

## **EFET response to ACER consultation on methodology for sharing costs incurred to ensure firmness and remuneration of long-term transmission rights**

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**10 July 2020**

The European Federation of Energy Traders (EFET)<sup>1</sup> would like to thank ACER for the opportunity to provide comments on the TSOs' draft methodology for sharing costs incurred to ensure firmness and remuneration of long-term transmission rights (FCA FRCM).

**Question 1:** *Which of the proposed options (TSO or ACER proposal) do you support or prefer [regarding cost recovery]?*

When it comes to the costs to be covered by the methodology (articles 3 and 4), we actually challenge both options.

While the methodology should clearly identify a) which costs are concerned by the methodology, and b) how to share them among TSOs, we wonder what articles 3 and 4 on how TSOs may *recover* these costs have to do with the requirement of article 61.3 to develop a methodology for sharing costs incurred to ensure firmness and remuneration of long-term transmission rights.

Should ACER consider that the question of cost recovery nonetheless has a place in the present draft methodology on cost sharing, then we would rather support the ACER approach of exhausting DA congestion income on all bidding zone borders before touching forward congestion income. This would avoid that the cap on congestion income for the remuneration (or compensation in case of curtailment) of LTTRs, which is calculated per bidding zone border, is reached too quickly.

**Question 2:** *Any other comments*

No.

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<sup>1</sup> The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open transparent, sustainable and liquid wholesale markets, unhindered by national borders or other undue obstacles. We currently represent more than 100 energy trading companies, active in over 28 European countries. For more information, visit our website at [www.efet.org](http://www.efet.org)