



ENM TF

**Regulation (EC) 1228/2003 Compliance
Monitoring
Third Report, 2010**

**Ref: E10-ENM-04-15
Draft Version 05
November-2010**

European Regulators' Group for Electricity and Gas
Contact: Council of European Energy Regulators ASBL
28 rue le Titien, 1000 Bruxelles
Arrondissement judiciaire de Bruxelles
RPM 0861.035.445

Document History

Version	Date	Description	Author
01	2010-08-15	First Draft of the report structure 01	ENM TF Chairs (2009) and Team leader (2010)
02	2010-09-23	Second Draft – to be presented to ENM on 27 Sep	Drafting Team
03	2010-10-07	Third Draft – to be presented to EWG on 14 Oct	Drafting Team
04	2010-10-25	Fourth Draft – to be presented to ENM on 4 November	Drafting Team
05	2010-11-12	Fifth Draft – to be presented to EWG on 26 November	Drafting Team

Table of Contents

EXECUTIVE SUMMARY	6
Key Findings	6
Recommendations	8
1. INTRODUCTION	10
1.1 Methodology	10
1.2 General considerations	11
1.3 The Interconnections of Europe	13
2 INFORMATION ON INTERCONNECTION CAPACITIES AND GENERAL PRINCIPLES FOR CM (FROM REGULATION (EC) 1228/2003).....	15
2.1 Provision of Information on Interconnection Capacities (Article 5).....	15
2.2 General Principles of Congestion Management (Article 6).....	16
4. COMPLIANCE WITH THE CM GUIDELINES.....	18
4.1 General Provisions	18
4.1.1 Existence of Criteria for not Accepting Commercial Transactions.....	18
4.1.2 Existence of Congestion Management.....	18
4.1.3 Economically Efficient Alleviation of Congestions by TSOs	18
4.1.4 Congestion Management in Case of Structural Congestion	19
4.1.5 Efficient Economic Signals to Market Participants and TSOs	19
4.1.6 No Transaction-Based Distinctions	20
4.1.7 No Limitation of Cross Border Capacity to Solve internal Congestions.....	21
4.1.8 Taking into Account Effect on Neighbouring Control Areas	21
4.1.9 Intra-Day Allocation since 1 st January 2008	22
4.1.10 Evaluation of CM Methods by NRAs	22
4.2 Congestion Management Methods	22
4.2.1 Congestion Management only by Explicit and/or Implicit Auctions	23
4.2.2 Long- and Short-Term Transmission Capacity Allocation.....	24
4.2.3 Allocation of Available and any Remaining Capacity	25
4.2.4 Optimizing the Degree of Firmness.....	25
4.2.5 Firmness of Long- and Medium-Term Capacity Rights, UIOSI / UIOLI	25
4.2.6 Structure for Capacity Allocation between different timeframes.....	26
4.2.7 Discrimination bilateral transactions and bidding into Power Exchanges.....	26
4.2.8 Allocation of All Capacity by Implicit Auctions where Efficient Forward Financial Electricity Market Exists	26
4.2.9 Reserve Prices.....	26
4.2.10 Restrictions for Participation of Market Players in Allocation	26
4.2.11 Deadlines and Nomination	27
4.2.12 Secondary Trade	27
4.2.13 Financial consequences in case of failure to honour obligations	27
4.3 Coordination – Key Issue #1 of the Third Compliance Report.....	28

4.4	Timetable for Market Operations.....	31
4.4.1	Allocation of Capacity Sufficiently in Advance	31
4.4.2	Intra-day Allocation Sufficiently in Advance.....	31
4.4.3	Sufficient Exchange of Data between TSOs before Day-Ahead Operation....	32
4.5	Transparency – Key Issue #2 of the Third Compliance Report	32
4.6	Use of Congestion Income.....	40
2.2.1	Procedure for Distribution of Revenues.....	41
2.2.2	Transparency of NRAs regarding the Use of Congestion Revenues	42
2.2.3	Agreement and Review of Criteria for Sharing the Revenues.....	43
2.2.4	Establish the Use of the Congestion Revenues beforehand	43
2.2.5	Publication of Report on Congestion revenues Usage by NRAs	43
2.2.6	Use of Congestion Income for Investment.....	43
4.7	Countertrade and Redispatching – Key Issue #3 of the Third Compliance Report	44
5.	INTRADAY TRADING MECHANISM	47
6.	INTER-TSO COMPENSATION AND TRANSMISSION TARIFFICATION	50
6.1	Inter-TSO Compensation: History, Past and Present.....	50
6.2	Inter-TSO Compensation: Future perspective on ACER work.....	53
6.3	Charges for Access to the Networks.....	53
6.4	Transmission Tariffication Guidelines	54
6.5	Compliance with the ITC and TT Provisions in the Regulation.....	54
7.	SUMMARY AND CONCLUSIONS.....	59
7.1	Key Findings.....	59
7.1.1	Intra- and Inter-Regional Coordination and Coherence	59
7.1.2	About limitation of cross border capacity.....	59
7.1.3	Intra-day Aspects.....	59
7.1.4	Transparency.....	60
7.1.5	Use of congestion income	60
7.2	Recommendations.....	60
7.3	Future role of ACER in compliance monitoring	61
8.	ACRONYMS AND ABBREVIATIONS	62
ANNEX 1 – SUMMARY OF REPLIES FROM NATIONAL REGULATORY AUTHORITIES		63
A1.1	Article 4 of the Regulation.....	64
A1.2	Article 5 of the Regulation	65
A1.3	Article 6 of the Regulation	66
A1.4	Point 1 of the CM Guidelines	67
A1.5a	Point 2 of the CM Guidelines.....	68
A1.5b	Point 2 of the CM Guidelines.....	69
A1.6	Point 3 of the CM Guidelines	70

A1.7Point 4 of the CM Guidelines	71
A1.8Point 5 of the CM Guidelines	72
A1.9Point 6 of the CM Guidelines	73

ANNEX 2 – INTERCONNECTIONS NOT IN THE COMPLIANCE REPORT..... 74

List of Figures

Figure 1: Congestion management methods in different timeframes:	23
Figure 2 Redispatching.....	44
Figure 3: Counter-trading	45
Figure 4: Coordinated redispatching.....	46
Figure 5 : Proportion of charges for generation and consumption in European countries Σφάλμα! Δεν έχει οριστεί σελιδοδείκτης.	
Figure 6: Costs Included in Transmission Tariffs	55
Figure 7: Tariffication Principles and Pricing Signals	57
Figure 8: Connection Charges.....	58

Διαγράφηκε: 55

Διαγράφηκε: 56

List of Tables

Table 1: Congestion income per country in years 2008 and 2009.	41
Table 2: Use of congestion income in 2008 according to Article 6(6) of the Regulation	42
Table 3 Intraday compliance and trading arrangements	49
Table 4 Countries where TSOs have participated in Inter-TSO Compensation mechanism.....	51
Table 5 Ex-post calculation of ITC compensations	52

Executive Summary

This document contains the third Monitoring Report on Compliance with the Regulation (EC) 1228/2003 (Regulation) and annexed Congestion Management Guidelines (CM Guidelines). It follows the Second Compliance Report from 2008, which was presented and discussed at the XIV Florence Forum.

The Second Compliance Report showed that the Regulation and the CM Guidelines have not yet been fully implemented, although a lot of progress has been achieved since the First Compliance Report in 2007 especially within the regional initiatives.

