



European Union Agency for the Cooperation
of Energy Regulators

2.5 Update on the 70% report

36th Market European Stakeholder Committee

13 June 2024

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- **Title:** *Transmission capacities for cross-zonal trade of electricity and congestion management*
- Second publication in the 2024 series of ACER electricity **Market Monitoring Reports**.
- Structure and main indicators:



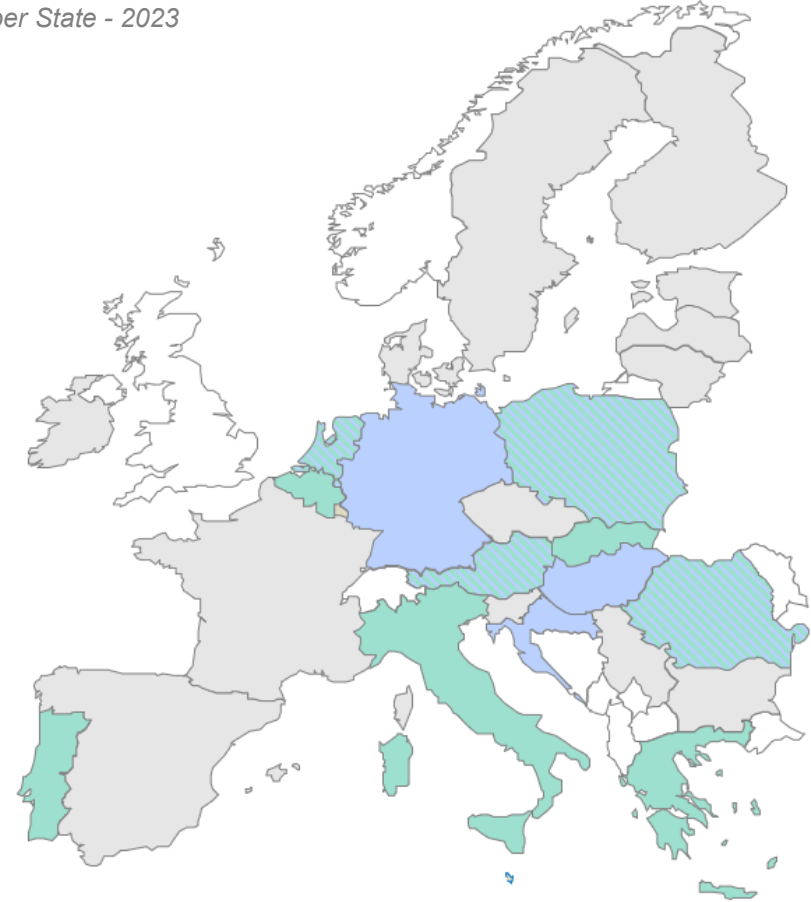
- Main assessments:
 - Assess the degree of **EU market interconnectivity** and its evolution over time.
 - Track **progress and bottlenecks** in implementing the minimum 70% requirement.
 - Monitor **need for congestion management in the EU**, and the impact of the 70% requirement.
 - Assess the impact of the current bidding zone configuration on market efficiency*

*Article 34 of CACM requires ACER to produce a market report every three years, assessing the impact of the bidding zone configuration in market efficiency.

