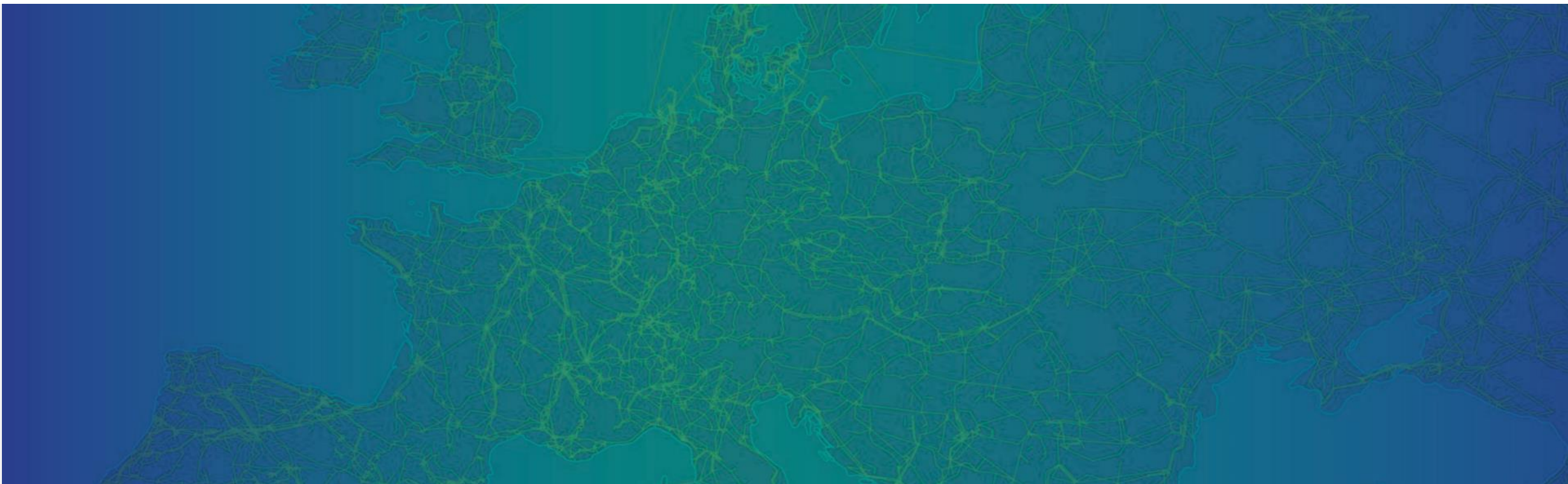


MESC meeting

FCA topics



1.- LTFBA project update

LTFBA workshop

- Workshop with Market Participants scheduled on 22 March, 9:00-12:00
 - Presentation of simulation results
 - The current go-live date for LTFBA project in November 2024 is not feasible

2. LTTR valuation analysis

Methodology

Ex-Post Premium i.e. full payout result of LTTR-options

This report shows the ex-post results over all borders (see full exact list below) between the Day-ahead option spread of the two bidding zones prices for a given border and the auctioned price(s) for the yearly/monthly long-term transmission rights at JAO.

Turnout of LTTRs products are calculated with the following formula:

Full valuation payout result of LTTR-options in €

$$= (\text{Option_Spread_DA} - \text{LTTR_Auction_Result}) [\text{€/MWh}] * \text{Capacity_Auctioned} [\text{MW}] * \text{\#Hours} [\text{h}]$$

- In case of a positive value, market participants received a positive financial return
- Maintenance periods are taken into account in the number of hours and in the Option_Spread_DA of the concerned LTTR product.
- In the graphic on the next slide, the sum of the valuation over all borders is displayed for monthly and yearly products.

Following borders are included in the calculation:

AT-CZ AT-DE AT-HU AT-IT AT-SI BE-DE BE-FR BE-NL BG-GR BG-RO BG-RS CZ-AT CZ-DE(50Hz) CZ-DE(TenneT) CZ-SK D1-D2 D1-DE D2-D1 D2-DE DE(50Hz)-CZ DE(TenneT)-CZ DE-AT DE-BE DE-D1 DE-D2 DE-FR DE-NL DK-NL EE-LV ES-FR ES-PT FR-BE FR-DE FR-ES FR-IT GR-BG GR-IT HR-HU HR-RS HR-SI HU-AT HU-HR HU-RO HU-SK IT-AT IT-FR IT-GR IT-SI NL-BE NL-DE NL-DK PT-ES RO-BG RO-HU RS-BG RS-HR SI-AT SI-HR SI-IT SK-CZ SK-HU