The data collected from the NRAs show that there has been progress from the Second Compliance Report, however there is still potential for higher compliance, especially on inter and intra-regional coordination and coherence in congestion management methods and procedures. This was pointed out in the Second Compliance Report as well, with a particular mention of cross border intraday allocation mechanisms.

ERGEG has also identified shortcomings with regards to transparency, especially in publishing relevant information on forecast demand and generation and ex-post values for the same.

In accordance with conclusions from the Second Compliance report and requests from the European Commission, the Third Compliance Report focuses on:

- Co-ordination of interconnector capacity calculation and allocation (Regulation, Art 6, and CM Guidelines Point 3)
- Cross border re-dispatch and countertrade (CM Guidelines Point 1.3 and 1.8)
- Intraday trading (CM Guidelines Point 1.9)
- Transparency, in particular generation (CM Guidelines Point 5.5)
- Inter TSO Compensation mechanism (ITC).

Key Findings

Intra- and Inter-Regional Coordination and Coherence

Coordination of Congestion Management methods and procedures on a regional and EU-level is a key objective of Regulation 1228/2003 and the CM Guidelines. Thus coordination is of particular relevance for monitoring compliance and progress. In general the degree of compliance is higher than in the previous report. Several regional and cross-regional projects have contributed to this improved situation. However it should be noted that almost all regions do have coordination-shortcomings compared to the legal requirements.

In the near future further projects will move from elaboration to real implementation and thus compliance is expected to be increased. Ongoing projects do address coordination in long-term allocation (such as in CEE and CSE) or market coupling (in CWE).

It should be noted that less NRAs considered that the methods currently applied for managing the interconnections are suitable for regional and communitywide application. Although explicit allocations are compliant, there seems to be a growing consensus that implicit day-ahead auctions are more suitable for regional and communitywide integration. Moreover the coherence of long-term allocations is going to be enhanced. These developments are reflected in the ERGEG Framework Guidelines on Capacity Allocation and Congestion Management. In the period until the Framework Guidelines and the accompanying codes are to be finalized, efficient steps shall be taken in order to enhance compliance on a regional level with regard to the coordination requirements but also to ensure overall consistency between the regions.

About limitation of cross border capacity

Compliance with regards to point 1.7 of the CM Guidelines (no limitation of cross border capacity to solve internal congestions) is analysed in the chapter 4.1.7. Compared to last year's report, compliance has improved, however the interpretation of this article is not commonly shared. As a consequence, for the same interconnection, different answers were sometimes given from the respective sides of the border. This highlights an important need to specify the information TSOs shall provide to the regulators and market players. Moreover this point is strongly linked with transparency (see point 5.1 of the CM Guidelines) and capacity calculation issues. For example, it appears that there are few concrete criteria to assess the price zone question in the ongoing discussions within ERGEG and AHAG. This issue is reinforced with the recent Svenska Kraftnät¹ case. Therefore, it is of utmost importance to support all efforts to define clear criteria for reporting on and reviewing network constraints in order to ensure that cross-border capacity is not limited for internal congestion and the European market is fully efficient.

Intra-day Aspects

There is a higher level of compliance on intraday since the last report, due to several new projects having been implemented. However, there are examples of interconnectors where intraday is not in place. Of the 31 monitored interconnectors, intraday is in place on 17. On further 10 interconnectors there are concrete plans for introduction within 2011. The type of intraday solutions has not been subject to compliance monitoring in this report.

Σχόλιο: Italian borders (4), Polish borders (3), Norned, Austria-Hungary, Hungary-Slovakia

For the next improvement steps enhanced coordination of different intra-day solutions needs to become an objective. Due to the increasing amount of intermittent renewable generation the importance of coordinated intra-day mechanisms will increase.

Transparency

In general, there is a higher level of compliance on transparency since the last report. A low level of transparency is still observed in certain areas. This is especially so with regard to renewables, especially forecasts of wind and solar power for control areas with more than 1 % of such sources or bidding areas with more than 5 %. Here still only in one third of countries with these levels of wind or solar the TSOs publish the required information. Furthermore, publication of outages in transmission grid, generation and large consumption units is still missing in several countries. Information on corrective actions in the grid and the effects of these also needs improvement. The requirements for reporting are in some areas not sufficiently specific. Another issue that has been raised is the availability of data; this report refers only to data which is freely available to the market. I.e. data which is available for a fee has not been counted as compliant.

¹ [reference the official number of the case = DG COMP]

Use of congestion income

In general, the most common use of congestion income is to reduce tariffs, which is how about half of the reported congestion income is used, followed by use for investment in new lines, while the amount used to ensure capacity is the lowest. Several countries do not report the planned use of congestion income, indicating that in this area regulators need to be more active. According to the Regulation, NRAs are obliged to report on planned use of congestion income, this requires information from the TSOs. There seems to be a need for clear guidance on the use of congestion income.

Recommendations

In general there seems to be high level of “practical compliance”, i.e. that procedures and practices in fact work according to the Regulations and Guidelines. However, in several cases the more formal requirements may be fulfilled to a lesser extend, e.g. TSO has not sent written documentation of procedures to the NRAs. In cases where the NRA has not received documentation from the TSO, ERGEG cannot consider this to be fully compliant.

ERGEG recommends the following issues to ensure goals set out for cross-border trade in the Regulation and the CM Guidelines be addressed by the following stakeholders:

The EU Commission should:

- Give clear guidance and aid work with provisions so that those leaving too much room for interpretation become clear and unambiguous.
- Ensure swift process for the CACM Framework Guidelines and elaboration / comitology process of the related codes and the Fundamental Data Transparency Guidelines in order to support the further development on IEM.

Member States should:

- Ensure swift implementation of legal framework that supports efficient cross border trade including the codes under the forthcoming CACM Framework Guidelines, the Fundamental Data Transparency Guidelines and the provisions stemming from the 3rd package requiring TSO and Regulators cross-border cooperation.
- Support Regional Initiatives in their efforts for market coupling and coordinating congestion management procedures across borders and across regions for all timeframes.

TSOs should:

- Ensure a quick development of the Network Codes related to the CACM Framework Guidelines
- Continue their committed work within the Regional Initiative and strive towards efficient inter-regional congestion management methods for all timeframes.
- Enhance and speed up implementation of missing transparency elements, as requested by forthcoming comitology guidelines.
- Ensure documentation of relevant procedures and send these to NRAs.

European Regulators should:

- Continue to foster and support regional and inter-regional coordination via the Regional Initiatives
- Ensure that TSOs document relevant procedures and routines and send these to the NRAs for review.

- Document relevant national procedures with regards to monitoring compliance for the TSO. Consider harmonised approach in national compliance monitoring towards the respective TSOs.

The ongoing ERGEG work on Framework Guidelines for Capacity Allocation and Congestion Management (CACM), and the subsequent network codes will contribute to clarifying and specifying requirements for appropriate methods capacity allocation on interconnectors, and congestion management methods in general. Likewise the forthcoming Comitology Guidelines on Fundamental Energy Data Transparency will contribute to clarifying criteria for publishing information on a regional and interregional basis.

1. Introduction

The Regulation (EC) 1228/2003 (Regulation) entered into force on 1st July 2004. The amended Congestion Management Guidelines 2006/770/EC (CM Guidelines) according to Article 8 of the Regulation entered into force on 1st December 2006. In line with the conclusions of the XIV Florence Forum from September 2007 and in order to ensure adequate implementation, the monitoring and reporting on compliance with Regulation and CM Guidelines is necessary.

