2. Two years after the implementation of this Core TSOs' Long-Term Splitting Methodology, Core TSOs will submit a report on the efficiency of the used approach and its practical fulfilment of the requirements of article 16(2) of the FCA Regulation to all Regulatory Authorities of the Core CCR.

## **Article 8**

### **Language**

The reference language for this Core TSOs' Long-Term Splitting Methodology shall be English. For the avoidance of doubt, where TSOs need to translate this Core TSOs' Long-Term Splitting Methodology into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with article 4(13) of the FCA Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of this Core TSOs' Long-Term Splitting Methodology.