

Cross-border participation in capacity mechanisms

Proposed methodologies, common rules and terms of operation in accordance with Article 26 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

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Whereas

1. This document is a proposal developed by the European Network of Transmission System Operators for Electricity (hereafter referred to as “ENTSO-E”) regarding methodologies, common rules and terms of operation related to cross-border participation in capacity mechanisms (hereafter referred to also as “Proposal”) in accordance with Article 26 of Regulation (EU) 2019/943 of the European Parliament and Council of 5 June 2019 on the internal market for electricity (recast), hereinafter referred to as Regulation (EU) 2019/943.
2. The goal of Regulation (EU) 2019/943 is to establish rules to ensure the functioning of the internal market for electricity and ensuring security of electricity supply within the Union. As such, Recital (49) of Regulation (EU) 2019/943 specifies that “*detailed rules for facilitating effective cross-border participation in capacity mechanism should be laid down.*” This Proposal for cross-border participation in capacity mechanisms fits within this objective.
3. A common approach —through this Proposal— for Transmission System Operators (TSOs) of every Member State in facilitating the participation of interested foreign capacity providers is key to achieve this goal.
4. The Proposal gathers the methodologies, common rules and terms of operation related to cross-border participation in capacity mechanisms listed in the Article 26(11) of Regulation (EU) 2019/943:
 - a. a methodology for calculating the maximum entry capacity for cross-border participation as referred to in Article 26(7) of Regulation (EU) 2019/943;
 - b. a methodology for sharing the revenues referred to in Article 26(9) of Regulation (EU) 2019/943
 - c. common rules for the carrying out of availability checks referred to in point (b) of Article 26(10) of Regulation (EU) 2019/943;
 - d. common rules for determining when a non-availability payment is due;
 - e. terms of the operation of the registry as referred to in point (a) of Article 26(10) of Regulation (EU) 2019/943;
 - f. common rules for identifying capacity eligible to participate in the capacity mechanism as referred to in point (a) of Article 26(10) of Regulation (EU) 2019/943.
5. Following point (a) of Article 26(11) of Regulation (EU) 2019/943 a methodology shall be established by ENTSO-E to calculate the maximum entry capacity: “*a methodology for calculating the maximum entry capacity for cross-border participation as referred to in paragraph 7.*”
6. The cross-border participation to capacity mechanisms shall be limited to the maximum entry capacity which takes into account the expected availability of interconnections and the likely concurrence of system stress between the concerned Member States as set out in Article 26(7) of Regulation (EU) 2019/943: “*For the purposes of providing a recommendation to transmission system operators, regional coordination centres established pursuant to Article 35 shall calculate on an annual basis the maximum entry capacity available for the participation of foreign capacity. That calculation shall take into account the expected availability of interconnection and the likely concurrence of system stress in the system where the mechanism is applied and the system in which the foreign capacity is located. Such a calculation shall be required for each bidding zone border. Transmission system operators shall set the maximum entry capacity available for the participation of foreign capacity based on the recommendation of the regional coordination centre on an annual basis.*”

7. Following Article 26(12) of Regulation (EU) 2019/943: *” The regulatory authorities concerned shall verify whether the capacities have been calculated in accordance with the methodology referred to in point (a) of paragraph (11).”*
8. Following point (b) of Article 26(11) of the Regulation (EU) 2019/943, ENTSO-E shall submit to ACER a methodology for sharing the revenues by 5 July 2020.
9. Article 26(9) of Regulation (EU) 2019/943 sets out the decision process on the actual sharing of the revenues and the application of the methodology for sharing the revenues which only applies in case both neighbouring Member States have capacity mechanisms open for cross-border participation.
10. The stipulations in Article 26(9) of Regulation (EU) 2019/943 identify the revenues considered by this Methodology for sharing the revenues as the revenues arising from the allocation of the entry capacity.
11. The stipulations in Article 26(9) of Regulation (EU) 2019/943 also imply that other methodologies than the Methodology for sharing the revenues can be applied.
12. Following the stipulations Article 26(9) of Regulation (EU) 2019/943 the Methodology for sharing the revenues does not cover cases of participation from non-neighboring Member States.
13. The use of the revenues obtained by a TSO is set out in Article 26(9) of Regulation (EU) 2019/943 particularly referring to Article 19(2) of Regulation (EU) 2019/943.
14. The scope of designing common rules for the carrying out of availability checks in capacity mechanisms is set out in Article 22(1) point (d) of Regulation (EU) 2019/943: *“Any capacity mechanism shall select capacity providers by means of a transparent, non-discriminatory and competitive process.”*
15. The requirement for ENTSO-E to establish common rules for the execution of availability checks is set out in Article 26(11) points (c) & (d) of Regulation (EU) 2019/943: *“By 5 July 2020 the ENTSO for Electricity shall submit to ACER: [...] (c) common rules for the carrying out of availability check referred to in point (b) of paragraph 10; (d) common rules for determining when a non-availability payment is due [...]”*.
16. The requirement to Member states for imposing non-availability payments, when participants do not meet their obligations is set out in Article 26(6) of Regulation (EU) 2019/943: *“Capacity providers shall be required to make non-availability payments where their capacity is not available. Where capacity providers participate in more than one capacity mechanism for the same delivery period, they shall be required to make multiple non-availability payments where they are unable to fulfil multiple commitments.”*
17. Point (a) of Article 26(10) of Regulation (EU) 2019/943 refers to a process by which *“the transmission system operator where foreign capacity is located shall establish whether interested capacity providers can provide the technical performance as required by the capacity mechanism in which the capacity provider intends to participate, and register that capacity provider as an eligible capacity provider in a registry set up for that purpose.”*
18. In accordance with Article 26(10)(c), the TSO where the foreign capacity is located should notify the TSO in the Member State applying the capacity mechanism of the relevant information it has acquired.
19. Member States shall allocate the entry capacity in a transparent, non-discriminatory and market-based manner as set out in Article 26(8) of Regulation (EU) 2019/943: *”Member States shall ensure that the entry capacity referred to in paragraph 7 is allocated to eligible capacity in a transparent, non-discriminatory and market-based manner.”*

20. The requirement to Member States for allowing participation of Foreign capacity providers is set out in Article 26(1) of Regulation (EU) 2019/943: *“Capacity mechanisms other than strategic reserves and where technically feasible, strategic reserves shall be open to direct cross-border participation of capacity providers located in another Member State, subject to the conditions laid down in this Article”*, provided that *“foreign capacity is capable of providing equivalent technical performance to domestic capacities”* in accordance with Article 26(2) of Regulation (EU) 2019/943.
21. The requirement to Member States for facilitation of cross-border participation in capacity mechanisms is set out in Article 26(3) of Regulation (EU) 2019/943: *“Member States shall not prevent capacity which is located in their territory from participating in capacity mechanisms of other Member States.”*
22. Article 26(14) further requires that eligible capacity providers notify the registry of transfers of allocated entry capacity for the participation of foreign capacity in a capacity mechanism.
23. This Proposal sets out the terms of the operation of the registry and defines common rules for identifying capacity eligible to directly participate in the capacity mechanism of another Member State.
24. Article 27 (2) of Regulation (EU) 2019/943 stipulates that *“before submitting a proposal, the ENTSO-E shall carry out a consultation involving all relevant stakeholders, including regulatory authorities and other national authorities. It shall duly take the results of that consultation into consideration in its proposal.”*
25. In conclusion, the Proposal contributes to the general objectives of Regulation (EU) 2019/943 to the benefit of all market participants and electricity end consumers.