At the XIV Florence Forum in September 2007 the first Monitoring Report on Compliance with the Regulation and CM Guidelines prepared by ERGEG (First Compliance Report), was presented. The key findings of the First Compliance Report indicated that compliance has not been achieved.

The XIV Florence Forum requested ERGEG to resolve any outstanding issues regarding the interpretation of legal requirements in the Regulation and CM Guidelines, in order to enable better and more precise monitoring and reporting in the Second Compliance Report. The Forum also concluded that the Second Compliance Report should be more specific and allow European Commission to identify clearly to what extent the legal provisions of the Regulation and CM Guidelines have been met in Member States².

It was along those lines, that the Second Compliance Report has been prepared by ERGEG, to be presented and discussed at the XV Florence Forum³ in November 2008. At the same time the European Commission announced the intention to launch infringement procedures in cases of non-compliance.

This document contains the Third Monitoring Report on Compliance with the Regulation (EC) 1228/2003 and CM Guidelines (Third Compliance Report), prepared and published by ERGEG. Moreover and where applicable, the Third Report reflects also on the future implications of the Third Legislative Package to the cross-border trade and congestion management.

1.1 Methodology

When investigating compliance with the Regulation and CM Guidelines, ERGEG has based its work on methodology developed for the First and Second Compliance Reports. ERGEG carefully interpreted and operationalised each chapter and article of the Regulation and CM Guidelines into a set of questions and criteria aimed at measuring compliance. These criteria have been discussed and summed up in the ERGEG Report "Compliance with Regulation 1228/2003 and Congestion Management Guidelines – Criteria for Compliance"⁴. On the basis of this report, a questionnaire for gathering data from the NRAs was made.

In accordance with request from ERGEG's Electricity Working Group (EWG), the questionnaire and criteria have been further developed for the purposes of this report to ensure a best capture of compliance or non-compliance.

² See XIV Florence Forum conclusions at http://ec.europa.eu/energy/electricity/florence/14_en.htm

³ See XV Florence Forum conclusions at http://ec.europa.eu/energy/electricity/florence/15_en.htm

⁴ Ref: E07-EFG-25-03, 10 December 2007

Since there is a level of interpretation between the Regulation and CM Guidelines and the data from the NRAs, this implies that the reply “no” to a particular question does necessarily mean non-compliance in a legal sense. Thus the results need to be read with some caution. However, there is consensus about the criteria for compliance, and indeed, the answers seen together, and over time give an indication of the level of compliance and the tendency for progress in terms of compliance.

According to the data gathered for this Report there is generally a high level of compliance. Areas with high degree of compliance are more superficially described in the report, while the focus is on areas of lower degree of compliance.

The Third Compliance Report is in general based on data from 2009, and specific developments until mid 2010 have been taken into account. This means that projects completed after this date are not taken account of in the analysis, but relevant pending projects are mentioned where appropriate.

1.2 General considerations

The Regulator’s in general have the competence to review arrangements from the TSO, but only rarely the NRA has competence to *approve* them. ERGEG considers that NRAs are in compliance with the respective provisions when they have *reviewed* arrangements with the TSOs.

On the basis of data submitted by NRAs, there is overall progress from the Second Compliance Report towards increased compliance with the Regulation and CM Guidelines. The increased compliance is perhaps not as substantial, as one could expect. Particularly there are still shortcomings as regards regional and interregional coordination (Point 3 of the CM Guidelines).

However, several concrete regional projects are to be implemented in the near future and will contribute to a big forward leap as regards regional and interregional coordination, and may also contribute to compliance with Articles of the Directives and Regulations of the Third Package ahead of implementation.

The Regional Initiatives, which involve committed cooperation from the TSOs through ENTSO-E, the power exchanges, the generators and other key stakeholders, have already contributed to increased compliance through increased monitoring activities. In particular in transparency and coordination of congestion management methods, the Regional Initiatives have contributed to increased compliance.

One further explanation for increased compliance is the EC infringement proceedings which took place after the second compliance report. ERGEG finds it likely that these proceedings contributed towards heightened awareness with regards to compliance and criteria to be compliant, and that the proceedings have spurred the NRAs into taking concrete actions towards the TSOs for ensuring compliance.

In a few cases, ERGEG has observed that NRAs report less compliance now than in the Second Report, this may be due to a more thorough understanding of the criteria to be compliant, and a more considered and careful process on a national and regional level, and thus that replies from the NRAs are more realistic.

As found in the Second Report, there still seems to be a lag on implementation of intraday trading mechanisms, even though several new intraday projects have contributed to a better score in this report. Intraday trading arrangements are in place on about half of the interconnectors monitored in this report (CM point 1.9).

The data ERGEG has collected reveals an increase in compliance with Points 1.3 and 1.8 of the CM Guidelines, i.e. with criteria for market based counter trade and redispatching. However, there is still some work to be done with regards to the no transaction based discrimination.

Within the Regional Initiatives countertrade and re-dispatching have been thoroughly addressed within some of the Regions in regional monitoring reports on congestion management methods. The first regional monitoring reports analysing the management and use of interconnections in 2008 were published during the first quarter of 2010. Four regions made this exercise: South-West, Central-West, Central-South and France-United Kingdom – Ireland. The regional report analyses for each timeframe the management and utilisation of interconnections in the region and it has enabled regulators of each region to take stock of the current state of congestion management within their region and its recent improvements. Some findings are somewhat similar in the four reports but as the situation differs between the regions, the reports allow regulators to benefit from other region experience feedbacks.

On the similar findings, the main one is the importance of implementing implicit auctions at the day-ahead stage as there exist a high social cost linked to the misuse of available cross-border capacities with any other allocation model. Another shared finding is the need to further develop cross-border intraday trade whether through a new allocation model or by improving the current one.

On the side of interesting experience feedbacks, it can be noted that the relatively high percentage of bilateral capacity transfers in the Central-South region should lead other regions to analyse the mechanism in place.

Much more information is contained in the reports that can be found on the ERGEG websites. Regional reports dealing with 2009 shall be published by the end of 2010 for all regions.

As such this Third Compliance Monitoring Report does not go into the details of these issues since they are dealt with thoroughly in the Regional reports.

Although counter trade and redispatching are technical issues where many matters like the cost sharing are still to be solved, these tools for TSOs have been better analysed and understood in the recent years thanks to the Regional Initiatives that force TSOs to discuss and share more information. As a consequence, at the end of 2008, two initiatives were launched by two different groups of TSOs with the aim to better coordinate themselves. However, those projects shall be closely monitored by NRAs in order to not to end up with two incompatible systems..

Also on transparency, particularly the requirements in CM Guidelines point 5.5, there is a clear trend towards increased compliance. The regional reports on transparency monitoring have contributed towards heightened awareness and thus increased compliance on this point.

With regards to ITC (Inter TSO Compensation) the compliance of ENTSO-E voluntary methods with the Regulation was subject to analysis in the First Compliance Report in 2007. For this purpose, ERGEG developed eight criteria to assess the ITC mechanism⁵. Between 2007 and 2009 there have not been substantial changes in the ITC provisions, so ERGEG's conclusions from the First Compliance Report remain valid.

