



Webinar on ACER's "70% Target Report"

21.1.2021

Dr. Oliver KOCH



Internal Market for electricity

Rule: Internal flows = cross-border flows
Limitations at borders need justification

2009: "Target Model" agreed: Market Coupling, Price Zones

Reality: Discrimination between internal and C/B Flows

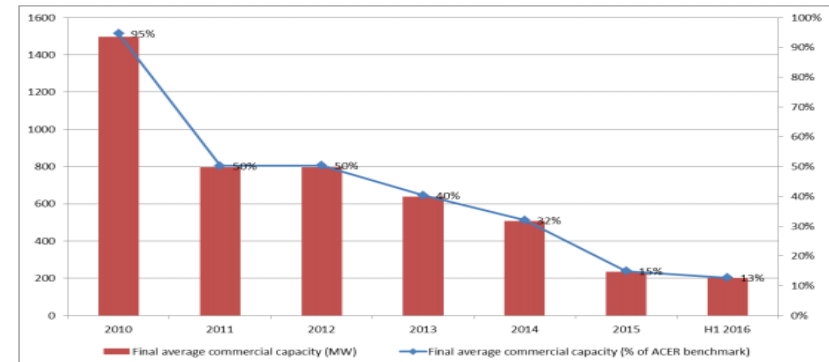
Commission Decisions on abusive discrimination of flows:

2009: Svenska Kraftnät



2018: Tennet

Figure 2: Evolution of the annual average commercial capacity on the DE-DK1 interconnector in the southbound direction



Source: TenneT³⁰



Clean Energy Package Solution

1. EU proposal:

Strengthen joint congestion management / price zone rules

2. Final E-Regulation (Council / Parliament proposal):

- Possible “waiver” from bidding zone enforcement (until 2025)
- **BUT: Binding pathway to politically agreed threshold 70%**
(i.e. “lump sum” – borders are considered to be sufficiently open)

=> 3 Options remain:

~~Reduce cross-border instead of national capacities~~

~~EU-Treaty!~~

Adjust price zones to capacities; locational signals

Pay for redispatch (no “national efficiency” defense)

Build sufficient capacity to justify price zones



1. Clarity about roles:

- **NRAs: Enforcement of 70% vis-à-vis TSOs**
- **ACER: Duty to monitor & facilitate implementation of “70%”**

2. Data provision:

- **ACER is mandated and legally entitled to collect 70%-related data**
- **Complete picture for all hours is indispensable for proper monitoring**

3. Diverging methods:

- **Methods should comply with ACER recommendation (EU welfare)**
- **Legal benchmark for individual methods = EU law (e.g. efficiency)**
- **Coordination also needed on action plans/derogations**

4. Third country capacities and 70%

- **Clear COM guidance (e.g. letter of 16.7.2019)**
- ***Can* be taken into account, provided CC agreement with 3rd country**

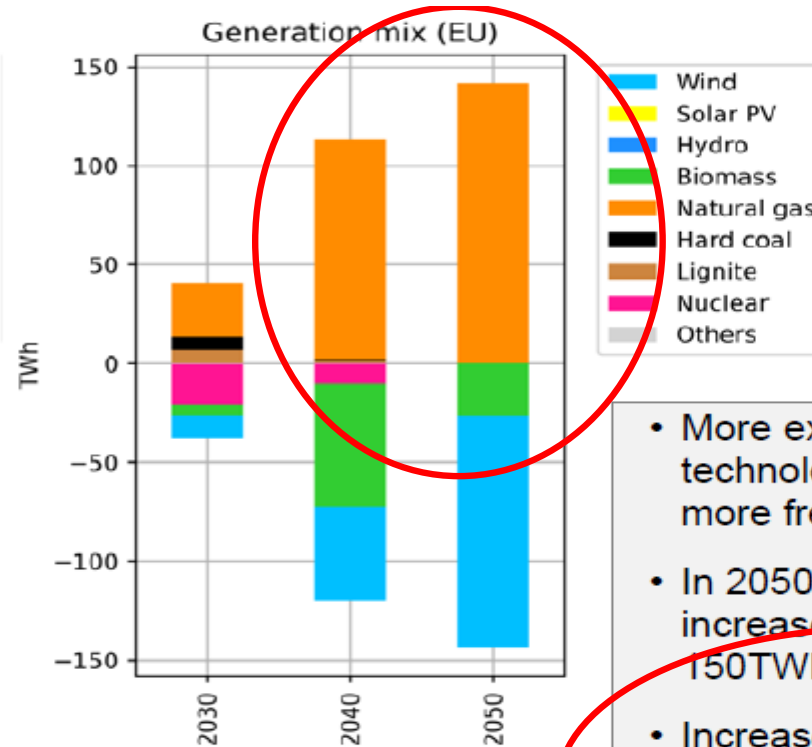
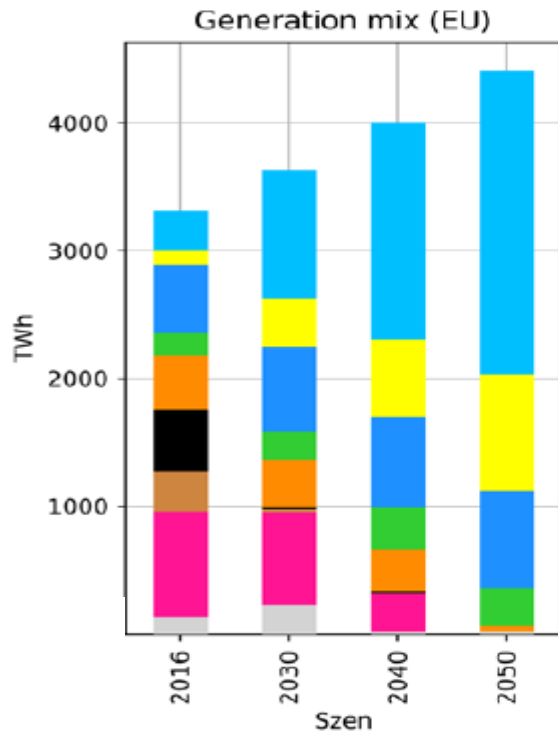


Thank you very much

Dr Oliver Koch
European Commission
DG Energy – Internal Market (C3)
Oliver.Koch@ec.Europa.eu
+32 229 87302



Study on 2050 transition: Not using interconnection => significant additional CO2 emissions



- More expensive technologies must be used more frequently
- In 2050 RES curtailment increases by approx. 150TWh.
- Increase in emissions is the result of higher use of natural gas esp. in 2040 and 2050