

## Public consultation regarding the allocation rules on Italy- Montenegro border



### EFET response – 31 July 2019

The European Federation of Energy Traders (EFET<sup>1</sup>) welcomes the opportunity to provide its comments on Terna and CGES public consultation on the rules to be applied for the allocation of transmission rights on Italy – Montenegro border.

On the allocation management of the capacity on the Italy-Montenegro border we prefer JAO, as it is already appointed as Single Allocation Platform according to EU Regulation 2016/1719 on Forward Capacity Allocation (FCA regulation).

We understand that flows on this border should start from late 2019 or early 2020 but we would like to have a clear timeline.

We acknowledge that the compensation for curtailments before the Firmness Deadline will be calculated considering the marginal price of the initial auction, which is consistent with the recommendation of the HAR in case the day-ahead price is not calculated at least in one of the two Bidding Zones.

Yet, once the Montenegro's day-ahead market will be operative, we recommend for a revision of firmness rules with a compensation based on the market spread between the two day-ahead market prices.

<sup>1</sup> 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](http://www.efet.org)