

First reaction on all TSOs' proposal for a Congestion Income Distribution methodology under CACM guideline

**Market European Stakeholder Committee
Brussels, 7 September 2016**

Comments and questions

- The proposal describes a procedure not the principles
- It seems to lead to CCR by CCR negotiations
 - Lengthy process
 - Creating thresholds for further integration
- Relationship with remedial actions is unclear → What does the proposal contribute to the optimal use of the grid?
- What are the consequences of the proposal?
- What is the relationship with TSO incentives?
- ITC already covers costs of transit flows
- Money streams should be made transparent, close to real time

Our thoughts

- The grid should be optimised on a regional level
 - BZ-by-BZ allocation is ambiguous → any distribution can be debated
 - All money involved in congestion management should be taken into account
 - Incentives for TSOs should be harmonised on a regional level
- All CCRs should apply the same rules
- Effects of the proposal should be made clear. It should include:
 - The current situation for CID
 - The philosophy behind the proposal
 - The consequences foreseen with the new principles