TITLE 1

General provisions

Article 1

Subject matter and scope

- a. Based on Regulation (EU) 2019/943, the following terms and conditions or methodologies shall be developed and implemented by each Member State with respect to the design principles by which capacity mechanisms should abide.
- b. The methodology for calculating the maximum entry capacity for cross-border participation laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with point (a) of Article 26(11) of Regulation (EU) 2019/943.
- c. The Revenue Sharing Methodology laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with Article 26(11)(b) of Regulation (EU) 2019/943.
- d. The common rules for the carrying out of Availability checks (hereafter referred to as “Common Rules related to Availability”) in accordance with Article 26(11) in point (c) of Regulation (EU) 2019/943 laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with Article 26(11) in point (c) of Regulation (EU) 2019/943.
- e. The common rules for determining when a non-availability payment is due (hereafter referred to also as “Common Rules related to non-availability payment”) in accordance with Article 26(11) in point (d) of Regulation (EU) 2019/943 laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with Article 26(11) in point (d) of Regulation (EU) 2019/943.
- f. The terms of the operation of the registry (hereafter referred to as “European Registry”) in accordance with Article 26(11) in point (e) of Regulation (EU) 2019/943 laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with Article 26(11) in point (e) of Regulation (EU) 2019/943.
- g. The common rules for identifying capacity eligible to participate in the capacity mechanism in accordance with Article 26(11) in point (f) of Regulation (EU) 2019/943 laid down in this Proposal shall be considered as the proposal of ENTSO-E in accordance with Article 26(11) in point (f) of Regulation (EU) 2019/943.
- h. To the extent the national frameworks facilitate the involvement of DSOs, TSOs may engage in a collaboration with DSOs to ensure the good execution of this Proposal. A transition period can be foreseen during which only TSOs address the tasks mentioned in this Proposal. This transition period shall end when the cooperation framework needed to involve all relevant DSOs is achieved.
- i. Direct cross-border participation to a Reliability Option type of capacity mechanisms may result in a cost gap between foreign and domestic capacity contracts to cover part of payback obligations not covered by Foreign contracted capacity. If cost gaps are identified by the TSO or the capacity mechanism operator applying a reliability option capacity mechanism due to the implementation of cross-border participation, solutions could be sought at national level or in bilateral agreements among involved Regulatory Authorities according to Article 26(9) of Regulation (EU) 2019/943.
- j. An implementation period is needed to implement this Proposal in a timely manner after it is approved.

Article 2

Definitions and interpretation

For the purposes of the following common rules, methodologies and terms of operation, the terms used in this document shall have the meaning of the definitions included in Article 2 of Regulation (EU) 2019/943.

In addition, in this Proposal, unless the context requires otherwise, the following definitions and their interpretations shall be used:

- a. 'Availability' means the possibility of Activation of the capacity contracted in the capacity mechanism and concerns:
 - a) the availability in the energy and/or balancing market and/or ancillary services markets.
 - b) for capacities contracted in the capacity mechanism but not participating to the market, the availability to deliver energy upon request of the TSO and/or in particular system conditions.
- b. 'Availability checks' means actions taken by the TSO where the contracted capacity is located in order to establish the availability for energy delivery of contracted capacity in any point of time during the Reference period of capacity mechanism.
- c. 'Capacity Market Unit (CMU)' is the single unit or group of aggregated units used by the capacity provider to fulfil its capacity commitment and upon which availability is checked.
- d. 'Capacity Mechanism' is defined in accordance with Article 2(22) of Regulation (EU) 2019/943.
- e. 'Capacity Mechanism Contract' means the contract between the CM operator and the capacity provider enabling the capacity provider to get a remuneration for its availability during the Reference period.
- f. 'Capacity Mechanism Operator' or 'CM Operator' is the market operator of the capacity mechanism. It can either be the TSO or an independent market operator.
- g. 'Delivery Period' means the period set in the CM Contract during which the capacity obligation applies.
- h. 'Domestic Capacity' means a capacity located in the same Member State applying the capacity mechanism.
- i. 'Electrical neighbour' means a Member state or a bidding zone which is part of a Member State that has a direct network connection with the bidding zone for which the maximum entry capacity is computed.
- j. 'Eligibility' means the compliance with technical performance as required by the capacity mechanism in which the capacity provider intends to participate.
- k. 'Entry Capacity' means the capacity, expressed in MW, that can be allocated to eligible foreign capacity for participation in a capacity mechanism. Its total amount can never exceed the Maximum Entry Capacity.
- l. 'Foreign Capacity' means a capacity located in a Member State different from the Member State applying the capacity mechanism.
- m. 'Maximum Entry Capacity' means the maximum allowed foreign capacity (expressed in MW) considered between two Member States that can participate in a capacity mechanism during a certain Delivery Period.
- n. 'Activation' means the process in which the capacity contracted in the capacity mechanism delivers energy upon request by the TSO and/or in particular system conditions during the Delivery period.

