

# Public consultation on ACER's 2023 market monitoring report on cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)

Fields marked with \* are mandatory.

## Objective

The objective of this consultation is to gather views from stakeholders regarding the findings of ACER's market monitoring report on '**Cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)**'. Based on the findings of the report and the stakeholders' input gathered, ACER will issue a formal opinion to the European Commission and European Parliament by the end of 2023.

## Target group

This consultation is addressed to all interested stakeholders, including market participants, regulatory authorities, nominated electricity market operators, and transmission system operators.

## Contact and deadline

The contact point for this consultation is: [ewpmm@acer.europa.eu](mailto:ewpmm@acer.europa.eu)

All interested stakeholders are invited to submit their comments **by 15 September 2023, 23.59 hrs (CET)**.

More information on ACER's monitoring of cross-zonal capacities is available [here](#).

## General terms of the consultation

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\* Name of the respondent

Astrid Buhr Broge

\* Email

abb@greenpowerdenmark.dk

\* Company

Green Power Denmark

\* Country of origin (headquarters)

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czechia
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovak Republic
- Slovenia
- Spain
- Sweden

\* Countries where your company is active

All EU  
Austria  
Belgium  
Bulgaria  
Croatia  
Cyprus  
Czechia  
Denmark  
Estonia  
Finland  
  
France  
Germany  
Greece  
Hungary  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Netherlands  
Norway  
Poland  
Portugal  
Romania  
Slovak Republic  
Slovenia  
Spain  
Sweden

\* Activity

- Aggregator (or association)
- Utility (or association)
- Energy supplier (or association)
- Trader (or association)
- Transmission network operator (or association)
- Regulatory authority
- Generator (or association)
- Distribution network operator (or association)
- End-user (or association)
- Other market participant

Please specify

\* Should the following answers to this public consultation be treated as confidential?

- Yes  
 No

The Agency will publish all non-confidential responses, and it will process personal data of the respondents in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data, taking into account that this processing is necessary for performing the Agency's consultation task. For more details on how the contributions and the personal data of the respondents will be dealt with, please see the [Agency's Guidance Note on Consultations](#) and [the privacy statement](#) referred to this consultation.

## General feedback - Evolution of cross-zonal capacity levels

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To what extent do you agree with the conclusions illustrated in ACER's 2023 market monitoring report on cross-zonal capacities and the 70% margin available for cross-zonal electricity trade (MACZT)?

- Strongly agree.  
 Agree.  
 Neutral.  
 Disagree.  
 Strongly disagree.

What changes would you suggest for future editions of ACER's cross-zonal capacity report?

Green Power Denmark expects that the amendment of the CACM regulation will include the fulfilment of the minimum 70% target for the intraday timeframe, and therefore encourages that the 2024 MACZT report includes monitoring of the capacity provided to intraday.

Based on the data presented in Chapter 1 of ACER's report, do you believe that the current development of cross-zonal capacities across the EU is sufficient to enable the integration of European electricity markets?

- Yes  
 No

Please clarify your answer.

The grid development will keep lacking behind the RE development for many years.

## Margin available for cross-zonal trade in the EU in 2022

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Considering the results of the monitoring exercise of 2022, do you believe that enough progress is being made across the EU to fulfil the 70% cross-zonal transmission capacity target by 2026?






- Yes
- No

Please clarify your answer.

No. Lack of consequences if the 70% is not fulfilled might explain why there is no progress. ACER decided not to grant Sweden with a derogation from the 70% rule during the year 2022, and despite not having a derogation the target is met only 1% of the hours on FI-SE3 in the direction FISE3 .

In ACER’s report, several elements are presented as critical limitations to the achievement of the 70% cross-zonal transmission capacity target. Please rank them by order of relevance:

5 stars correspond to the biggest threat.

Lack of a mechanism to share remedial actions costs	
Lack of sufficient remedial actions	
Suboptimal bidding zone configuration and resulting loop flows	
Lack of sufficient grid developments	
Unilateral capacity reductions applied by TSOs	

Do you see any other threat to the achievement of the 70% target?

Enforcement of the 70% target as mentioned above

What would be the key enabler(s) for reaching the 70% target by 2026?

Enforcement - that TSOs commit to action plans with minimum capacities, and if they do not comply with the action plan, it must have economic consequences.

Have you been affected by unilateral capacity reductions, such as allocation constraints or individual validation adjustments?

- Yes
- No

Not applicable

Please clarify your answer - in particular, the extent to which you were affected.

Do you believe that enough transparency and justification is provided by TSOs in the application of validation adjustments, or other similar unilateral reductions of cross-zonal capacities?

- Yes  
 No

Please clarify your answer.

Sweden has very limited transparency on grid constraints and limiting CNECs. This is an issue not only regarding unilateral capacity reductions on the interconnectors to/from Denmark but also for the upcoming flow-based implementation, where market participants will suffer from lack of information on the Swedish grid.

Do you consider that ACER's current MACZT monitoring exercise on regions that apply a CNTC capacity calculation methodology provides a complete assessment?

- Yes  
 No

Please clarify your answer, and potential suggestions to improve this monitoring.

MACZT should also include the monitoring of 70% in intraday

## Unnecessary constrained capacities limit EU welfare

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Do you believe that additional cross-border transmission capacity would have played a critical role in coping with the effects of the energy crisis of 2022?

- Yes  
 No

Please clarify your answer.

More cross-border transmission capacity would have contributed to a lower price spreads between the BZs.

Do you see a risk for re-dispatching costs to offset the potential gains from increased cross- border transmission capacity and further market integration?

- Yes
- No

Please clarify your answer.

Not relevant, as the 70% target must be complied with.

## Conclusions

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Any other comment

Action plans and derogations are temporary measures, but progress towards the minimum requirement and beyond is necessary to ensure the well-functioning of the liberalized electricity market.