Monitoring of the minimum 70% requirement

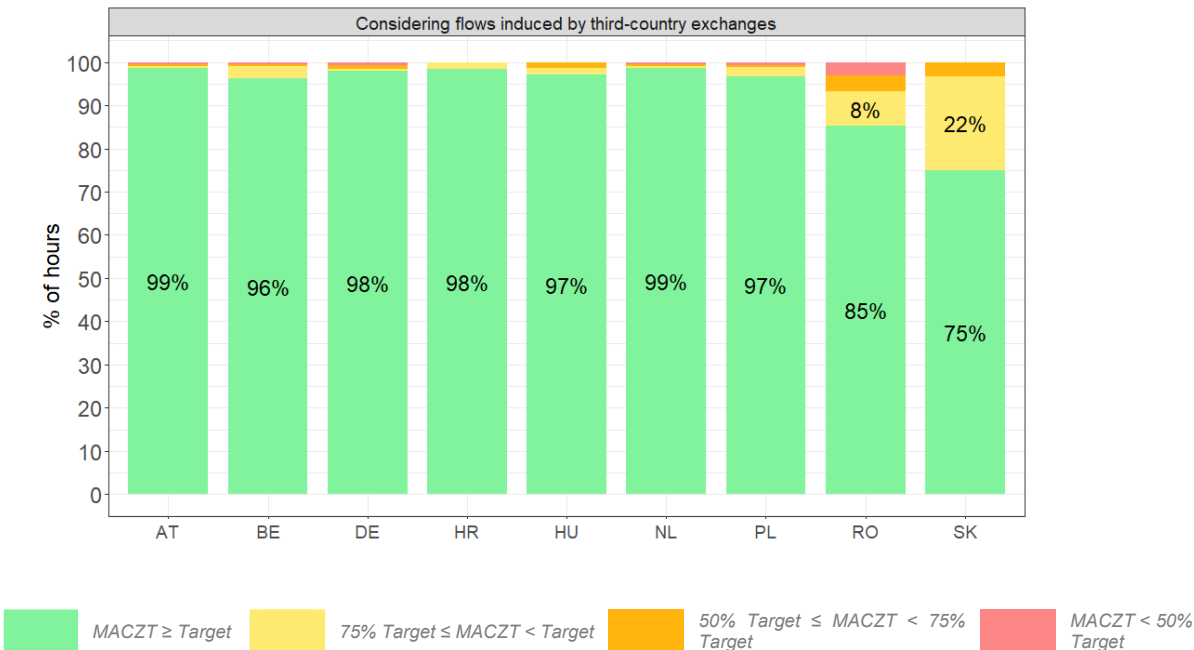
- **Not a compliance assessment** of the obligations derived from Art. 16(8) of the Electricity Regulation.
- Improvements to the **assessment** introduced after discussions with TSOs and NRAs:
 - **Clearer structure** per capacity calculation region: No split into AC/DC nor coordinated/uncoordinated bidding zone borders.
 - Where applicable, clear view of **interim requirements** and two assessments: Distance to 70% and fulfilment of interim requirements.
 - Impact from **third-country (non-EU) exchanges** is monitored in a dedicated section.
 - Additional figures for **better context**.
- Assessment covers only the **day-ahead timeframe** for now.

Most Core TSOs had derogations and/or action plans in place in 2023
Overview of the status of implementation of the minimum 70% requirement in the EU per Member State - 2023



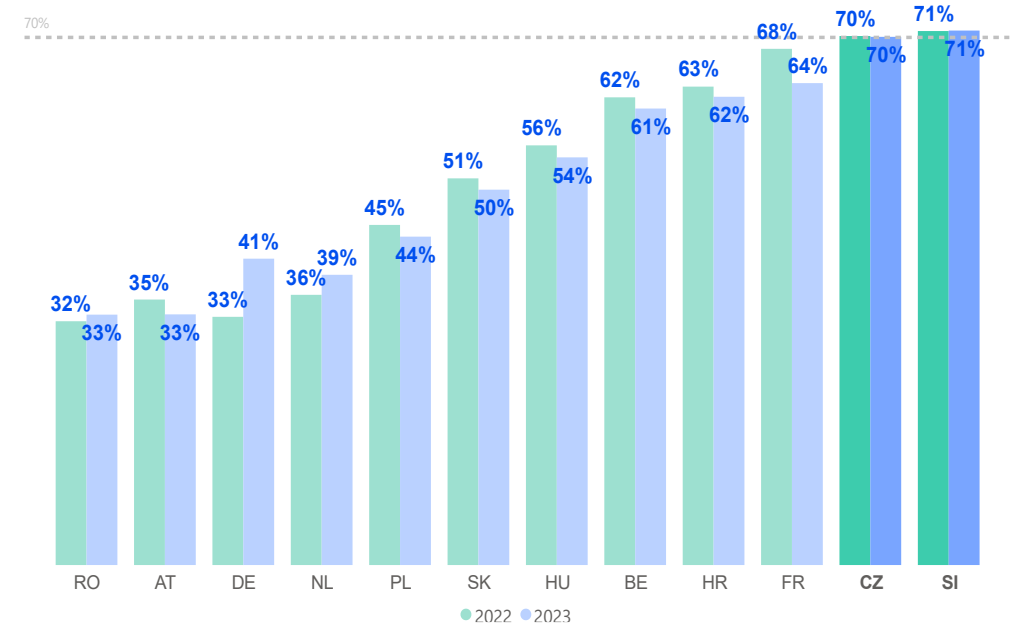
Interim requirements including derogations and action plans are generally met in Core*

