


**ACER**

 Agency for the Cooperation  
of Energy Regulators

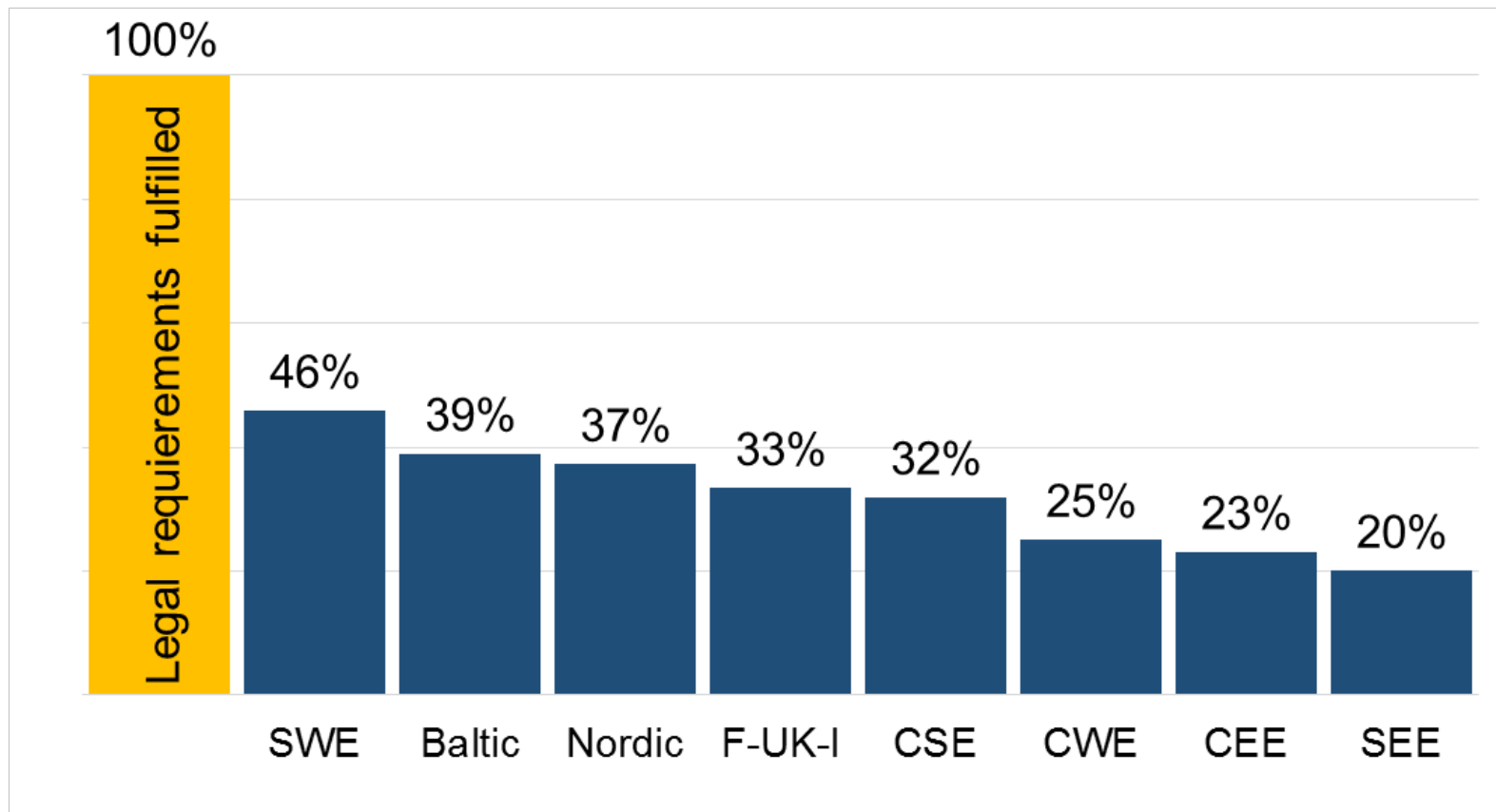
## ***Agenda Item 2.4***

### ***Limitations of cross-border capacity in the capacity calculation process***

**4<sup>th</sup> MESC, Ljubljana, 11 May 