- o. ‘Non-availability volume’ means the difference between the capacity subject to availability obligation for a given Delivery period and the amount of capacity made available by the capacity provider for each CMU as resulting from availability checks.
- p. ‘Non-availability payment’ refers to any penalty that should be charged to the capacity provider for each CMU due to its Non-availability volume according to the rules of the capacity contract.
- q. ‘Reference period’ means the period during which the Availability checks are carried out. It can coincide with the Delivery period or be a subset of the time period of the Delivery period (e.g. scarcity hours which can be identified by the TSO according to a pre-defined process and/or directly by publicly observed market or system characteristics).
- r. ‘Registry’ means the common digital platform set up for the purpose of registering capacity providers as eligible as referred to in point (a) of Article 26(10) of Regulation (EU) 2019/943.
- s. ‘Registry User’ means a person having access to the Registry.
- t. ‘Energy Not Served (ENS)’ means the amount of energy demand – measured in MWh – which is not supplied in a given zone and in a given time period due to insufficient resources to meet demand.
- u. ‘Scarcity’, also named ‘system stress’ refers to a situation during which ENS is strictly greater than zero in a given system and in a given time period because national production, demand reduction measures and total possible imports are insufficient to meet demand.
- v. ‘Scarcity hours’ for a given bidding zone are defined as hours during which the corresponding bidding zone has an importing position after market clearing coupling and for which the value of the hourly Energy Not Served (ENS) is strictly greater than 0 MWh/hour, after considering the effect of curtailment sharing within the market coupling algorithm. This is based on perfect foresight model as defined in ERAA.
- w. ‘Scarce asset’ means either the transmission capacity or the electricity resources of neighbouring systems that are operating at their maximum capacity and hence limiting the management by the market of a scarcity situation.
- x. ‘Total available capacity’ means the total installed electricity production capacity that is available in the system under consideration.
- y. ‘Total possible import’ means the total electricity import to the system under consideration that is technically possible.
- z. ‘Net Transfer Capacity’ (NTC) model means a capacity calculation method based on the principle of assessing and defining ex-ante a maximum energy exchange between adjacent bidding zones as referred to in Article 2 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.
- aa. ‘Flow-based’ approach means a capacity calculation method in which energy exchanges between bidding zones are limited by power transfer distribution factors and available margins on a critical network element as defined in Article 2 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.
- bb. Flow-based Market Coupling (FBMC) means: a mechanism to couple different electricity markets, increasing the overall economic efficiency, while considering the available transmission capacity between different bidding zones using the flow-based approach/model as referred in Article 2 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.
- cc. Curtailment sharing rule means: a part of the market coupling algorithm, which aim is to equalize as much as possible the curtailment ratios between those bidding areas that are simultaneously in a curtailment situation.

Article 3

Costs incurred by the implementation of cross-border participation

1. In the context of cross-border participation, costs incurred related to tasks listed in Article 26(10) of Regulation (EU) 2019/943 should not be borne by the TSO where the Capacity Market Unit is located.
2. The TSO where the capacity is located should budget the operational and investment costs incurred related to tasks listed in Article 26(10) of Regulation (EU) 2019/943 and notify such a budget to its National Regulatory Authority (NRA).
3. Based on this proposal, the NRAs of the TSOs and CM Operator should agree on appropriate costs incurred related to tasks listed in Article 26(10) of Regulation (EU) 2019/943.
4. To cover these costs in the cost coverage system of the capacity mechanism in a similar way as to costs arising from tasks analogous to tasks listed in Article 26(10) of Regulation (EU) 2019/943 carried out for domestic Capacity Provider, the NRA where the capacity mechanism applies specifies technical details on how these costs are to be covered after having sought the opinion of the NRA where the capacity is located. This decision shall not impact the general grid tariffs of the country where the Capacity Market Unit is located.
5. The TSO where the capacity is located shall be entitled to recover any remaining costs incurred by the implementation of cross-border participation which are not recovered by contributions listed in Articles 3(3) and 3(4) and which are assessed as reasonable, efficient and proportionate in a timely manner through grid tariffs of the Member State where the capacity is located or other appropriate mechanisms as determined by the competent regulatory authorities.

Article 4

Implementation Period

The content of this Proposal shall apply when and where the following conditions are gathered:

- the Registry is fully operational ;
- on electrical borders where the participation of cross-border capacity providers in Capacity Mechanisms is enabled by the legal, regulatory and contractual frameworks of both Member States involved and concerned entities ;
- for Delivery Periods which were not engaged under another legal, regulatory or contractual framework, before the full implementation of the Registry.

Furthermore, the annual recommendation on the maximum entry capacity, to be performed by the regional coordination centres, shall be calculated for the first time only once the full implementation of the economic viability check is performed within ERAA for the ‘Reference Central Scenario with Capacity Mechanisms’.

TITLE 2

The Proposal

Section 1

Methodology for calculating the maximum entry capacity for cross-border participation in accordance with Article 26(11)(a) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 5

Scope of the methodology for calculating the maximum entry capacity for cross-border participation

The methodology for calculating the maximum entry capacity for cross-border participation in capacity mechanisms shall “calculate on an annual basis the maximum entry capacity available for the participation of foreign capacity. That calculation shall take into account the expected availability of interconnection and the likely concurrence of system stress in the system where the mechanism is applied and the system in which the foreign capacity is located. Such a calculation shall be required for each bidding zone border”, pursuant to Article 26(7) of Regulation (EU) 2019/943.

1. Therefore, the methodology shall determine, for each bidding zone border, the expected contribution of imports that a country or bidding zone, where the mechanism is applied, can rely upon in moments of stress from the direct neighbouring country or bidding zone, at the other end of the corresponding border and where the foreign capacity is located.

The Methodology for calculating the maximum entry capacity for cross-border participation does not apply when interconnectors participate directly in the capacity mechanism in the sense of Article 26(2) of Regulation (EU) 2019/943.

Article 6

Methodological framework

1. The methodology for calculating the maximum entry capacity for cross-border participation in capacity mechanism of a given country or bidding zone shall consider situations during which scarcity occurs in this country or bidding zone. These hours are referred to as scarcity hours. For the sake of clarity, scarcity hours are then the hours in which the ‘likely occurrence of system stress’ is considered.
2. Scarcity hours are defined as hours during which the value of the Energy Not Served (ENS) is strictly greater than 0 MWh/hour, after considering the effect of curtailment sharing within the market coupling algorithm.
3. When a country or bidding zone reaches scarcity, all available market-based production and market-based demand reduction measures have been activated and import is at its maximum level. The methodology for calculating the maximum entry capacity for cross-border participation distinguishes between two possible scarcity situations:
 - a. Transmission capacity is the scarce asset: import is limited by the availability of transmission capacity between two neighbouring countries or bidding zones. The considered country or

bidding zone cannot import more power from its electrical neighbours, even if these neighbouring countries or bidding zones still have available power which can be exported. In this case the maximum transmission capacity has been reached and the transmission capacity is the scarce asset.

- b. Resource capacity is the scarce asset: import is limited by the availability of resource capacity at the electrical neighbours participating in the considered country's or bidding zone's capacity mechanism. The considered country or bidding zone cannot import more power from its electrical neighbours, even if transmission capacity is still available for imports. In this case the exporting countries or bidding zones have reached their maximum possible export capabilities (the exporting country margin being 0MW and its ENS 0MWh), so all their available national measures are used to cover their own demand and to provide maximal exports. In these cases, the resource capacity of the considered country or bidding zone and its electrical neighbours is the scarce asset, since all these countries or bidding zones are maximally using the available resources and maximally exporting.

