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| Public consultation responses and TSOs reactions on The Estonia-Latvia Bidding Zone Border Specific Annex for the Baltic Capacity Calculation Region to the All TSOs' Proposal for Harmonised Allocation Rules for Long-term Transmission Rights in Accordance with Article 52(3) of Commission Regulation (EU) 2016/1719 of 26 September 2016 Establishing a Guideline on Forward Capacity Allocation |
| 12th April 2018 |

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| **Respondent** | **Questios /comments** | **All TSO Response** |
| **Submitted Date:**  2018-03-28 16:31:22  **Name:**  Julie Schwartzmann  **Emial:**  schwartzmann@jao.eu  **Organization:**  JAO S.A | JAO, acting as Single Allocation Platform (SAP) would like to express their concern to have a minimum Bid quantity set as 0.1 MW, as a deviation from the HAR, and as described in the border specific annex Estonia-Latvia Bidding Zone Border Specific Annex for the Baltic Capacity Calculation Region to the All TSOs' Proposal for Harmonised Allocation Rules for Long-term Transmission Rights in Accordance with Article 52(3) of Commission Regulation (EU) 2016/1719 of 26 September 2016 Establishing a Guideline on Forward Capacity Allocation.    While JAO fully supports the integration of Estonia-Latvia and is enthusiastic about handling this additional border, we (JAO) will not be in a position to have such technical feature implemented prior to the end of 2018, allowing a full compliance with the auction rules and its annex. This change has a system-wide impact and it would be imprudent to rush such an implementation, given the other ongoing activities JAO performs, including the on-boarding of other TSOs and their respective borders following the SAP requirements.    Based on the above, JAO’s position about article 6.4. f would be to postpone the introduction of this feature to a later date, to be mutually agreed on. | Elering AS (hereinafter Elering) and AS “Augstsprieguma tīkls” (hereinafter AST) have historically offered PTR-Limited, which shall be replaced with FTR-options with the implementation of SAP as set in the EE-LV Border Specific Annex.  PTR-Limited is a Long Term Transmission Right (hereinafter LTTR) jointly issued by Elering and AST based on the Auction Capacity and subject to the redemption (sellback) obligation which is automatically attributed to the Estonia – Latvia border PTR-Limited and to which the conditions of “Financial Transmission Rights Option” apply. The Estonia – Latvia border PTR-Limited is denominated in MW with the precision of up to one tenth of a MW (1/10 MW); one (1) Estonia – Latvia border PTR-Limited corresponds in terms of its economic value to the auctioned Auction Capacity for a period of one (1) hour in the volume of one (1) MW.  Therefore Baltic electricity market participants are used with LTTR with precision of 1/10 MW which, taking into account the size of Baltic market, gave also smaller market participants an effective tool for cross-border price hedging.  Taking into account JAO S.A comment Elering and AST reviewed the statistics of year 2017 on the usage of PTR-Limited with smaller amounts than 1 MW. There were 3 participants out of 13, who submitted <1 MW bids and/or used bids with decimals. Moreover, only 2 of them significantly depended on <1 MW bids. One of those two participants was not active (and remains inactive) in wholesale/retail market – one may think that it uses auctions not for hedging purposes.  Overall, such bids (both <1 MW and with decimals) constitute ~2% of successful bids and only ~1% of demanded volumes.  Considering the before mentioned statistics and JAO indication on the risk of timely implementation of SAP functionalities for Estonian-Latvian border FTR-Options, Elering and AST propose to abandon the 1/10MW bid size requirement and align with HAR proposed bid size of 1 MW.  **Changes made in the EE-LV Border Specific Annex Article 6 point 4.** |
| **Submitted Date:**  2018-03-29 12:46:04  **Name:**  Andres Tropp  **Emial:**  andres.tropp@energia.ee  **Organization:**  Eesti Energia AS | 1. The last sentence of the second paragraph of Article 1 states that the list of deviations from HAR, stipulated in Article 6, shall not be regarded as exhaustive. Assuming that the TSOs have put on public consultation all provisions which are deviating from HAR and there is no hidden list of complementary deviating items, which has not been put on public consultation, we consider the given wording of Article 1 (2) as misleading and suggest to amend it (e.g. this list of deviations could be amended, complemented in the future etc). We consider the proposed list of provisions which are deviating from HAR as exhaustive, as long as TSOs put forward a new proposal which is aiming to amend the currently proposed list of deviations.  2. If there is inconsistency between English version of the Annex and any version in other language then obviously this inconsistency shall be corrected. But Article 3 shall explicitly also state that as long as this inconsistency is being corrected, the English version of the Annex shall prevail. This is required for ensuring legal security for market participants at all times.  3. We welcome the provision of Article 5 according to which a cap on compensation shall not be applicable to the border Estonia – Latvia, but we also stress that this provision shall in no way impact the size of capacities which are allocated for issuing long-term transmission rights on EE-LV border. | 1. Comment taken into account.  **Changes made in the EE-LV Border Specific Annex Article 1 point 2.**  2. Comment taken into account.  **Changes made in the EE-LV Border Specific Annex Article 3.**  3. Baltic CCR TSOs take Eesti Energia AS comment in to notice when preparing the capacity calculation methodology pursuant to Article 10 of Commission Regulation (EU) 2016/1719 of 26 September 2016 Establishing a Guideline on Forward Capacity Allocation. |
| **Submitted Date:**  2018-04-05 07:48:01  **Name:**  Aldevinas Burokas  **Emial:**  [aldevinas.burokas@etiekimas.lt](mailto:aldevinas.burokas@etiekimas.lt)  **Organization:**  Energijos Tiekimas UAB | My comment refers to Title 3, Article 28 - regarding standard Forward Capacity Allocation time frames.  Since this capacity is in many cases used as a hedging tool against sales in Latvia and Lithuania's markets, it would be beneficial to include a product of a longer duration: 2-3 years time frame. Such product would reflect current sales contract duration and enable hedge it in advance. | Baltic CCR TSOs when preparing the EE-LV Border Specific Annex took into account the “Proposal of the Transmission System Operators of the Baltic Capacity Calculation Region for the regional design of long-term transmission rights in accordance with Article 31 of the Commission Regulation (EU) 2016/1719 of 26 October 2016 establishing a guideline on forward capacity allocation” (approved by relevant NRAs) Article 5 point 2:  *In accordance with Article 31(2) and 31(4) the forward capacity allocation time frames, subject to product availability, are defined as follows:*   1. *yearly timeframe: it starts on the first day and ends on the last day of a calendar year;* 2. *quarterly timeframe: it starts on the first day and ends on the last day of a quarter (three (3) months); and* 3. *monthly timeframe: it starts on the first day and ends on the last day of a calendar month.*   **No changes made.** |