2016**

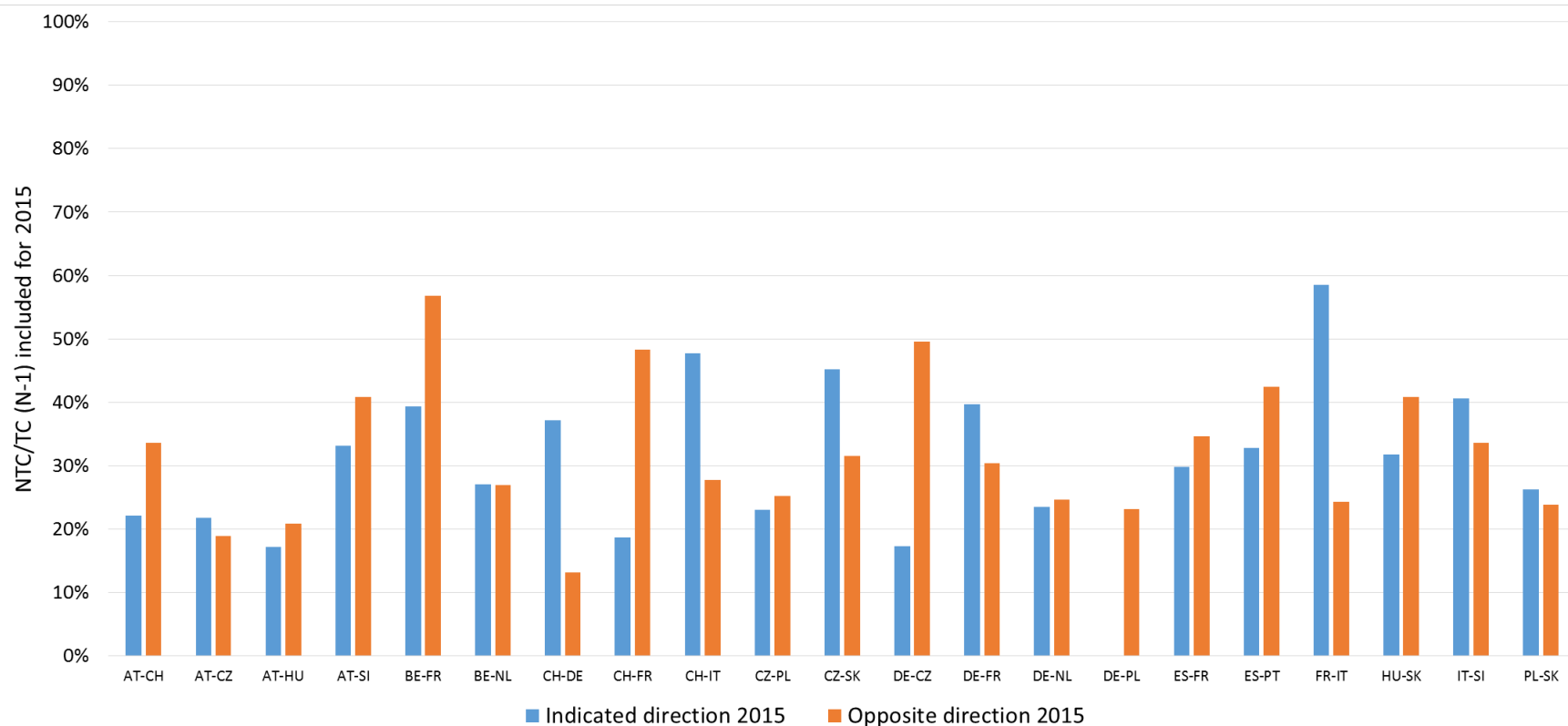
## Cross-zonal capacity calculation methods could be significantly improved both in terms of coordination and efficiency

Regional performance based on fulfilment of capacity calculations requirements – 2014 (%)



