

2018 Regional Specific Annex for CCR Italy-Greece to the Harmonised Allocation Rules for long-term transmission rights



EFET comments – 26 October 2018

The European Federation of Energy Traders (EFET¹) welcomes the opportunity to provide comments on the consultation on the Regional Specific Annex for CCR Italy-Greece to the Harmonised Allocation Rules (HAR) for forward capacity allocation. As highlighted at many occasions, forward capacity allocation is vital for market participants to hedge their long-term positions and make sure that they are not exposed to short-term price volatility and imbalance costs.

Art 2.2. of the Annex

We are concerned that no explanation is given behind the proposed derogation to art. 56 of the main body of the HAR defined as "Temporary arrangement for curtailment deadline on Italy SOUTH-Greece Bidding Zone Border until Single Day-Ahead Coupling implementation on the Bidding Zone Border". The derogation would move the curtailment deadline backward to the deadline for final submission of nominations of Long Term Physical Transmission Rights with the concerned TSOs. Noting that other non-coupled borders in Europe use the DAFD deadline as the cut-off point for curtailment, we fail to understand why a different approach for the IT-GR is now proposed without further explanation.

We call on full consistency in the application of the EU HAR across different borders: a full firmness regime with compensation equal to market spread and well-defined triggering events and consequences of curtailment on Long Term Transmission Rights are even more important for this border, given the longstanding issues with the cable - which is far from being used to its full potential - and given the importance of the Italy-Greece interconnection for giving relevant price signals to the whole SEE region.

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. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org