Article 7

General principles for the calculation of the contribution of bidding zones to adequacy

1. The maximum entry capacity for cross-border participation is hereafter referred to also as “the contribution”. The contribution shall be calculated as the average of the ‘hourly contribution’ during modelled scarcity hours and shall be expressed in MW.
2. The contribution of each neighboring country or bidding zone to the adequacy of the considered country or bidding zone is determined as the average contribution of the exports from the electrical neighbor to the considered bidding zone, during all scarcity hours. If the average is negative, it shall be replaced by 0. The contribution will be calculated on an annual basis for upcoming years and shall be based on ERAA modelling.
3. The contribution shall be calculated on all scarcity hours (single and simultaneous scarcity hours) after application of the curtailment sharing rule within the market coupling algorithm.

Article 8

Calculation of the hourly contribution of bidding zones to adequacy under flow-based

1. The calculation presented below follows the principles of Art. 26(2) and Art. 26(7) of Regulation (EU) 2019/943.
2. The contribution of bidding zones within the same “flow-based” Capacity Calculation Region (CCR) to the considered bidding zone for a specific scarcity hour is determined as the weighted net position for all bidding zones exporting to the considered bidding zone, and zero for all bidding zones importing from the considered bidding zone.
3. Given a bidding zone CM – the “considered bidding zone” – at a given scarcity hour ‘h’ and given other bidding zones A_i which are inside the same capacity calculation region (CCR) as bidding zone CM, the contribution of the other bidding zones A_i to the bidding zone CM during that scarcity hour ‘h’ shall be calculated as follows:

- 1) In case zone A_i has an exporting position " $[A_i = Export_i]_h$ " within the considered CCR:

$$[A_i \rightarrow CM]_h = [CM_{import} * \frac{A_i}{\sum A_i}]_h$$

Where:

CM_{import} corresponds to the total balance of the bidding zone CM within the CCR B at that given scarcity hour 'h', this being negative as CM shall be importing.

$\sum A_i$ corresponds to the sum of all exports within the considered CCR for that scarcity hour 'h'.

- 2) In case zone A_i has an importing position, i.e. " $A_i = Import_i$ " within the considered CCR:

$$A_i \rightarrow CM = 0$$

Article 9

Calculation of the hourly contribution of bidding zones to adequacy under Net Transfer Capacity (NTC)

1. The calculation presented below follows the principles of Art. 26(2) and Art. 26(7) of Regulation (EU) 2019/943.
2. The 'bidding zones border' is referred as NTC border "k – CM" between bidding zone (country) 'k' and the considered bidding zone 'CM'. For a specific scarcity hour 'h', the observed market exchange through that NTC border can be positive (export from the countries/bidding zones into the considered bidding zone or, equivalently, import of the considered bidding zone), or negative (the considered bidding zone is exporting through the given NTC border).
3. The calculation of the contribution at hour 'h' from the 'k' bidding zone into the 'CM' bidding zone with respect to the market exchange observed for hour 'h' through the NTC border "k – CM" is considered as follows:
 - a. The market exchange observed through the "k – CM" NTC interconnection at hour 'h' is lower than the total available margin of bidding zone 'k', $[Margin_k]_h = [TotalAvailableProduction_k + Import_{i \in MS \rightarrow k} - Inelastic Demand_k]_h$, where $Import_{i \in MS \rightarrow k}$ refers to the case in which 'k' belongs to a Member State with several bidding zones and therefore $Import_{i \in MS \rightarrow k}$ considers the imports of 'k' from bidding zones 'i', both within the same Member State and with 'i' having a direct network connection to 'k'. Then in this case, it is considered that the observed market exchange at hour 'h' is provided by capacity providers within bidding zone 'k' and within the directly connected bidding zones 'i' to 'k', in any case all within the same Member State $i, k \in MS$. If 'k' is the only bidding zone within its corresponding Member State, then trivially $Import_{i \in MS \rightarrow k} = 0$, and the 'hourly contribution' $'_h =$ observed market exchange $k - CM$, is considered to be provided by capacity providers in bidding zone 'k'.

- b. In case the market exchange observed through the “k – CM” NTC interconnection is higher than the total available margin of bidding zone ‘k’ [Margin_k]_h, previously defined in Art 9(3)a, the hourly contribution for bidding zone ‘k’ is calculated in the similar way as in the ‘flow-based’ approach presented in Article 8 as ‘hourly contribution’_h = $[\text{Export}_k * \frac{\text{Import}_{\text{CM}}}{\sum_s \text{Export}_s}]_h$, where ‘s’ denotes all exporting bidding zones of the considered CCR. In case the CM country is the only importing bidding zone, i.e. $\text{Import}_{\text{CM}} = \sum_s \text{Export}_s$, then the ‘hourly contribution’_h = $[\text{Export}_k]_h$. In any case the maximum hourly contribution of bidding zone ‘k’ is equal to its total available margin [Margin_k]_h as defined in Article 9(3)a.
4. “The contribution” shall be calculated as the average of the ‘hourly contribution’ in accordance with Article 7.

Article 10

Link to the ERAA methodology, RCCs recommendation and national studies

1. The calculation of the contribution shall be consistent with the methodology, assumptions and scenarios of the latest European Resource Adequacy Assessment (ERAA) pursuant to Article 23 of Regulation (EU) 2019/943.
2. The calculation shall consider the latest available “Scenarios with Capacity Mechanisms” including economic viability checks under the ERAA pursuant to Article 23 (c) of Regulation (EU) 2019/943 “reflecting the differing likelihoods of the occurrence of resource adequacy concerns which the different types of capacity mechanisms are designed to address”.
3. Regarding assumptions of transmission capacity, the calculation of the contribution shall be consistent with the assumptions used in the ERAA assessment and hence incorporate the relevant grid modifications applicable to the different target time horizons considered in the assessment.
4. Regional Coordination Centres (RCCs) shall calculate on an annual basis the contribution of foreign capacity, consistent with this methodology and pertinent to Article 26(7) of Regulation (EU) 2019/943.
5. For the purpose of calculating the contribution of foreign capacity, ENTSO-E shall provide to RCCs hourly simulation results from the ERAA for the scenario with CMs and accompanying explanations.
6. RCCs shall provide the calculated contribution as a recommendation to TSOs. RCCs shall inform TSOs, upon delivering of their recommendation, in case the results of the ERAA do not ensure that the Reliability Standard – as defined by the methodology pursuant to Article 25 of Regulation (EU) 2019/943 – is met for Member States with an existing or approved capacity mechanism.
7. TSOs shall assess the impact of the above-mentioned ERAA results when setting the maximum entry capacity available for the participation of foreign capacity based on the recommendation of the RCCs within the national assessments pursuant to Article 24 of Regulation (EU) 2019/943. When setting the capacity available for the participation of foreign capacity in national assessments, pursuant to Article 24 of Regulation (EU) 2019/943 and based on the recommendation of the RCCs, TSOs shall use a methodology consistent with the ERAA methodology pursuant to Article 23 of Regulation (EU) 2019/943 and the methodology for calculating the maximum entry capacity for cross-border participation.