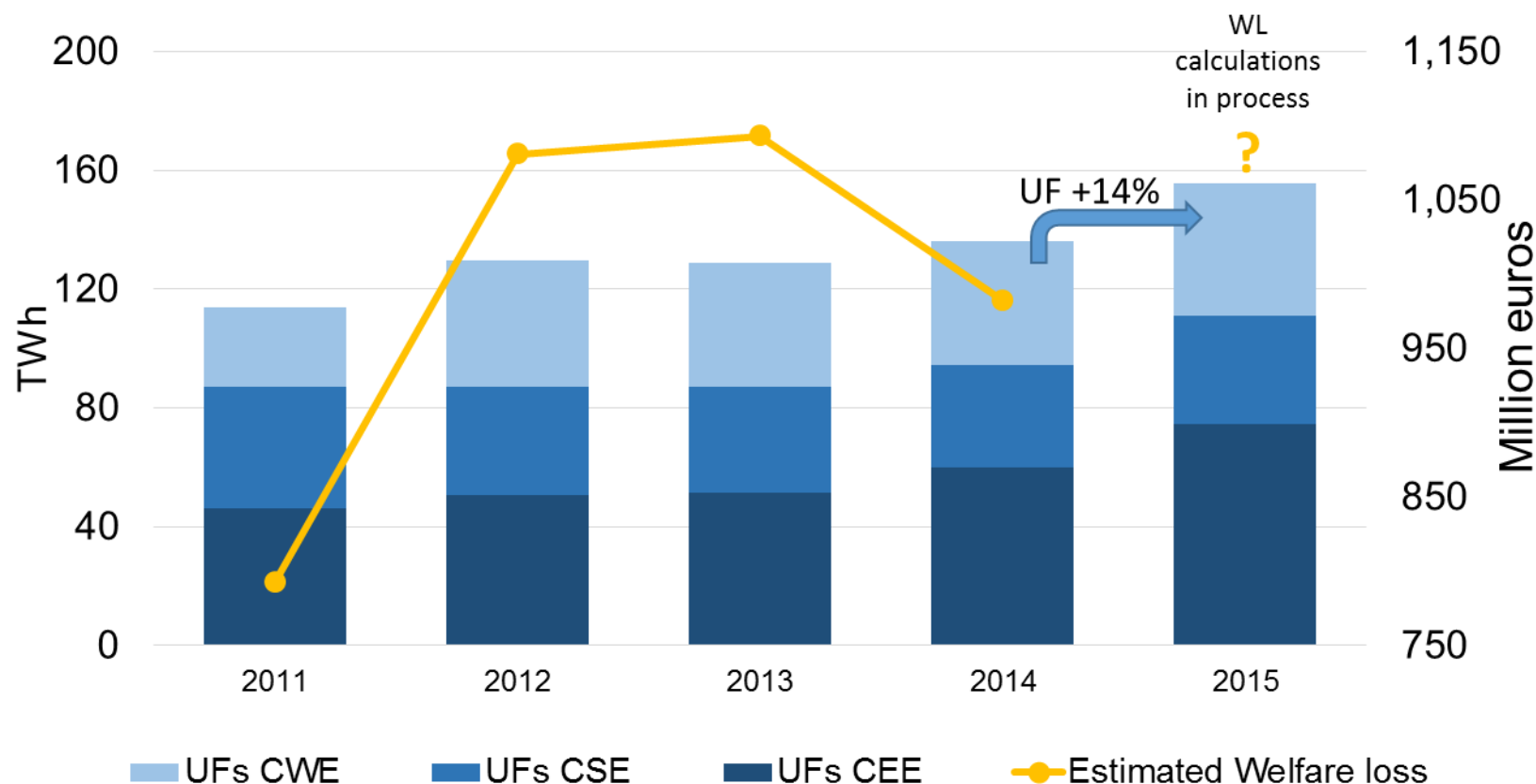
# Are electricity exchanges inside zones and those originating from cross-zonal exchanges competing on equal grounds?

Ratio between available net transport capacities (NTC) and aggregated thermal capacity of interconnectors on the borders with (N-1) included – 2015 (%)



# The level of Unscheduled Flows (UF) continues to increase in Europe

Level of unscheduled flows and total social welfare loss in the CWE, CSE and CEE between 2011 and 2015



Source: Vulcanus, ENTSO-E (2015), and ACER calculations.

Note: Unscheduled flows include loop flows and unscheduled allocated flows.

## Questions for discussion:

- Are CB capacities too limited ?
- Is there a discrimination issue between cross-zonal vs internal flows?
- Can the CACM GL implementation address this problem?
- If so, how? Which methodologie(s) do we need to particularly focus on?
  - » Bidding zone reconfiguration? Capacity calculation methodology? Cost-sharing of remedial actions? Other?
- Do TSO have the right incentives?