



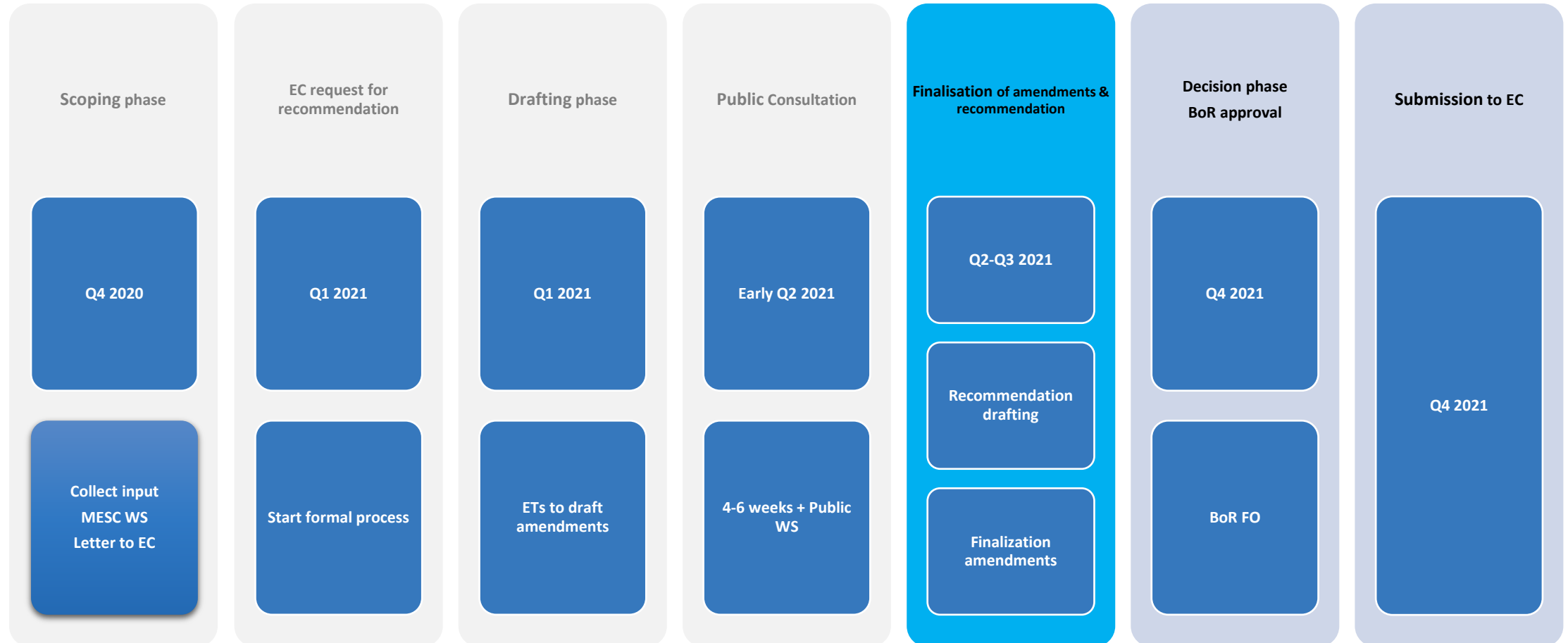
European Union Agency for the Cooperation  
of Energy Regulators