ERGEG concluded then that the ENTSO-E voluntary methods were not sufficiently detailed and transparent, and thus not strictly compliant with the regulation.

The newly agreed ITC guidelines (2010) are more detailed, however these have not been subject to compliance monitoring in this report.

⁵ ERGEG Comparison of the proposal of Guidelines on Inter TSO compensation with the CEER criteria for long-term ITC mechanism, 10th August, 2004, www.ergeg.org

With regards ITC data, ERGEG has received this from ENTSO-E, and Third Report presents ITC data from 2005 – 2009.

1.3 The Interconnections of Europe

As in the previous reports Malta and Cyprus are not subject to the Third Compliance Report because they have isolated power systems with no interconnections. This yields that out of the 27 Member States; only 25 are a subject of monitoring of compliance with the Regulation and the CM Guidelines. In addition the EEA countries Norway and Iceland are considered, but since Iceland is an isolated power system, only Norway is considered. In those 26 countries, all together 31 interconnectors have been subject to compliance monitoring in this Third Report.

Furthermore, there are no congestions on interconnections within the Baltic States and between Germany and Luxembourg. Therefore only some of the provisions set in the Regulation are applicable to these interconnections. Therefore, interconnections within Baltic States and between Germany and Luxembourg are not considered in the Report when Articles 5 and 6 of the Regulation and the CM Guidelines are discussed.

Moreover, since the beginning of the all-island Single Electricity Market (SEM) in November 2007 on the island of Ireland, the former interconnection between the Republic of Ireland and Northern Ireland is now treated as an internal transmission line on which any congestion if it appears, is resolved by the physical redispatching in the same manner as it is done on other transmission infrastructure across the island. Accordingly, many of the provisions in the Regulation and in the CM Guidelines are not applicable for that line, so it is not included in this monitoring exercise.

The interconnector between Belgium and Luxembourg, which is within the control area of the Belgian TSO, is not included in this report⁶.

The so called “old merchant lines” (i.e. the lines built by private investors and put into operation before the Regulation and the CM Guidelines entered into force, or the related states joined the EU) were until recently exclusively used by the owners, are being opened to the market during 2010⁷. These interconnections which have no exemptions from TPA (Third Party Access) according to Article 7 of Regulation, as they were built and put into operation before the Regulation and Article 7 of the Regulation relates only to “new lines”⁸, will fulfill the requirements of the Regulation. These interconnections have not been dealt with in this Third Compliance Report.

⁶ The interconnection between Belgium and Luxembourg is not an interconnector in the sense of Regulation 714/2009 as it does not connect transmission systems, because it connects line of a LU industrial grid to the BE transmission grid and therefore implicitly out of scope of the compliance report.

⁷ Baltic Cable between Sweden and Germany joined market coupling through EMCC in May 2010. SwePol Link between Sweden and Poland is planned to join market coupling in November 2010.

⁸ Information on these old merchant lines can be found at ERGEG website under Northern Regional Initiative, report on ERI-NO-IG: Northern Europe Electricity Regional initiative - Implementation Group "Optimizing the use of the interconnectors - SwePol Link and Baltic Cable" Final Report - 2007 (11-04-2008) or Status Report 2007 (11-04-2008)

Exemptions (according to the Article 7 of the Regulation have been granted by the EC for the new interconnections between Estonia and Finland (Estlink) in year 2005. and Great Britain and Netherlands (Britned) in year 2007⁹. Estlink has been opened to the market from April 2010 when it was incorporated into the Nord Pool Spot. The tendency seems to be that conditions for merchant lines are to foresee TPA in accordance with CM Guidelines.

The interconnectors between Switzerland and EU countries are important for the development of the internal market; however Switzerland is not obliged to be compliant with the Regulation and CM Guidelines. The bordering countries are endeavouring to implement the Regulation and Guidelines as far as possible.

The following 31 interconnectors are included in this report. The vast majority are interconnectors within EU and between member states.

1. Estonia - Latvia
2. Austria – Hungary
3. Latvia – Lithuania
4. Austria - Czech Republic
5. Austria – Slovenia
6. Germany – Poland
7. Czech Republic – Poland
8. Poland – Slovakia
9. Czech Republic – Germany
10. Czech Republic – Slovakia
11. Hungary – Slovakia
12. Austria – Italy
13. Italy – Slovenia
14. Greece – Italy
15. France – Italy
16. France – Germany
17. Belgium - France
18. Belgium – Netherlands
19. Germany – Netherlands
20. Norway – Sweden
21. Finland – Sweden
22. Denmark – Sweden
23. Denmark – Germany

⁹ Decisions can be found at website: http://ec.europa.eu/energy/electricity/infrastructure/exemptions_en.htm

24. Denmark – Norway
25. France - Spain
26. Portugal – Spain
27. France – UK¹⁰
28. Hungary – Rumania
29. Bulgaria – Rumania
30. Bulgaria – Greece
31. Norway – Netherlands

There are three new interconnections analysed compared to the previous reports: Estonia-Latvia, Latvia-Lithuania and the Norned cable between Norway and the Netherlands.

Latvia for both interconnections with Estonia and Lithuania answered NA for most of the questions. The same holds true for Lithuania.

The Norned cable is in this context the only cable which currently connects two regions; Central West and the Northern region. The other interconnectors are intra-regional due to the lay out of the regions and the consequence that the regions are overlapping.

It should be noted that no answers were provided from Rumania, the interconnections involving Rumania have thus been evaluated with the information received from the neighbouring countries Bulgaria and Hungary.

2 Information on Interconnection Capacities and General Principles for CM (from Regulation (EC) 1228/2003)

2.1 Provision of Information on Interconnection Capacities (Article 5)

Article 5 of the Regulation aims at ensuring implementation of adequate coordination and information-exchange mechanisms, as well as other necessary provisions to ensure secure and optimal functioning of networks by TSOs.

According to Article 5.1, TSOs shall put in place coordination and information exchange mechanisms to ensure the security of the networks in the context of CM.

According to Article 5.2 the safety, operational and planning standards used by TSOs shall be made public. The information published shall include a general scheme for the calculation of the total transfer capacity and the transmission reliability margin based upon the electrical and physical features of the network. Such schemes shall be subject to the review by the Regulatory Authorities.

Article 5.3 requires that TSOs publish estimates of available transfer capacity for each day, indicating any available transfer capacity already reserved. Those publications shall be made at

¹⁰ The France-UK interconnector (IFA) is, on the UK side, owned and operated by National Grid Interconnector Limited who hold a UK interconnector licence. It is regulated as a separate entity from the national TSO (i.e. it is not part of the national TSO Regulatory Asset Base) by Ofgem. All relevant aspects of the Regulation apply to NGIL IFA

specified intervals before the day of operation and shall include, in any case, week-ahead and month-ahead estimates, as well as a quantitative indication of the expected reliability of the available capacity.

Compliance with Article 5 has been evaluated for 31 interconnections where congestions exist. Therefore, the percentage figures for compliance refer to the portion of those 31 interconnections, where the given provisions are met. Only “yes” or “no” answers have been allowed with regards to Article 5, NA answers have been counted as “no”.

For Article 5.1, there is a relatively high level of compliance (85 %). From the NRA data it can be deduced that for most of the interconnectors, TSOs have described coordination and information exchange mechanism for ensuring the security of networks in the context of congestion management. Further, the NRAs report that for all interconnectors, TSOs have agreed on coordination and information exchange mechanisms.

