Mr Alberto Pototschnig Director ACER

Cc: Dr. Klaus-Dieter Borchardt Director Internal Energy Market DG ENER **European Commission** 

By e-mail only

5 February 2018

Subject: Proposal for pricing of cross-zonal intraday capacity, in accordance with Article 55(1) of Regulation 2015/1222 – joint request of a six-month extension pursuant to Article 8(1) of Regulation n° 713/2009.

Dear Alberto,

I write on behalf of all Regulatory Authorities with regard to the all Transmission System Operators' (TSOs) proposal for the single methodology for pricing intraday cross-zonal capacity (hereinafter referred to as "capacity pricing proposal"). This proposal was submitted in accordance with Article 55(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (hereinafter referred to as "CACM Regulation").

The TSOs submitted the capacity pricing proposal in accordance with Article 9(6)(j) of CACM Regulation to the last concerned Regulatory Authority on 28 August 2017.

Regulatory Authorities reached the conclusion that the capacity pricing proposal is interlinked with other methodologies which are not yet finalised. In particular, this is the case for the proposal for Intraday Cross Zonal Gate Opening and Closure Times (IDCZGT), submitted by TSOs in accordance with Article 59 of CACM Regulation, on which the Agency is expected to adopt a decision in April 2018. In addition, the capacity pricing proposal is linked to the Capacity Calculation Methodology, submitted by TSOs in accordance with Article 20 of the CACM Regulation. The approval of the capacity calculation methodology is still pending.

All Regulatory Authorities deem it important to obtain more information about the development of the above-mentioned pending methodologies before issuing a decision about the capacity pricing proposal. Having clarity on how these methodologies will develop will support Regulatory Authorities to reach an informed decision on the capacity pricing proposal and ensure consistency across the methodologies under CACM Regulation.

To this end, the concerned Regulatory Authorities unanimously request the Agency to grant a six-month extension for making their decision on the capacity pricing proposal, according to Article 8(1) of Regulation (EC) n° 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.

During the time of the extension all Regulatory Authorities will use their best endeavours to review the linkages with the relevant proposals and work towards reaching a common position on the capacity pricing proposal as swiftly and efficiently as possible.

Yours sincerely,

Saver.

**Garrett Blaney**