If the result of the ERAA assessment shows that the considered Member State, having an existing or approved capacity mechanism, is not respecting its national reliability standard target, (hence is not adequate), the NRAA may calibrate the pertinent ERAA scenario chosen for the purposes of setting the maximum entry capacity available for the participation of foreign capacity within the capacity mechanism of the Member State performing the NRAA.

8. This shall be done with the objective of ensuring ex-ante that the reliability standard fixed by the relevant authorities is met when setting the maximum entry capacity available for the participation of foreign capacity. This calibration shall happen by adding or removing capacities in the considered bidding zone until its targeted reliability standard is met.
9. Beyond the average indicator, the National Resource Adequacy Assessments (NRAA) may analyse the statistical distribution of the contribution over all scarcity hours, based also on the recommendation of RCCs to TSOs, pertinent to Article 26(7) of Regulation (EU) 2019/943.

Article 11 Simultaneous scarcity situations

10. The methodology shall use the number of hours within the ERAA probabilistic simulation (# hours within all MonteCarlo years analyzed) for which (at least one bidding zone of) the CM Member State is in scarcity ($ENS \neq 0$). The methodology shall then provide the split of these total number of hours within the different simultaneous scarcity situations that the CM Member State presents with other bidding zones (countries), *i.e.* single scarcity situations (# hours with the CM Member state only in scarcity), double scarcity situations (# hours with the CM Member State and another bidding zone (country) in scarcity), triple scarcity situations (# hours with the CM Member State and another two bidding zones (countries) in scarcity), ... , N scarcity situations (# hours with the CM Member State and other 'N-1' bidding zones (countries) in scarcity).
11. Bilateral scarcity ratios $P\%$ per-border between each relevant electrical neighbor, constructed from the above-mentioned simultaneous scarcity situations shall also be calculated.
12. The bilateral scarcity ratio $P\%$ is calculated for the corresponding 'k – CM' border as the ratio between all hours N^* from the above mentioned simultaneous scarcity situations for which at least, but not only, the 'CM Member State' and the direct neighbour 'k' are in scarcity, divided by the total number of hours N_{CM} that the 'CM Member' state is in scarcity, *ie.* $P\% = \frac{N^*}{N_{CM}}$ where $N^* \leq N_{CM}$.

Section 2

Methodology for sharing the revenues in accordance with Article 26(11)(b) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 12

Scope of the Revenue Sharing Methodology

1. When over the same Delivery Period capacity mechanisms in neighbouring Member States allow for direct cross-border participation by foreign capacity the Methodology for sharing the revenues can be applied.
2. The Methodology for sharing the revenues does not need to be applied for the sharing of revenues if the neighbouring Member State does not apply a capacity mechanism or applies a capacity mechanism which is not open to direct cross-border participation by foreign capacity over the same Delivery Period, in accordance with Article 26(9) of Regulation (EU) 2019/943.
3. This Methodology for sharing the revenues does not apply when interconnectors participate directly in the capacity mechanism in the sense of Article 26(2) of Regulation (EU) 2019/943. For a Member State organising a capacity mechanism open for direct cross-border participation, the Methodology for sharing the revenues applies separately on each border with another Member State with a capacity mechanism open for cross-border participation by foreign capacity.
4. The sharing of the revenues should provide incentives for the development of transmission capacity. The Methodology for sharing the revenues should therefore ensure that:
 - a. When transmission capacity between two Member States is deemed the scarce resource limiting the participation of eligible Foreign Capacity in the capacity mechanism, the sharing of revenues shall result in a proportionate incentive to further develop transmission capacity on the border considered.
 - b. When transmission capacity is not deemed the scarce resource limiting the participation of foreign eligible capacity in the capacity mechanism, no additional incentives for further development of the transmission capacity on the considered border shall be provided for adequacy reasons.
5. To determine to what extent the transmission capacity between two Member States is deemed the scarce resource limiting the participation of foreign eligible capacity in the capacity mechanism, the expected level of concurring system stress events between the two Member States in question shall be considered.
6. In case the Maximum Entry Capacity has not been fully allocated to eligible Foreign Capacity, the transmission capacity is in any case not deemed the scarce resource and no incentive for further development of the transmission capacity on the considered border shall be provided.
7. When transmission capacity between two Member States is deemed a scarce resource limiting the participation of eligible Foreign Capacity in the Capacity Mechanism, the incentive for further developing the transmission capacity on the considered border should be provided to those having invested in the transmission capacity on the considered border, i.e. to the concerned TSOs. The

determination of the revenue to be considered for sharing and the determination of the sharing key takes place after the allocation of the Maximum Entry Capacity has taken place.

Article 13

Determination of the total revenue considered for sharing

1. The total revenue considered for sharing are the revenues collected by the Capacity Mechanism Operator arising through the allocation of the Entry Capacity to foreign capacity:
 - a. In case of an implicit allocation of the Entry Capacity to eligible Foreign Capacity, the total revenue considered for sharing results from the positive price difference between the price offered in the capacity mechanism by last contracted (based on the offered price) capacity and the last contracted (based on the offered price) foreign capacity multiplied by Maximum Entry Capacity, if it has been fully allocated.

This includes implicit allocation mechanisms where the Entry Capacity is allocated in a two-step manner by first preliminarily allocating the Entry Capacity to eligible foreign capacity through a pre-auction and then transferring the successful pre-auction bids to the capacity mechanisms' main auction.
 - b. In case of an explicit allocation of the Entry Capacity to eligible capacity the total revenue considered for sharing are the revenues directly from the auctioning of the Entry Capacity.

Article 14

Determination of the sharing key

1. The due revenue to a TSO is determined in two steps:
 - a. taking into account the principles set out in paragraphs 1, 2 and 3 of Article 11, the part of the total revenue considered for sharing between the concerned TSO shall be determined as set out in Article 12, and then
 - b. the revenues allocated to all concerned TSOs shall be determined.
2. The percentage of the total revenue considered for sharing pursuant to Article 12 that will be shared between the concerned TSOs is determined as follows:
 - a. The percentage of the total revenue considered for sharing is:
 - i. Equal to 100 % when (one minus the likelihood of concurrent system stress between the considered neighbouring countries) exceeds 80%
 - ii. Equal to 0% when (one minus the likelihood of concurrent system stress between the considered neighbouring countries) is below 20%
 - iii. Between the benchmarks mentioned in (i) and (ii), a linear interpolation between 0% and 100% is applied.