At almost all interconnections, the TSOs have described safety, operational and planning standards including a general scheme for the calculation of the total transfer capacity and reliability margin; a general calculation scheme has been published on 92 % of interconnections. This is slightly higher than in the second report.

At almost all interconnections the TSOs have described the publication process for the relevant information.

Almost all TSOs have published available transmission capacity for each day, indicating any capacity already reserved. For submitting a description of publication procedures to the responsible NRAs a slightly lower compliance has been observed, in line with that of the second compliance report.

With regards to Article 5.3 there is a 90 % compliance.

In the second report compliance report, it was noted that lack of sufficiently detailed provisions on information management and transparency contributed to a relatively low level of general compliance with Article 5 of Regulation in the second report. The analysis for the third report however, indicates a higher level of compliance. This increase may be due to several factors. The publications of regional Transparency Reports and regional actions for following up compliance with these are considered important, and may have contributed to a higher level of coordination and information exchange, and thus compliance with the regulation in this respect. It should also be noted that the second report included 28 interconnectors, whereas this report includes 31. Thus the percentage numbers are not directly comparable, but a trend can be seen.

2.2 General Principles of Congestion Management (Article 6)

This article requires TSOs to describe, apply and publish procedures regarding:

- Curtailment;
- Calculation of transmission capacity;
- Dissemination of information on intended use of capacity;
- Netting;
- Use of congestion revenues.

Article 6.1 states that an effective CM method should be implemented. Network congestion problems shall be addressed with non-discriminatory market based solutions which give efficient economic signals to the market participants and TSOs involved. Network congestion problems shall preferentially be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants.

The analysis demonstrates full compliance with this article, as provisions are implemented at all the interconnectors.

Article 6.2 is addressing curtailment procedures. It states, that curtailment shall only be applied in emergency situations where the TSOs must act in an expeditious manner and redispatching or countertrading is not possible. It is further required, that any such procedure shall be applied in a non-discriminatory manner and that market participants who have been allocated capacity shall be compensated for any curtailment except in cases of Force Majeure.

NRAs report that the provisions in this article are fulfilled at 95 % of the interconnectors.

Article 6.3 requires that the maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Within the present legal framework, the NRAs cannot ensure compliance with this article and this is one of the issues which require further clarification to assess the compliance.

Article 6.4 is targeted at the rules for dissemination of information by market participants as well as the reattribution of transmission capacity. Thus according to the Article 6.4 market participants shall inform the TSOs a reasonable time ahead of the relevant operational period whether they intend to use allocated capacity. Any allocated capacity that will not be used shall be reattributed to the market, in an open, transparent and non-discriminatory manner.

NRAs report that 100 % of the interconnectors are in compliance with this article.

Article 6.5 postulates that rules for netting should be implemented, where TSOs shall, as far as technically possible, net the capacity requirements in opposite directions over the congested interconnection in order to apply its maximum capacity. Furthermore, having full regards to network security, transactions that relieve congestion shall never be denied.

NRAs report that 92 % of the interconnectors are in compliance with this article.

Finally, Article 6.6 prescribes the obligations of TSO regarding congestion revenues, where any revenues resulting from the allocation of interconnection shall be used for one or more of the following purposes:

- (i) guaranteeing the actual availability of the allocated capacity;
- (ii) network investments maintaining or increasing interconnection capacities;
- (iii) as an income to be taken into account by Regulatory Authorities when reviewing the methodology for calculating network tariffs, and/or in assessing whether tariffs should be modified.

There is 95 % compliance with this provision. The more detailed evaluation of compliance with the Article 6 with respect to the congestion management methods and the use of the congestion income are a subject to considerations in the fourth chapter of this Third Compliance Report, where compliance with the CM Guidelines is assessed in detail. Issues related to countertrade and redispatching are addressed also, as "Key issue number 3" of this report (Chapter 4.7).

4. Compliance with the CM Guidelines

4.1 General Provisions

In this chapter, the compliance with the provisions from Section 1 of the CM Guidelines is evaluated.

Compliance with the CM Guidelines requires that economically efficient methods for congestion management are implemented. According to the compliance criteria, there shall be unrestricted and non-discriminatory access to interconnections when no congestions exist.

Appropriate rules and methods for managing structural congestions shall be agreed upon in advance and be implemented by TSOs immediately when congestion occurs. Furthermore, congestions within a control area should not be attempted to be resolved by reduction of interconnection capacity.

4.1.1 Existence of Criteria for not Accepting Commercial Transactions

According to point 1.1 of the CM Guidelines TSOs shall endeavour to accept all commercial transactions, including also those for cross-border trade.

It was confirmed that for all borders these criteria exist and are published.

In case of denial of commercial transactions, almost all TSOs comply with the CM Guidelines, with reasons and criteria for denial communicated immediately to market participants.

The level of compliance is higher than one observed in the previous report. This is due to the NA answers given by the new interconnections taken into account.

4.1.2 Existence of Congestion Management

According to Point 1.2 of CM Guidelines no restrictions for access to the interconnection shall be set when there is no congestion and thus no permanent allocation procedure is needed.

All TSOs have published to the market participants those interconnections where CM procedures exist. In summary, all TSOs comply with criteria set by the regulators to fulfil the requirements set under point 1.2 of the CM Guidelines.

The observed compliance is better than the one in the previous report. It must be noted that the interconnections where those criteria are non applicable are considered as compliant.

4.1.3 Economically Efficient Alleviation of Congestions by TSOs

In cases where power flows caused by commercial transactions are not compatible with secure network operation, TSOs shall relieve congestions to maintain operational security of the grid and ensure that costs for this remain at economically efficient level according to point 1.3 of the CM Guidelines. There is a compliance of 82 % with this point.

Curative redispatching or countertrading shall be envisaged in case lower cost measures cannot be applied.

With respect to the use of procedures that reflect economical efficiency, many NRAs have indicated a general compliance, but for example only in half of the cases, the TSOs are actually reporting costs and volumes of countertrading and redispatching.

In any case, even with reasonable information available and delivered to the NRAs, the exact quantification of compliance with this Point is not sensible. Therefore it is also not presented in quantified terms here. However, compared to the previous report, more NRAs report costs and volumes of countertrading and redispatching.

This issue is further detailed in section 4.7.

4.1.4 Congestion Management in Case of Structural Congestion

According to Point 1.4 of CM Guidelines, if structural congestions appear, the TSOs are required to define and agree upon rules and arrangements for CM in advance and implement them immediately. The CM methods shall ensure that the physical power flows associated with all allocated transmission capacity comply with network security standards.

According to the answers from NRAs, about almost all of TSOs comply with these requirements and consistent answers are provided within the different regions.

Furthermore, the answers widely confirm that definitions of where congestions exist are established, that rules are agreed upon in advance and implemented immediately when applicable (i.e. when congestion appears).

Further, the TSOs have also ensured compliance with security rules, communicated rules and arrangements transparently to market participants and to the NRA in most cases.

For almost all interconnections, the TSOs have reported that CM methods comply with network security standards.

The final criterion under this Point requires the TSOs to set a monitoring process for implementation of the CM rules and arrangements including the criteria for further development of CM rules and arrangements. Most of the answers confirm compliance with this criterion however fewer NRAs report to have received a description of the monitoring process from the TSOs.

In summary, the TSOs at 94 % of interconnections comply with criteria set by the regulators to fulfil requirements set under point 1.4.

