

Forwards Capacity Allocation (FCA)

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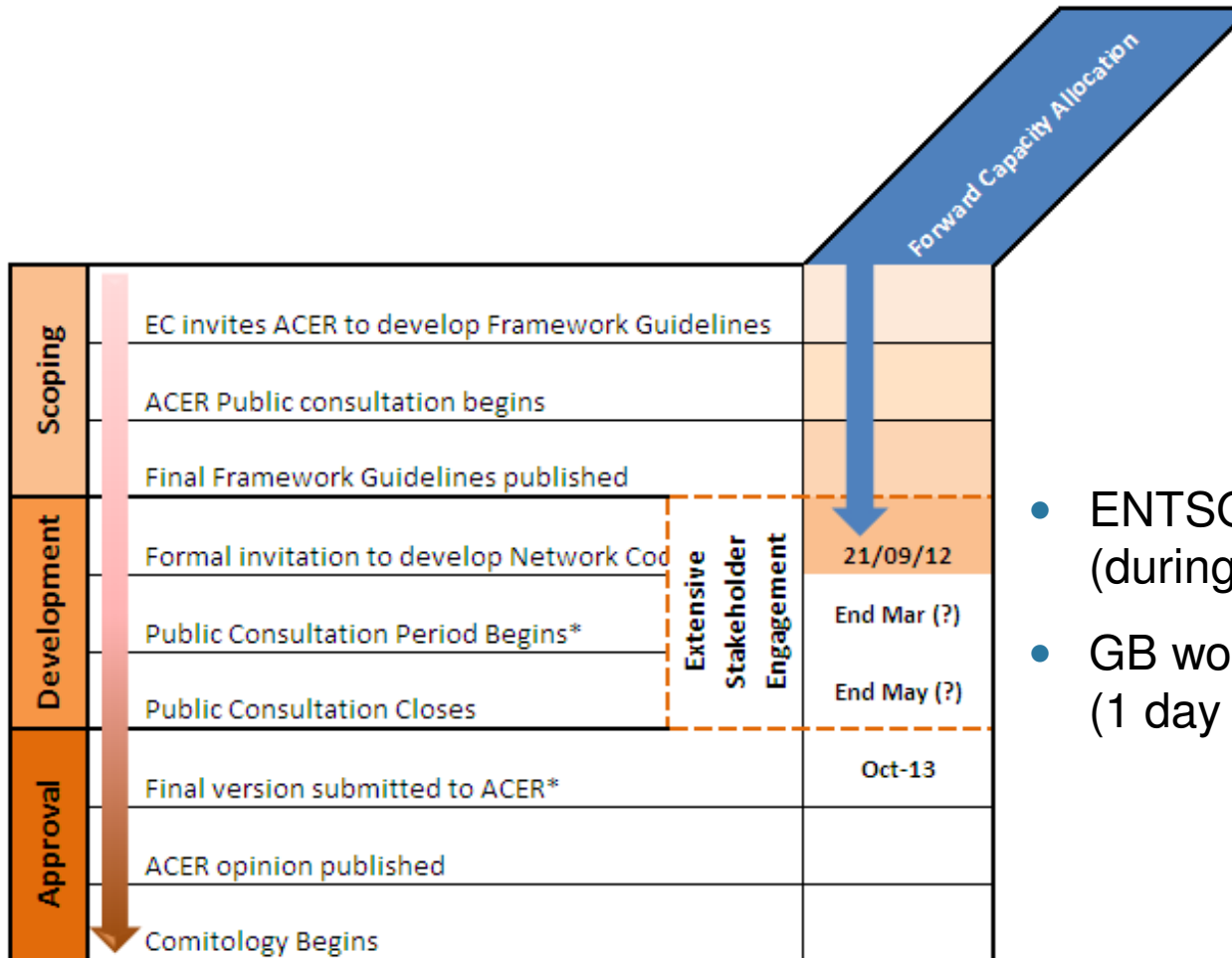
20th February

Introduction

- Process
- Target model
- Forward market structure
- Firmness
- Implementation
- Main(?) controversial issues

>>>Note that things can still change!

