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RTE consultation on the France-GB interim long term capacity calculation

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EFET response – 3 August 2021

General statement

The European Federation of Energy Traders (EFET[1]) welcomes the opportunity to provide comments on the RTE consultation on the interim long term capacity calculation (LT CC) solution between France and Great Britain.

The calculation and allocation of cross-border transmission capacity, including in the forward timeframe, is one of the most fundamental tasks of TSOs in the power market, notably between EU Member States (MS) and third countries.

Forward capacity calculation and allocation is critical to allow market participants to hedge their long-term positions across borders and make sure that they are not exposed to short-term price volatility and imbalance costs. Hence, it is vital that the calculation methodology for the forward timeframe is robust[2].

While we acknowledge that the discussions held in the framework of the TCA around the DA Capacity calculation and allocation are important[3], we also insist on the need to have functioning and efficient LT markets, facilitated by robust LT CC and CA processes (cfr Art 13.1(f) of the TCA).

EFET notes that the proposed interim LT CC solution will be held apart from any other LT CC processes of other CCR the FR BZ belongs to. We therefore see some risk that a congestion/constraint, detected in the LT timeframe, on a CNEC which is influenced by both trades FR-UK ICs and trades between FR and other EU MS (such as BE) would be resolved only by capacity reductions on FR-GB ICs **or** on EU CCRs BZBs.

EFET understands that "*in the unlikely case where the calculation results would lead to a NTC lower than 35% of the MPTC of the interconnector for a FR-UK interconnection then CWE exchanges will gradually be reduced in order to increase the NTC on the FR-UK interconnector to 35% of the MPTC*"[4]. We wonder if this is the only case where CWE exchange capacities are reduced for allowing minimum capacities on FR-GB ICs.

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[1] The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information, visit our website at www.efet.org

[2] See also EFET-MPP response to the CORE TSOs consultation on a forward capacity calculation methodology

[3] See also the joint EFET, Eurelectric and IFIEC response to the TSOs consultation on loose volume coupling between GB and the EU

[4] RTE document : LT CC Interim Solution - Hypothesis used

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Again, the most efficient solution should be chosen, meaning the one leading to the highest social welfare, while respecting the principles set in the TCA (e.g. non-discrimination between types of trade).
EFET supports RTE proposal for an interim LT CC solution between FR and GB while insisting on the requirement to develop an enduring solution with GB counterparties as soon as possible in order to make the most efficient use of XB capacity, also in the LT timeframe.

Moreover, we insist on the fact that the most efficient solution should be sought for and eventually implemented, also for interim solutions (cfr. influencing area vs PTDF – more detailed hereunder), respecting the legal and/or technical constraints.

Detailed content remarks

Title 1

- Definition of "Cross-border Flow Sensitivity": there might be several in function of the selected border for the calculation of this sensitivity: "Sensitivity of a CNE regarding an increase of the flow on the border. For instance, if the Cross-border Flow Sensitivity of a CNE is 10%, it means that an increase of the cross-border flow of 100 MW will result in 10MW more on that CNE." ➔ It is not clear whether it only concerns the FR-GB border? What about the BE-FR nearby also influencing local CNECs.
- "Timestamp: Timeslot in which a network situation is defined."➔ What is a network situation?

Title 2

- 4.3.i: "during the whole **annual** period…" – annual to be added
- 4.3.ii: on what time granularity will the limitation periods be defined?
- 4.3.ii: why not 100% of MPTC in any case as the MPTC already takes "into account potential reduced availability due to planned and unplanned outages of the Interconnector asset" (crf its definition). ➔ A review of the definition of the MPTC might be needed
- 4.3.iii: limitation days or periods? ➔ check the wording consistency across the proposal
- 4.5: "A justification for the limitation (NTC, Critical Outage, and CNEC) shall be published before the delivery timeframe on the European Transparency Platform." ➔ better refer to existing relevant REMIT rules than "before delivery".

- 6.1: ➔ Again (cfr first remark), what Z2Z exchanges are considered? Only FR-GB?

- 8.2.c: ➔ What is the definition of "shared RA" – is it broader than the features described under the paragraph 8.2.c?

- 8.3: ➔ The wording not clear. Why equal part of the range? What if not quantifiable? What are the rules if there is no cross-check of RA used in more than one CCR?

- 8.4: ➔ What computation it is referred to?

- 10.1: ➔ What does "significant impact" mean?

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- 12: “over all the areas of influence of the FR-GB border” ➔ How to understand that? One single value for both export and import or single values per IC.

- 13.2:” to alleviate such ~~margin~~ **congestion**”

- 14.1.b: “proportional to their MPTC” is the easiest approach but not the most efficient one. **Using exact PTDF is more effective as it will first limit the IC that has the worst effect on the congestion. At the end, more Z2Z capacity will be given to the market.**

- 15 ➔ The wording not aligned with current denominations (GSK, Net Position …)

- Definition of the “Areas of Influence”? What do they contain (notably in terms of ICs)?

- 19.2&3 ➔Why defining a transitory period? This should be implemented as soon as possible.