



MARKET COUPLING TSOs

Market Coupling Steering Committee

TSO MCSC input for MESC conference





TSOs are pleased to join this conference with the aim of understanding the priorities of ACER, EC, NRAs and Market Participants for market coupling

TSO MCSC is focused on continuous, excellent operations:

- XBID R5.0 has increased performance and stability significantly. Core AHC has improved the allocation of capacities on Core external borders with Nordic and HANSA CCRs.
- Stable, daily operation of pan-European market coupling creates substantial welfare benefits for EU consumers and producers. Radical changes might negatively affect already achieved benefits and create distortion.

The implementation roadmap of MCSC is defined for the (at least) the coming 18 months, eg

- Flow-based in IDAs;
- CE CCR in market coupling

... with several R&D and expansion projects on the horizon, eg

- IT system upgrades (eg XBID R6) and/or conceptual changes
 - EnC;
 - Flow-based allocation in continuous trading.
 - New borders/interconnectors (eg. Celtic HVDC interconnector)
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Market rules

- Before introducing fundamentally new concepts, Europe should first fully harvest the benefits of the existing market coupling framework which already generates significant welfare gains and remains the global benchmark for cross-border electricity market integration.

Access rules

- We do not see evidence that market participants are prevented from participating because of a lack of rules.

Harmonisation

- Harmonisation without clear benefits risks diverting resources from actual market improvements.

Timelines

- Every new regulatory requirement consumes significant resources needed to operate and improve market coupling operationally. The best way to accelerate implementation is often to reduce the number of simultaneous and/or conflicting initiatives.
- In any case, clear and binding prioritisation should be performed as there are projects competing for the same resources (both human and IT systems) and parallelisation of development and testing is possible only to certain extent in order not to jeopardise stability and robustness.

Governance

- The primary governance challenge is not the absence of entities. The challenge is political fragmentation throughout Europe which a single entity cannot solve.