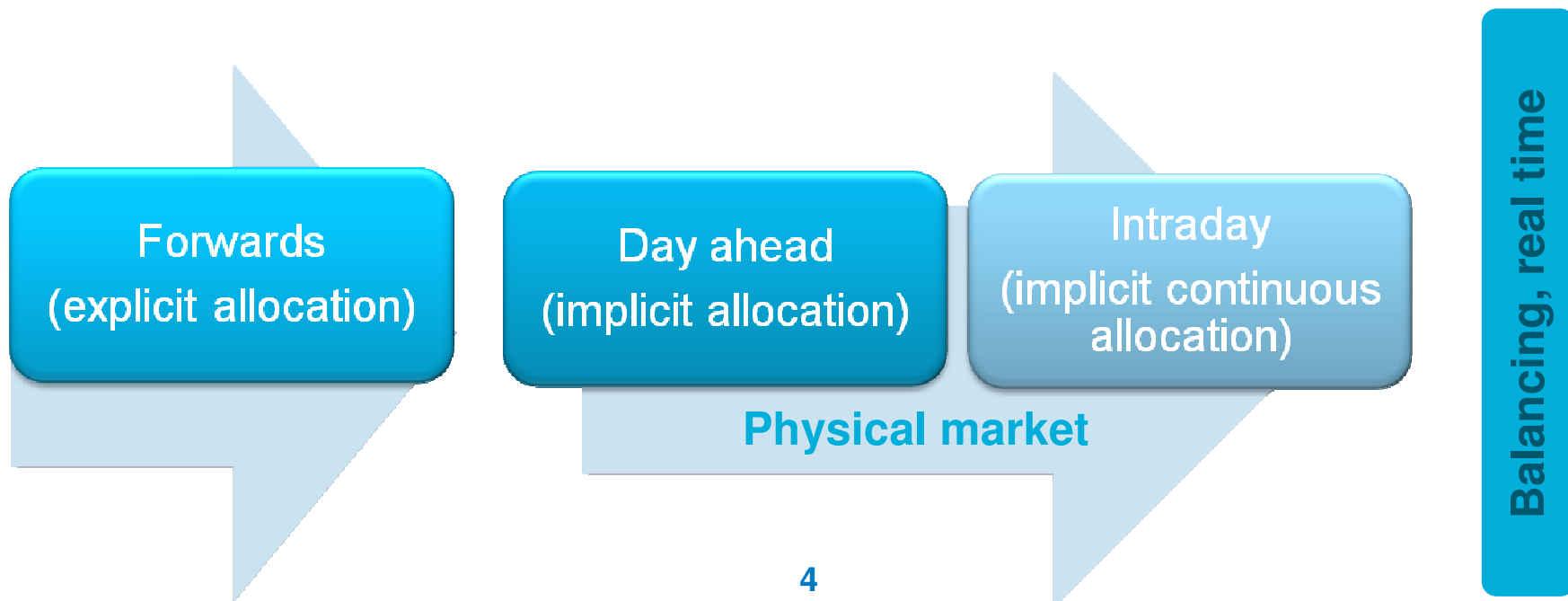
Process



- ENTSO-E workshops (during and post consultation)
- GB workshop (1 day or 2?)