Once again, the degree of compliance has slightly increased compared to the observations made in the previous report. This increase is particularly strong concerning the description of the monitoring process sent to NRAs.

4.1.5 Efficient Economic Signals to Market Participants and TSOs

According to point 1.5 of the CM Guidelines, applied CM methods shall give efficient economic signals to market participants and TSOs, promote competition and be suitable for regional and community-wide application.

A high proportion of the answers confirm that the applied congestion management methods give economic efficient signals and promote competition – however it must be borne in mind that in most of those cases, the methods used at a day-ahead stage were explicit auctions, which are in principle allowed by the CM Guidelines but are today considered to be less economically efficient for day ahead allocations than implicit auctions. One NRA answered that compliance is not fulfilled since day-ahead explicit auctions very often lead to two kinds of inefficiencies:

- (i) nominations of capacity in the opposite side to the price differential
- and
- (ii) under-utilization of capacity when price differential exists.

These inefficiencies are inherent to explicit auctions mechanisms and constitute an evidence of the drawbacks in market integration when day-ahead explicit auctions are used. The inefficiencies have been well identified in the report of the European commission on the experience gained in the application of the Regulation, published on 15th May 2007¹¹, as well as in the first ERGEG ERI Convergence and Coherence Report of, published on 18th June 2007¹².

A lower number of replies confirm that methods are suitable for regional and communitywide application, what is evaluated accordingly for the Section 3 of the CM Guidelines thereafter.

In summary, the TSOs at 90 % of interconnections comply with criteria set by the regulators to fulfil requirements set under point 1.5.

Although the degree of compliance is higher than in the previous report, less NRAs considered that the methods for managing the interconnections are suitable for regional and communitywide application. Although explicit allocations are compliant, there seems to be a growing consensus about the development of implicit auctions that are more suitable for regional and communitywide integration.

4.1.6 No Transaction-Based Distinctions

No transaction based distinctions may be applied according to point 1.6 of the CM Guidelines. A request for transmission service can only be denied when operational security cannot be guaranteed and the monetary value attached to the request is lower than all other requests intended to be accepted for the same service and conditions.

Less than half of the replies confirm that the TSOs have reported cases where transaction-based distinction happened. In most cases, the TSOs have not reported any cases of transaction-based distinction because no such cases have been observed or because there is no congestion. Furthermore, with implicit auctions transaction-based distinctions are inherently prevented and thus no transaction-based distinction has been reported wherever an implicit auction is in place.

This is one point where the degree of compliance has decreased compared to the results of the previous reports. This may be due to a better understanding of the requirements regarding transaction-based distinction following the EU infringement procedures.

¹¹Document can be found at http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=en&type_doc=COMfinal&an_doc=2007&nu_doc=250

¹²Document can be found at http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_INITIATIVES/Progress_Reports/2007/RI_Annual_Reports/RegionalInitiatives%20annual%20report.pdf

4.1.7 No Limitation of Cross Border Capacity to Solve internal Congestions

Point 1.7 of CM Guidelines requires that TSOs shall be guided by principles of cost-effectiveness and minimisation of negative impacts on the Internal Electricity Market (IEM) when defining appropriate network areas where to apply congestion management. TSOs may not limit interconnection capacity in order to solve congestion inside their control area, except for reasons of operational security and reasons of cost-effectiveness and minimisation of negative impacts on the IEM. If such a situation occurs, this shall be described and transparently presented to all the users by TSOs and such situation may be tolerated only until a long-term solution is found. Furthermore, the methodology and projects for achieving the long-term solution shall be described and transparently presented to all the users by the TSOs.

The CM Guidelines set preconditions, i.e. operational security, cost-effectiveness and minimisations on negative impacts on IEM, for limiting interconnector capacity due to the internal congestions within TSOs' own control area. In such situations compliance with the CM Guidelines can be ensured by describing transparently the reasons for limitations and their effects on operational security and integrated market.

However, it is not specified how long the short-term solution can be tolerated in order to be compliant with the CM Guidelines. In the joint network planning across the control area borders, it is important to minimise the effects of congestions on the IEM.

The reasons explaining the limitations should be described and presented on the website of the TSO or Power Exchange. For half of interconnections TSOs comply with this requirement.

A problem with internal congestions does not exist or has not led to limitations on cross border capacity (and is thus not applicable) in about one third of all interconnections.

Further criteria for compliance with this Point require that a long term solution to internal congestions is described and the methodology and projects are presented by the TSO including time table for implementation. In addition a description should be sent to the NRA. Approximately 90 % of replies indicate compliance with those criteria.

All criteria under this point have been better respected by TSOs compared to the previous report.

4.1.8 Taking into Account Effect on Neighbouring Control Areas

When balancing the network inside the control area through operational measures in the network and through redispatching, the TSOs shall take into account the effect of these measures on neighbouring control area according to point 1.8 of the CM Guidelines. The TSOs shall thus have in place rules and procedures on how the effects of operational measures on neighbouring control areas are taken into account when balancing the network inside the own control area.

Almost all replies confirm that TSOs have defined rules and procedures how the effects of measures (physical flows) on neighbouring control areas are taken into account when balancing the network inside control area through operational measures in the network and through (re)dispatch.

The NRAs answering positively regarding compliance with this criterion have also confirmed that the rules and procedures have been communicated to the neighbouring TSOs. A high number of replies confirm that rules and procedures have also been sent to the NRA.

In summary, the TSOs at 92 % of the interconnections comply with criteria set by the regulators to fulfil requirements set under point 1.8. The observed compliance is higher than the one in the previous report.

4.1.9 Intra-Day Allocation since 1st January 2008

In order to maximise opportunities for trade and cross-border balancing, Point 1.9 of the CM Guidelines requires that mechanisms for intra-day congestion management on interconnections shall be established in a coordinated way and under secure operational conditions by 1st January 2008.

The answers given by the NRAs regarding established mechanisms for intra-day congestion management vary with respect to the different interconnections. In total there seems to be intraday mechanisms in place at about half of the interconnectors monitored. However, some of those mechanisms are not market based (e.g. relying on pro-rata method), but evaluating the type of mechanism is not part of this compliance report.

On interconnectors where intra-day mechanisms exist, in most cases a description has been sent to the NRAs.

At some interconnections where the compliance with this Point is not fulfilled yet, the implementation is under way.

In summary, the TSOs at 64 % of the interconnections comply with criteria set by the regulators to fulfil requirements set under point 1.9.

The observed compliance is higher than the one in the previous report.

The implementation of regional cross-border intra-day mechanisms is further addressed in chapter 5

4.1.10 Evaluation of CM Methods by NRAs

According to Point 1.10 of the CM Guidelines the NRAs shall regularly evaluate CM methods paying particular attention to compliance with the principles and rules established in the present Regulation and CM Guidelines and with the terms and conditions set by the NRAs. The evaluation shall include consultation of all market players and dedicated studies.

The criteria under this Point require that the NRAs should agree on regular (e.g. annually) evaluation of CM methods, preparation and publication of the Compliance Report. The need for dedicated studies should be also be evaluated within the Compliance Report.

When setting the criteria (cf. Criteria Paper) for compliance with this Point, it has been agreed that compliance with this Point is met when NRAs have evaluated the CM methods annually. Furthermore, need for dedicated studies shall be evaluated in this same context.