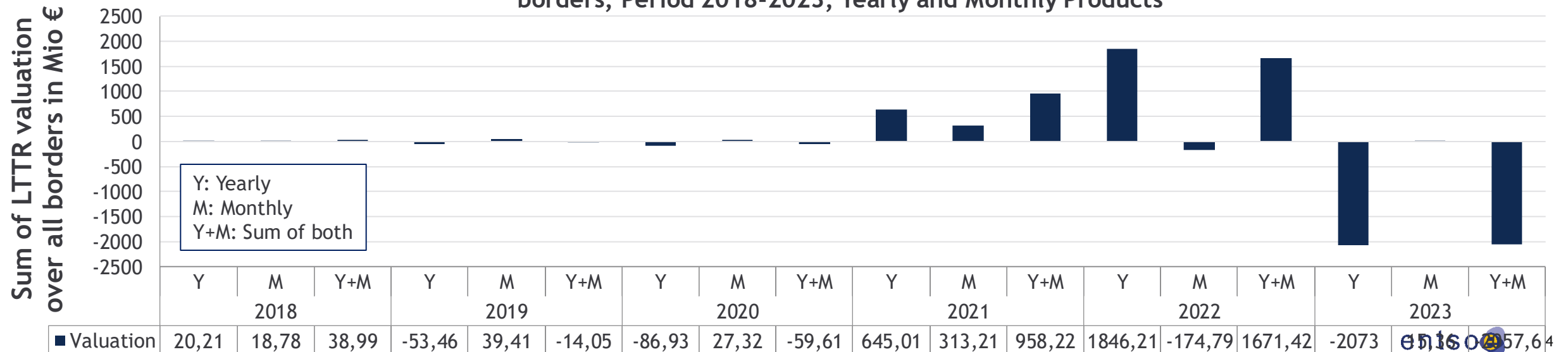
2. LTTR valuation analysis

Main results

LTTR valuation over the period 2018-2023

- Over all borders as an helicopter view, the payout result was:
 - highly positive in 2021 (958 M€) and 2022 (1671 M€)
 - highly negative in 2023 (2058 M€)
- For the delivery years 2021, 2022 & 2023, the main bulk of the valuation comes from yearly products.

Sum of Ex-Post Premium i.e. full payout result of LTTR-options auctioned at JAO for a given perimeter of borders, Period 2018-2023, Yearly and Monthly Products



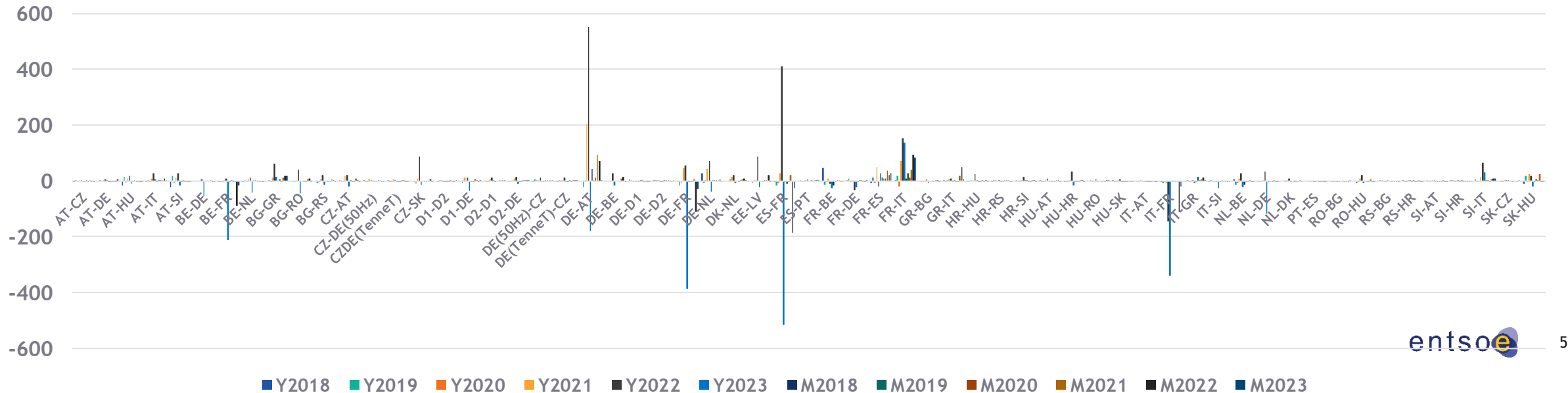
2. LTTR valuation analysis

Detailed results by border

Results are heterogeneous on border level and varying over time and products, this can be explained by:

- Differences in volumes auctioned per border
 - for ex: Yearly 2022 DE-> AT: 2940 MW vs. Yearly 2022 IT -> GR: 50 MW
- Differences in spreads (i.e. DA option spread – LTTR)
 - for ex: Yearly 2022 IT-> FR: -19.26 €/MWh vs Yearly 2022 ES-> FR 77.99 €/MWh

LTTR-Valuation per border in M€, Period 2018-2023, Yearly and monthly products



2. LTTR valuation analysis

Cumulated results sorted by border

Results are heterogeneous on border level

Top 3 Positive cumulated value

- DE-AT: 774 M€
- FR-IT: 626 M€
- FR-ES: 164 M€

Top 3 Negative cumulated value

- BE-FR: -317 M€
- DE-FR: -461 M€
- IT-FR: -646 M€