Target model

- Create pan-European electricity market by removing barriers for cross border trading subject to network constraints
- Code high level, detail to come later



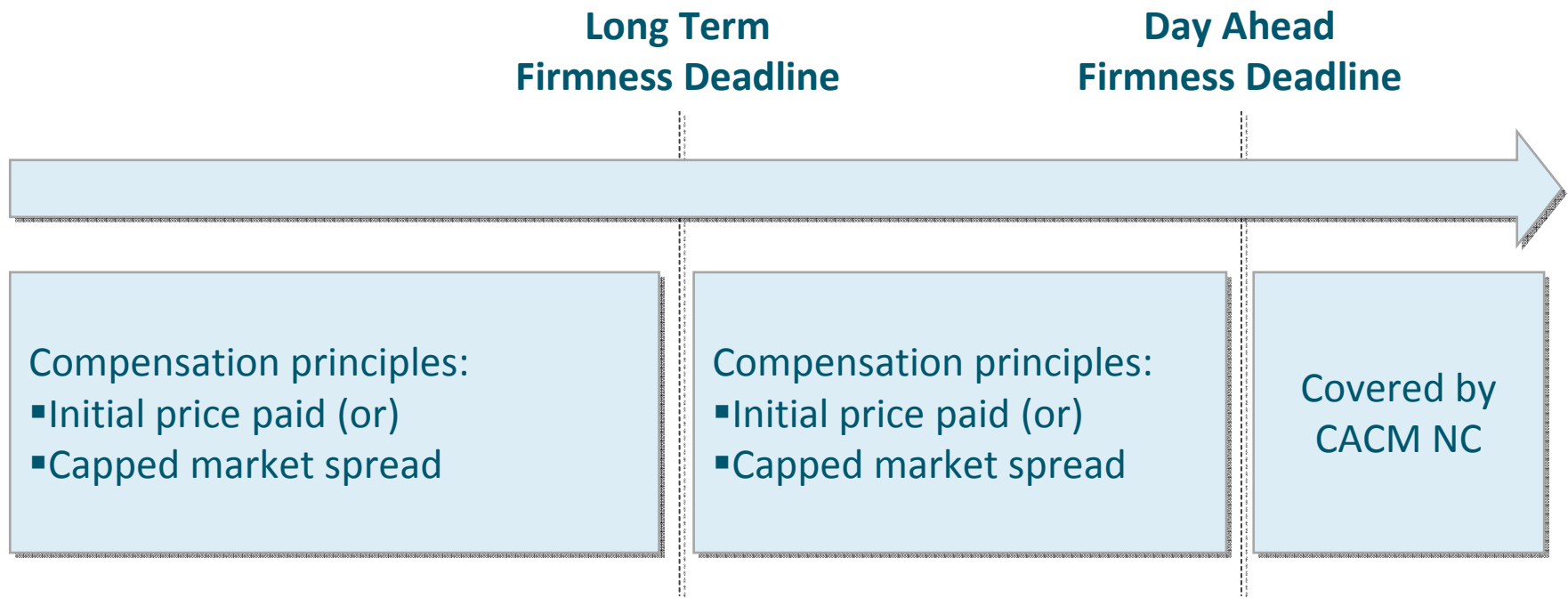
Forwards market structure

	Bidding zone/border	Capacity Calculation Region	Other	Pan European
Capacity calculation		✓		
Bidding zone review	✓	✓	✓	✓
Choice of PTR/FTR/CfD	✓			
Nomination rules	✓			*
Single allocation platform				✓
Harmonised allocation rules				✓ **
Compensation rules		✓		

* Initially nomination rules are local but obligation to progressively harmonise.

* *Pan-european allocation rules, but regional specificities allowed

Firmness



* *The long term firmness deadline is optional and is expected to align with PTR nominations timescales.*

** *Different compensation allowed for longer outages e.g. for faults on DC cables*

Implementation

Developing the single platform*



Developing auction rules



** Regional platforms allowed as a transitional measure until the establishment of the Pan-european single platform*

Main(?) controversial issues

- Firmness (obviously!)
- Nordic carve out from issuing PTRs or FTRs
“if appropriate risk hedging opportunities are available”
- Introduce concept of revenue adequacy to limit transmission right payout to Day Ahead congestion income.
- Introduce additional capacity calculation process in parallel to existing CACM to release more capacity.
- System Operator(s) left to member state to determine, but is an interconnector a SO?
- Transitional auction platforms allowed until establishment of common European wide platform.

Any questions?



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