Some of the NRAs have indicated non-compliance with this Point and related criteria and have explained that annual procedures have not been established yet since for them this was the first evaluation.

Most of the NRAs reported that they do a regular evaluation of the CM methods.

The consultation of the compliance report has been conducted annually by a majority of NRAs .

Most of NRAs have been evaluating the need for dedicated studies during annual compliance evaluation.

The observed compliance is 87 % and similar to the one observed in the previous report.

4.2 Congestion Management Methods

Figure 1 summarizes the applied congestion management methods across different time frames and different borders and the status of the implementation of intra-day congestion management mechanism (see also more detailed elaboration in chapter 5).

Allocation methods	Yearly allocation	Monthly allocation	Day-ahead allocation	Intra-day allocation exists
Estonia-Latvia	Not applicable/ No congestion	Not applicable/ No congestion	Not applicable/ No congestion	Not applicable/ No congestion
Latvia-Lithuania	Not applicable/ No congestion	Not applicable/ No congestion	Not applicable/ No congestion	Not applicable/ No congestion
Austria-Czech Republic	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Austria-Hungary	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Austria-Slovenia	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Germany-Poland	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Czech Republic-Poland	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Poland-Slovakia	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Czech Republic-Germany	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Czech Republic-Slovakia	Explicit auctions	Explicit auctions	Implicit auctions	Intra-day exists
Hungary-Slovakia	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Austria-Italy	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Italy-Slovenia	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Italy-Greece	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
France-Italy	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
France-Germany	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Belgium-France	Explicit auctions	Explicit auctions	Implicit auctions	Intra-day exists
Belgium-Netherlands	Explicit auctions	Explicit auctions	Implicit auctions	Intra-day exists
Germany-Netherlands	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Norway-Sweden	Not applicable/ No congestion	Not applicable/ No congestion	Implicit auctions	No intra-day
Finland-Sweden	Not applicable/ No congestion	Not applicable/ No congestion	Implicit auctions	Intra-day exists
Denmark-Sweden	Not applicable/ No congestion	Not applicable/ No congestion	Implicit auctions	Intra-day exists
Denmark-Germany	Explicit auctions	Explicit auctions	Implicit auctions	Intra-day exists
Denmark-Norway	Not applicable/ No congestion	Not applicable/ No congestion	Implicit auctions	Intra-day exists
France-Spain	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Spain-Portugal	Not applicable/ No congestion	Not applicable/ No congestion	Implicit auctions	Intra-day exists
France-UK	Explicit auctions	Explicit auctions	Explicit auctions	Intra-day exists
Hungary-Rumania	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Rumania-Bulgaria	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day
Bulgaria-Greece	Explicit auctions	Explicit auctions	Explicit auctions	No intra-day

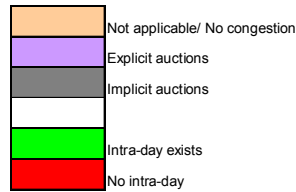


Figure 1: Congestion management methods in different timeframes:

4.2.1 Congestion Management only by Explicit and/or Implicit Auctions

According to point 2.1 of the CM Guidelines, the CM methods shall be market-based in order to facilitate efficient cross-border trade. Only explicit and implicit auctions are allowed and both methods can co-exist at an interconnection.

EU-wide: Explicit allocation methods are in place on all interconnections for yearly and monthly auctions except in the Nordic region where only day-ahead implicit auctions are applied. As regards day-ahead capacities, approximately two thirds are explicitly auctioned and the remaining third follows an implicit scheme. This result is widely unchanged compared to the second Compliance Monitoring report.

In the different regions the following situation can be summarized:

CWE: Explicit auctions are held on yearly and monthly basis on all interconnections in the region. These auctions are done via CASC-CWE as a single point of contact. Within the TLC (Trilateral Market Coupling) scope between France, Belgium and Netherlands, implicit auctions are used for day-ahead allocation, whereas on German borders (Germany-France, Germany-Netherlands) explicit auctions are used for day-ahead allocation. This region is considered compliant with the requirements from Point 2.1 of the CM Guidelines. There are plans to implement market coupling with implicit auctions for the day ahead timeframe across the whole region by 9 November.

CSE: Explicit Auctions are held for all timeframes except intraday on all EU borders of the CSE Region (IT-FR, IT-AT, IT-SI, IT-GR) and also on IT-CH border. Each TSO acts as auction operator in export direction from its control area, but as of April 2010, Terna started to act as a Single Auction Office on the Italian – French border. From mid-2011 CASC will act as a single point of contact also for Italian borders running explicit auctions. At the same time CASC will start acting as auction operator for CH-DE and CH-AT borders.

CEE: Yearly, monthly and daily explicit auctions are conducted for all borders in the region. For the borders between Poland, Germany, Czech Republic and Slovakia the Czech TSO CEPS acts as an auction operator, for the other borders the arrangements were bilaterally different. Thus compliance with the requirements of point 2.1 of the CM Guidelines is achieved.

Northern: Within Nordic market (Denmark, Finland, Norway and Sweden) there exist no explicit auctions of physical transmission rights and the entire capacities are allocated implicitly day-ahead. However within the Northern Region, on the border between German and Denmark 1, there are yearly and monthly explicit auctions with UIOLI combined with implicit volume coupling allocations apply. Since May 2010 there are also implicit auctions on the Baltic Cable between Sweden and Germany. As of April 2010, Estonia was connected to the Nordic market through implicit auctions. There are imminent plans to open SwePol Link with implicit auctions. This region is considered compliant with point 2.1 of the CM Guidelines.

SWE: On the French-Spanish border, capacity is explicitly allocated for all timeframes, whereas the interconnections on the Iberian Peninsula, daily and intraday capacity is allocated through implicit auctions under the MIBEL market splitting. There are no long term auctions of capacity in the MIBEL market; however there is a set of coordinated rules for long term capacity allocation approved by the Council of Regulators of MIBEL, which is pending approval by the Portuguese and Spanish Governments. This region is considered compliant with point 2.1.

FUI: Yearly, monthly, daily and intraday explicit auctions are available at the France-UK interconnection. Compliance with Point 2.1 of the CM Guidelines within this region can be observed.

Rumania and Bulgaria (as members of the SEE region): For Rumania no input was received. Bulgaria conducts explicit yearly, monthly and daily auctions on the borders to Rumania and Greece. Thus the level of compliance can not be fully assessed.

4.2.2 Long- and Short-Term Transmission Capacity Allocation

Point 2.2 of the CM Guidelines requires that depending on competition conditions CM mechanisms may need to allow for both, long- and short-term allocation.

Since this Point has conditional applicability and does not clearly impose firm binding rules, no specific compliance evaluation is performed on it (this is following the practice from the 2008 compliance monitoring report. However for approximately 66% of interconnections, TSOs have described the reasons for having or not having, both long- and short-term transmission capacity allocations and the assessment on Point 2.1 demonstrates that the co-existence of longer- and shorter term allocations is widely in place.

4.2.3 Allocation of Available and any Remaining Capacity

According to point 2.3 of the CM Guidelines, a prescribed fraction of the available interconnection capacity plus any remaining capacity not previously allocated and any capacity released by capacity holders from previous allocations shall be allocated by each capacity allocation procedure.

Cascade-like publication and allocation of unused capacities are widely present on interconnections across Europe.