# CACM 2.0 recommendation

MESC 29-09-2021

**Insert Sensitivity Marking**

# Process & Planning for CACM 2.0 recommendation

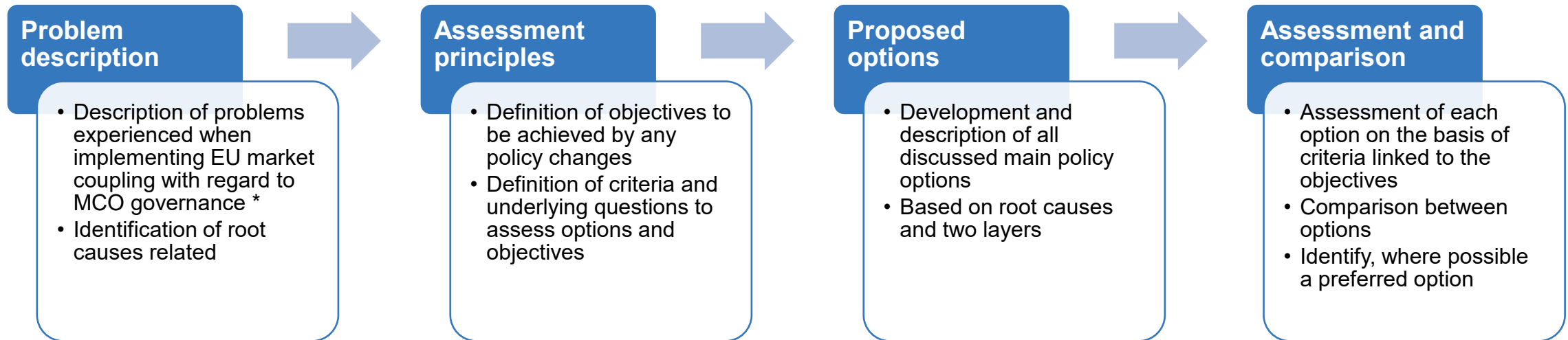


\* = pursuant to Article 14 of the ACER regulation

- After the Public consultation ending in June:
  - ACER and NRAs have evaluated all inputs received in the public consultation
  - Started a more detailed review process with TSOs and NEMOs to finalize the CACM and SO regulation amendments
    - On MCO governance and Operation: with All NEMOs and all TSOs
    - On Capacity Calculation, Bidding Zone review and SO regulation: with all TSOs
  - This review process is now in its final stages after which ACER & NRAs will start the internal deliberation process to finalize the recommendation until the end of the year.
- ACER & NRA appreciated the wide amount and detail of the comments received in the public consultation ...
  - .. but due to the extensive nature and deadline to be kept do not intend to engage further with stakeholders at this stage of the process
  - **ACER will offer stakeholders the possibility to take into account further input on the final recommendation early next year,**
    - **ACER will provide further inputs to EC at informal level during the pre-comitology phase**

- Recommendation on CACM 2.0 consisting of
  - Main body
  - Annex 1- CACM regulation draft
  - Annex 1a – CACM regulation TC compared to current regulation
  - Annex 2- SO regulation draft
  - Annex 2a – SO regulation TC compared to current regulation
  - **Annex 3 – Initial impact assessment on MCO governance**
  - Annex 4 – Explanations to proposed amendments to CACM regulation
  - Annex 5 – Explanations to proposed amendments to SO regulation
  - Annex 6 – Evaluation of Responses (to public consultation based on Power BI report)
- **Initial impact assessment of MCO governance**
  - ACER assessment on topic of MCO governance which will 1) identify the problem(s), 2) define the objectives& criteria to assess against, 3) develop main policy options to solve the problems, 4) compare the options and choose the policy option most likely to solve the problems.
  - Document will be a qualitative assessment and will also take into account (as one of the policy options) the proposal(s) by TSOs and NEMOs

# Impact assessment on MCO governance



\* = the high level description of these problems was provided at the last MESC meeting in June 2021

- Art. 60(3) (EU) 2019/943: ACER may make reasoned proposals to the Commission for amendments, explaining how such proposals are consistent with the objectives of the network codes as set out in Art. 59(4) of (EU) 2019/943.
- Proposed options are assessed whether they contribute to the following four objectives:
  - Market integration
  - Non-discrimination
  - Effective competition
  - Efficient functioning of the market
- Positive and negative aspects of all options shall be assessed by using the following criteria:
  - **Effectiveness** – To what extent the options can be expected to achieve the objectives?
  - **Efficiency** – What are the expected benefits of the options and to which extent they be achieved for a given level of resources/at least cost\*?
  - **Coherence** – Are the options coherent with the overarching objectives of EU policy?

(\*) The IIA does not include quantitative assessments of costs and benefits but rather focuses on a qualitative analysis of the described options.

## 1. Decision making

- a. Baseline scenario (status quo)
- b. Joint decision making body with QMV
- c. Independent board

## 2. Attribution of tasks and responsibilities

- a. Baseline scenario (status quo)
- b. Definition and assignment of MCO tasks
- c. + Limited number of entities performing MCO tasks
- d. + requirement of legal unbundling for entities performing MCO tasks (PC:option 1)
- e. + requirement of a Single legal entity, legally and functionally unbundled and owned by all NEMOs and all TSOs (PC: option 2)

## Capacity calculation

- Application of 70% in ID timeframe? TSOs are against this requirement for ID timeframe.
- Improving harmonisation, transparency and monitoring of 70% in case of CNTC

## Bidding zone review

- Stakeholder/regulatory involvement and consultation/approval: when, how? A balance between proper involvement and speed of the process – currently the whole process takes too much time.
- A fast-track process: In case a MS wish to split voluntarily (e.g. urgent congestion) the process can be quicker

## System Operation

- Clarity on sharing of RDCT costs – Article 16.13 of EIReg is very unclear
- Definition of base case CGM for capacity calculation – should it include forecast of remedial actions?





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