- b. For the purpose of this calculation the likelihood of concurrent system stress between the considered neighbouring countries is determined in the central scenario used in the latest approved version available at the moment of allocating the Entry Capacity of the European resource adequacy assessment as meant by Article 23 of Regulation (EU) 2019/943 as the ratio between the number of hours that both considered countries are at the same moment observing energy not served divided by the total number of hours that the country organising the capacity mechanism is observing is observing energy not served.
3. The part of the total revenue to be shared as determined in Article 13(2) shall be allocated between the TSOs based on the following rules:
 - a. The TSOs on both sides of the border shall receive their share of the revenue based on a 50%-50% sharing key. The concerned TSOs may also use a sharing key different from 50%-50%. Such cases may involve different ownership shares or different investment costs.
 - b. In case specific interconnectors are owned by entities other than TSOs or entities other than TSOs have a share in the investment costs of the interconnector, the reference to TSOs in this Article shall be understood as referring to those entities.
4. To the extent there remains a part of the total revenue to be considered for sharing following the above two-step approach, this part remains with the TSO of the Member State organising the Capacity Mechanism.
5. For the use of determining the sharing key, the likelihood of concurrent system stress between the considered neighbouring countries is rounded to the nearest whole percentage, rounding half way up. The percentages of revenues being shared are rounded to nearest first decimal, rounding half up.

Section 3

Common rules to carry out availability checks in accordance with Article 26(11)(c) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 15

Scope of the common rules to carry out availability checks

1. Any capacity mechanism shall treat capacity providers by means of a transparent, non-discriminatory and competitive process pursuant to Article 22(1) (d) of Regulation (EU) 2019/943. Capacity mechanisms shall be open to direct cross-border participation of capacity providers located in another Member State, subject to the conditions laid down in these common rules, which aims at enabling transparent, non-discriminatory and competitive processes for capacity providers participating to a given capacity mechanism.
2. According to Article 26(11) (c), common rules for the carrying out of Availability checks shall address all contracted capacity, irrespective of the type (e.g. dispatchable or non-dispatchable units), location or technology used. Nonetheless, different methods can be used to check availability regarding the diversity and the distinctive features of each participating technology.
3. According to Article 26(10) of Regulation (EU) 2019/943, TSOs where the capacity is located shall carry out Availability checks. In particular, the collaboration between the concerned TSOs and the CM operator is crucial, in order for the Availability checks to be carried out as equivalently as possible among foreign and domestic providers.
4. The scope of the Common Rules related to Availability is limited to Availability checks of contracted capacity during the Delivery Period. Other Availability checks might be applied outside the Delivery Period, e.g. to monitor that new capacity contracted is sufficiently progressing to be available during the Delivery Period.

Article 16

Principle of non-discrimination

1. Article 22 of Regulation (EU) 2019/943 enumerates the design principles by which capacity mechanisms should abide, among which in paragraph 1 in point (d): “*select capacity providers by means of a transparent, non-discriminatory and competitive process*”. Availability checks processes for Domestic and Foreign capacity should also abide to the principles of transparency and non-discrimination.
2. Availability checks for Foreign capacity contracted in the capacity mechanism should be carried out as equivalently as possible to Domestic capacity, according to the rules of the capacity mechanism to which it participates. In order to satisfy this condition, if possible, Availability checks for both Domestic and Foreign capacity should be carried out using the same:

- a. Delivery Period;
- b. Frequency of Availability checks;
- c. Availability check methodologies, as referred to in Article 18. If not directly applicable, the methodology foreseen by the national capacity mechanism rules should be applied as equivalently as possible, considering the features of the energy, balancing, and ancillary services market where Foreign capacity is participating, without prejudice to equivalent technical performance as referred in Article 26(2) of Regulation (EU) 2019/943.

Article 17

Roles of involved TSOs and CM operators

1. According to Article 26(10)(b) of Regulation (EU) 2019/943, the TSO of the Member State where the Foreign capacity is located has to carry out Availability checks.
2. In order to enable effective cross-border participation, the CM operator should act as facilitator in the Availability checks process. This role of facilitator, includes the obligation to help the TSO of the Member State where Foreign capacity is located in carrying out Availability checks by providing it with sufficient information, including at least:
 - a. Delivery Period and availability obligation valid for the capacity mechanism;
 - b. expected minimum frequency of Availability checks;
 - c. timeframes for carrying out Availability checks and communicate results;
 - d. Availability check methodologies, as referred in Article 17;
 - e. format of data requested and data exchange process;

Such information could be provided by the CM operator upon request or be specified in a bilateral agreement signed by the CM operator and the TSO of the control area where the Foreign capacity is located.

3. The TSO where the Foreign contracted capacity is located should perform Availability checks and communicate results to the CM Operator within the time deadline agreed (e.g. in the bilateral technical agreement) in order to allow the settlement process and the calculation of Non-availability payments.
4. In case of multiple commitments, bilateral agreements should provide CM Operators and all TSOs involved the amount of capacity contracted in each capacity mechanism for each CMU.

Article 18

Application of Availability checks

1. Availability checks application is defined in the rules of each capacity mechanism and can be different based on the different obligations foreseen by the capacity contract and the different

- structure of national energy and ancillary services markets. The present Article includes principles and guidelines that should represent a best practice for enabling effective cross-border participation, despite not being binding for national regulations.
2. In any case the application of Availability checks must neither negatively affect the level of system security nor increase the costs for maintaining the same level of system security.
 3. The probability to be subject to Availability checks for any capacity contracted through a capacity mechanism, should be non-zero during the Reference period.
 4. Every contracted capacity, irrespective of the technology, should be subject to Availability checks according to a minimum frequency, if any, defined in capacity market rules and/or in bilateral agreements.
 5. Contracted capacity is deemed to be available when:
 - a. it is actually delivering energy;
 - b. it is available to deliver in the energy market or ancillary services markets according to the normal functioning of these markets. The capacity is also deemed to be available if it has commitments related to the DA/ID or the ancillary services market but is not able to actually deliver due to national or supranational requirements including but not limited to congestion management.
 6. Availability checks could include one or more of the following aspects:
 - a. monitoring of availability in the market (e.g. monitoring of energy delivered, bids submitted in the DA/ID market, bids submitted in the ancillary services markets and outage information);
 - b. testing of the actual capability to deliver (activation test).
 7. When availability in the energy and/or ancillary services markets is already duly monitored, Availability checks in the capacity market should primarily rely on these checks for the capacity contracted in the capacity mechanism.
 8. Availability checks for the capacity contracted in the capacity mechanism are not applied during the suspension of market activities according to Article 35(1) of the Commission Regulation (EU) 2017/2196, to the extent that it affects the calculation of availability.