Percentage of hours where the interim capacity requirements were met in all CNECs in the Core capacity calculation region per Member State – 2023 (% of hours)



In 2023, two member states in the Core region meet the 70% requirement

Average minimum hourly margin available for cross-zonal trade in the Core capacity calculation region per Member State – H2 2022-2023 (% of Fmax)



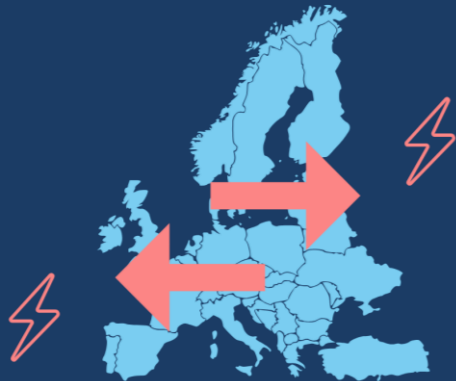
*Only three Member States did not have an action plan nor derogation in the Core region in 2023: Czechia, France and Slovenia.

* Both figures consider the flows induced by third-country exchanges

Integrating renewables increases need for grid availability

> 70 %

of interconnection capacity to trade with neighbours is key...



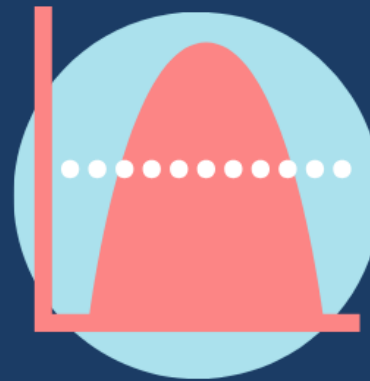
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... as flexibility in the EU needs to double by 2030 and a significant share is to be met by interconnections*



30 – 70%

Currently available capacity for cross-border trade on average



EUR 4 bn

Cost of managing congestions in 2023



* Source: [ACER-EEA report Flexibility solutions to support a decarbonised and secure EU electricity system](#), October 2023

The ACER opinion

- stresses the urgency to make maximal grid capacity available to trade electricity:
 - Legal requirement to do so by end of 2025
 - Rapid uptake of renewable energy
- and notes delays in the 3 possible tools to get us there:
 - Swift process implementation
 - Targeted grid investments
 - Improving the bidding zone configuration



Publication of Opinion to the European Parliament and the Commission

- Based on Article 15(3) of the 'ACER Regulation' (EU) 2019/942
- And as encouraged by the European Court of Auditors and formalised in ACER's monitoring strategy



Annual ACER monitoring report on electricity cross-zonal capacities and congestion management in the EU (July 2024)



ACER-Joint Research Centre (JRC) webinar (July 2024)

Thank you for your attention

The contents of this document do not necessarily reflect the position or opinion of the Agency.



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