Article 19

Reporting to the involved NRAs

1. After every Delivery period, or at least once a year, the CM Operator should share with involved NRAs, for Foreign capacity contracted, aggregated data on the average availability of contracted capacity during the Delivery period.

Section 4

Common rules for determining when a non-availability payment is due in accordance with Article 26(11)(d) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 20

Scope of the common rules for determining when a non-availability payment is due

1. Appropriate penalties shall apply to capacity providers that are not available in times of system stress pursuant to Article 22(1) (i) of Regulation (EU) 2019/943. Following the principle of non-discrimination, non-availability payments shall apply equivalently for foreign capacity providers.
2. Since capacity providers are able to participate in more than one capacity mechanism according to Article 26(5) of Regulation (EU) 2019/943, it is critical to establish common rules in order to avoid risks for adequacy and extra remuneration for the capacity providers and ensure that capacity providers shall be able to meet the sum of capacity commitments undertaken and for which they are remunerated.
3. In order to avoid situations of double-counting of capacities in case of possible simultaneous scarcity situations (i.e. in case of overlapping moments when capacity activation might be needed for adequacy reasons in neighbouring countries hosting capacity mechanisms), non-availability payments should provide a sufficient incentive to capacity providers to undertake only obligations they can actually fulfil also in case of simultaneous scarcity situations. For this reason, when availability commitments of different capacity mechanisms are overlapping, the capacity provider has to provide a capacity equal to the sum of availability commitments he has.
4. In any case, the non-availability payment rules shall aim at establishing the principle that not being available is never a profitable option. Force majeure situations and exemptions accepted by the CM operators shall normally be excluded from non-availability payments.

Article 21

Principle of non-discrimination

1. Article 22 of Regulation (EU) 2019/943 enumerates the design principles by which capacity mechanisms should abide, among which in paragraph 1 in point (d): “*select capacity providers by means of a transparent, non-discriminatory and competitive process*”.
2. Non-availability payments shall apply to Foreign capacity contracted in the capacity mechanism as equivalently as possible to Domestic capacities according to the rules of the capacity mechanism. This equivalence regards the following non-exhaustive list of elements:
 - a. the amount of penalty imposed through the Non-availability payment;
 - b. the settlement timeframe; and
 - c. the Non-availability payment methodology as referred in Article 24.

Article 22

Roles of involved TSOs and NRAs

1. The TSO where the capacity is located executes the Availability checks, according to Regulation (EU) 2019/943 Article 26(10). Results of Availability checks shall be timely communicated to the CM Operator, according to Article 16 of the Common Rules related to Availability. The Non-availability payment is then imposed on the Non-availability volume by the CM Operator which contracted with the capacity provider, according to the rules of the capacity mechanism. The CM Operator, or the contract counterpart in case it is different from the CM Operator, is also responsible for the collection of the Non-availability payment. The TSO where the capacity is located should not be held liable for any financial or other consequences related to the collection of the Non-availability payments.
2. Involved NRAs should support the enforcement of Non-availability payments to Foreign capacity contracted and monitor that their application is performed in a non-discriminatory way according to Regulation (EU) 2019/943 Article 26(13).

Article 23

Definition of Non-availability volume in case of multiple commitments

1. According to Article 26(6) of Regulation (EU) 2019/943, the capacity providers shall be required to make Non-availability payments when their capacity is not available. Also, in the case when the capacity providers participate in more than one capacity mechanism for the same Delivery period, they shall be required to make multiple Non-availability payments when they are unable to fulfil multiple commitments. In case of participation to multiple Capacity mechanisms, Non-availability payments should be paid in every Capacity market where the availability is offered.
2. Availability obligations can differ according to specific capacity mechanism rules and consequently Availability checks to the same CMU can be applied differently and result in a different amount of capacity considered available for each capacity mechanism in which the CMU is contracted.
3. The Non-availability volume for a given time of the Reference period attributed to each capacity mechanism in which the CMU is contracted is calculated, based on the results of Availability checks, as the difference between:
 - a. the availability commitment for the capacity mechanism considered;
 - b. the product of:
 - i. the available capacity as the result of Availability checks for the CM considered;
 - ii. the availability commitment for the capacity mechanism considered;
 - iii. the inverse of the sum of all availability commitments of the CMU in that hour.

Only positive values of the difference between point a) and b) shall be considered.

4. For the purpose of computation of Non-availability volumes as detailed in point 3 of this Article, the availability commitment for each capacity mechanism considered is deemed to be zero outside the Delivery period.

5. Concerning point 4 of the present Article, in case overlapping Delivery periods do not fully reflect moments when capacity activation might be simultaneously needed for adequacy reasons, CM operators can propose alternative approaches in national regulations or at bilateral level to better take into account the national specificities as long as these alternative approaches are more beneficial for cross-border capacity providers.
6. The methodology described in this Article will be re-assessed 2 years after its first application by ENTSO-E and possible changes can be submitted to ACER for approval according to Article 27(4) of Regulation (EU) 2019/943.

Article 24

Application of Non-availability payments

1. Non-availability payments application is defined in the rules of each capacity mechanism and can be different based on the different obligations foreseen by the capacity contract and the different structure of national energy and ancillary services markets. The present Article includes principles and guidelines that should represent a best practice for enabling effective cross-border participation, despite not being binding for national regulations.
2. In case of planned unavailability of the CMU, alternative penalties or exemptions may apply. The same applies to unavailability due to any measures taken by system operators or any other competent authority that prevent the market participation of the CMU;
3. Stop loss limits may be applied to Non-availability payments;
4. Escalation of penalties should be applied in case of persistent unavailability of contracted capacity;
5. Contract termination fees, if any, should at least equal the payment due for Non-availability payment to prevent arbitration and should include the return of undue remuneration.

Article 25

Reporting to the involved NRAs

1. After every Delivery period, the CM Operator applying the capacity mechanism should share with involved NRAs, for Foreign capacity contracted, data on Non-availability payments of contracted capacity during the Delivery period.

Section 5

Terms of operation of the Registry in accordance with Article 26(11)(e) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 26

Scope of the terms of operation of the Registry

1. The Registry is a common digital platform to which Registry Users have free and continuous access.
2. The Registry shall support the processes for the registration of capacity providers located in another Member State and shall provide means for communication between Registry Users.
3. The Registry Users are TSOs where the Capacity Mechanism is applied, CM Operators and the registered capacity providers.
4. The TSO, not included in the Article 26(3), becomes the Registry User after issuing a request to the Registry operator.
5. The Registry shall contain information on the eligibility of CMUs to participate in a Capacity Mechanism of other Member States than the one where it is located.
6. The Registry shall include the information on prequalification where relevant and the final acceptance of CMUs to participate in a Capacity Mechanism of other Member States than the one where it is located. This includes compliance with eligibility rules determined specifically for a capacity mechanism.
7. The Registry shall contain information on the allocation of Entry Capacity.
8. The Registry shall ensure the state of the art operating and personal data security.
9. The Registry shall be set up and operated by the ENTSO-E.

Article 27

Scope of data

1. The Registry shall contain data provided by the capacity providers to the TSO where the capacity is located in the registration process.
2. The Registry shall contain the following information on CMU's:
 - a. Eligibility status obtained for all Capacity Mechanisms;
 - b. Participation status in all Capacity Mechanisms, including:
 - i. intermediary and final acceptance result for participation,
 - ii. Member State of Capacity Mechanism,

- iii. volume of capacity obligation,
 - iv. Delivery Period,
 - v. participation in primary and/or secondary market,
 - c. their allocated entry capacity expressed in MW.
3. The CM operator shall update the amount of the allocated entry capacity referred to in Article 27(2)(c) following a notification from the capacity provider of a transfer between eligible capacity providers pursuant to Article 26(14) of Regulation (EU) 2019/943.
4. The involved CM operator shall update the information referred to in Article 27(2).

Article 28

Data access and reporting

1. All relevant Registry Users can view and edit in the Registry the data provided in accordance to Article 27(1).
2. The capacity provider shall submit any update of the data provided in accordance with Article 27(1) to the TSO where the capacity is located without delay. The TSO where the capacity is located updates the data provided in accordance to Article 27(1) in the Registry without delay.
3. The CM Operator has access to the data referred to in Article 28(1) and Article 28(2) of the registered capacity providers' that are willing to participate in the CM.
4. The Registry shall generate data reports:
 - a. aggregated and, when required, anonymous data of the capacity providers with capacity obligations, Member State of the CM and delivery periods.
 - b. data of the capacity providers containing capacity obligations, Member State of the CM and delivery periods.
5. Relevant data reports shall be available to:
 - a. ACER for data reports referred to in Article 28(4)(a);
 - b. NRA of the Member State where the Capacity Mechanism is applied for data reports referred to Article 28(4)(b);
 - c. NRA of the Member State where the capacity is located for data reports referred to Article 28(4)(b);
6. Data reports referred to in Article 28(5)(a) shall be prepared by ENTSO-E and sent upon request of ACER.
7. Data reports referred to in Article 28(5)(b) shall be prepared by TSO where the Capacity Mechanism is applied.
8. Data reports referred to in Article 28(5)(c) shall be prepared by TSO where the capacity is located.
9. The CM operator may announce the occurrence of system stress event for the relevant capacity mechanism by using the functionalities of the Registry.

10. In case a capacity provider wishes to contest actions referred to in Article 27(3), Article 27(4) and Article 28(2) it shall resort to the NRA of the Member State where the capacity is located in accordance with national procedures.

Section 6

Common rules for identifying capacity eligible to participate in the capacity mechanism in accordance with Article 26(11)(f) of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

Article 29

Scope of the common rules for identifying capacity eligible to participate in the capacity mechanism

1. To participate in the capacity mechanism of another Member State, capacity providers need to be registered with a positive result in the Registry. The positive registration result means that the capacity provider is eligible to provide the general technical performance as required by the capacity mechanisms notwithstanding with Article 29(4).
2. A capacity provider requests the TSO where the capacity is located to start the registration process, referred to in Article 29(1).
3. The rules and timeline of the request referred to in Article 29(2) shall be defined by the TSO where the capacity is located, in close collaboration with the CM operator, and shall apply to the capacity located within its system.
4. The registration referred to in Article 29(1) does not entitle a capacity provider with an unconditional right for cross-border participation in a capacity mechanism as additional requirements for the participation of capacity providers may be defined by the CM operator.
5. Additional requirements referred to in Article 29(4) shall apply to foreign CMUs, as for domestic and may, amongst others, include capacity thresholds and aggregation criteria. Such additional requirements should apply to both domestic and foreign CMUs or should be designed as proportionate measure to ensure the non-discriminatory cross-border participation.
6. Unit, which forms part of an aggregated CMU assigned with a capacity obligation for a given delivery period in one capacity mechanism, shall not form part of another different CMU, in the sense that its composition in sites is not the same, with capacity obligation for an overlapping delivery period in another capacity mechanism.
7. Unit, which forms part of a non-aggregated CMU assigned with a capacity obligation for a given delivery period in one capacity mechanism, shall not form part of an aggregated CMU which is assigned with a capacity obligation for an overlapping delivery period in another capacity mechanism.

Article 30

Registration processes

1. The TSO where the capacity is located shall verify the data submitted by the capacity provider and register the capacity provider in the Registry.
2. The TSO where the capacity is located shall inform the capacity provider about positive or negative result of the registration process and submit the information in the Registry.
3. The TSO where the capacity is located shall inform the CM Operator about the capacity provider's positive result of registration process or any update thereof with using the functionalities of the Registry.

Article 31 **Eligibility check**

1. A capacity provider that requests the TSO where the capacity is located to start registration referred to in Article 29(1), shall submit the following data of its CMU:
 - a. Energy Identification Code;
 - b. corporate credentials;
 - c. facility address;
 - d. capacity and storage capacity;
 - e. technology type and fuel;
 - f. metering points;
 - g. network operator; and
 - h. CO₂ emission limits information as referred to Regulation (EU) 2019/943 Article 22(4).
2. If a CMU consists of aggregated units, the data referred to in Article 31(1) shall be submitted for each unit forming part of the CMU.
3. Data submitted by the capacity provider referred to in Article 31(1) shall be up-to-date.
4. The TSO where the capacity is located approval of data submitted pursuant to Article 31(1) is required to successfully pass the registration referred to in Article 29(1).
5. The data of the registered units referred to in Article 31(1) shall be verified at least once a year.
6. The negative result of the registration referred to in Article 29(1) or negative result of the eligibility verification referred to Article 31(5) results in the loss of the eligibility. From that point, the CMU which has lost its eligibility cannot enter into new capacity contracts until positive result of the registration referred to in Article 29(1).
7. The consequences of the negative results, referred to in Article 31(6), shall enter into force without prejudice to the commitments or contracts concluded before the date of the loss of eligibility.
8. In case a capacity provider wishes to contest actions referred to in Article 29, Article 30 and Article 31 it shall resort to the NRA of the Member State where the capacity is located in accordance with national procedures.