For practically all interconnections, allocation procedures for different time frames have been defined by the TSOs and the related descriptions were sent to NRAs. It should be noted that for more than half of the borders reports on "left-over" capacities" are provided to the NRAs this is significantly higher than in 2008.

Overall more than 92 % of the interconnections show compliance with the criteria defined to fulfil requirements set under point 2.3.

4.2.4 Optimizing the Degree of Firmness

According to point 2.4 of the CM Guidelines the TSOs shall optimise the degree to which capacity is firm, taking into account the obligations and rights of the TSOs involved and the obligations and rights of market participants, in order to facilitate effective and efficient competition. Furthermore, a reasonable fraction of capacity may be offered to the market at a reduced degree of firmness, but the exact conditions for transport over cross-border lines shall at all times be made known to market participants.

As already highlighted in the 2008 Compliance Monitoring report it must be underlined that the provisions for "optimizing the degree to which capacity is firm" and "offering capacity with a reduced degree of firmness" have to be considered to be vague and not precise enough without further refinement. This is one of the issues which is addressed in the ERGEG Framework Guidelines on Capacity Allocation and Congestion Management more specifically and shall consequently be resolved in the new provisions following the procedures and provisions stemming from the Third Package.

In general, definitions on conditions exist and are publicly available and reporting to NRAs on firmness granted to market participants is conducted. Numeric results are of low significance here, since as indicated at the beginning, day-ahead transactions are physically firm for many borders and downgraded firmness products are hardly offered to the market.

In summary, NRAs report that 92 % of interconnectors comply with the defined criteria.

4.2.5 Firmness of Long- and Medium-Term Capacity Rights, UIOSI / UIOLI

Point 2.5 of the CM Guidelines requires that access rights for long- and medium-term allocations shall be firm transmission capacity rights and these rights shall be subject to the UIOSI (Use-It-Or-Sell-It) or UIOLI (Use-It-Or-Lose-It) principles at the time of nomination.

Based on the defined criteria compliance at approximately 96 % of the interconnections has been observed. However, it must be emphasized that a quantitative assessment of this point is depending on the different potential interpretations what the level of firmness should be. It should be noted that this issue is addressed in the ERGEG Framework Guidelines on Capacity Allocation and Congestion Management to ensure a clear interpretation in the future.

Moreover this chapter does not apply to the Nordic market, which is organised with capacity allocation through day-ahead implicit auctions and a financial market for futures and forwards in a longer timeframe (up to three years); thus long- and medium term physical capacity allocations have not been applied.

4.2.6 Structure for Capacity Allocation between different timeframes

According to point 2.6 of the CM Guidelines, the TSOs shall define an appropriate structure for the allocation of capacity between different timeframes. This may include an option for reserving a minimum percentage of interconnection capacity for daily and intra-day allocation. The allocation procedure shall be subject to review by the respective Regulatory Authorities.

TSOs' treatment of timeframe structure for capacity allocation is generally perceived as compliant.

In summary, the TSOs at 92 % of the interconnections comply with the criteria set by the regulators to fulfil requirements set under point 2.6.

4.2.7 Discrimination bilateral transactions and bidding into Power Exchanges

According to point 2.7 of the CM Guidelines capacity allocation may not discriminate between market participants that wish to use their rights to make use of bilateral supply contracts or to bid into power exchange. The higher value bids, whether implicit or explicit in a given timeframe, shall be successful.

The requirement is not perfectly clear, since usually explicit auctions do not coexist with implicit auctions via Power Exchanges for the same allocation timeframe. However, compliance has been achieved for at 95 % of the interconnections, which is even a slight improvement compared to the last Compliance Monitoring Report.

4.2.8 Allocation of All Capacity by Implicit Auctions where Efficient Forward Financial Electricity Market Exists

According to Point 2.8 of the CM Guidelines in regions where forward financial electricity markets are well developed and have shown their efficiency, all interconnection capacity may be allocated through implicit auctioning.

This criterion applies currently only to the Nordic market, where liquid forward financial markets exists and fulfil the need for long term hedging. In these countries relevant authorities (financial market supervisory authorities, energy regulators) have analysed the market and its development concluding if functions satisfactorily and has proven its' efficiency.

In summary there is 90 % compliance with this provision.

4.2.9 Reserve Prices

According to Point 2.9 of the CM Guidelines establishing reserve prices in capacity allocation methods shall not be allowed. Exemption is possible for new interconnections under the Article 7 of the Regulation.

Compliance with this Point is at 89 %. No reserve prices are observed to be in place, except for lines exempted under Article 7 of the Regulation.

4.2.10 Restrictions for Participation of Market Players in Allocation

According to point 2.10 of the CM Guidelines all potential market participants shall, in principle, be permitted to participate in the allocation processes without restriction. To avoid creating or aggravating problems related to the potential use of dominant position of any market player, the relevant Regulatory and/or Competition Authorities, where appropriate, may impose restrictions in general or on an individual company on account of market dominance.

The replies confirm a high degree of overall compliance with this point, 81 %, however, procedures and rules to monitor potential use of dominant position of market participants and to set restrictions are in place to a lesser extend.

The existing procedures and rules have been transparently published to market participants and sent to the NRAs.

4.2.11 Deadlines and Nomination

According to point 2.11 of the CM Guidelines market participants shall firmly nominate their use of the capacity to the TSOs by the defined deadline for each timeframe. The deadlines shall be set such that TSOs are able to reassign unused capacity for reallocation in the next relevant timeframe – including intra-day sessions.

More than 87 % of the responses demonstrate compliance with the requirements under this Point and the related criteria. Negative answers or not applicable ones are due to the absence of longer term capacity allocation (e.g in the Nordic area). The issue whether the timeframes are set sufficiently in advance is dealt with under the evaluation of compliance with Section 4 of the CM Guidelines.

4.2.12 Secondary Trade

Allocated capacity shall be freely tradable on a secondary basis according to point 2.12 of the CM Guidelines, provided that that the TSO is informed sufficiently in advance. Where a TSO refuses any secondary trade (transaction), this must be clearly and transparently communicated and explained to all the market participants by that TSO and notified to the Regulatory Authority.

In summary, at about 73 % of the interconnections, compliance is observed with criteria set by the regulators to fulfil requirements set under point 2.12.

4.2.13 Financial consequences in case of failure to honour obligations

According to point 2.13 of the CM Guidelines the financial consequences of failure to honour obligations associated with the allocation of capacity shall be attributed to those who are responsible for such a failure. Where market participants fail to use the capacity that they have committed to use, or, in the case of explicitly auctioned capacity, fail to trade on a secondary basis, or give the capacity back in due time, they shall lose the rights to such capacity and pay a cost-reflective charge. Likewise, if a TSO does not fulfil its obligation, it shall be liable to compensate the market participant for the loss of capacity rights. No consequential losses shall be taken into account for this purpose. The key concepts and methods for the determination of liabilities that accrue upon failure to honour obligations shall be set out in advance in respect of the financial consequences, and shall be subject to review by the relevant national Regulatory Authority or Authorities.

Overall approximately 87 % of compliance is achieved. However it should be noted that the quantitative assessment has to be used carefully since the requirements on compensations for not fulfilling the obligations are not clearly defined in point 2.13 and leave room for interpretation.

According to Point 2.13 of the CM Guidelines, a compensation for curtailment is required, except in cases of force majeure. It appears from the answers on this criterion that in the majority of cases market players are not compensated but reimbursed. The ERGEG Framework Guidelines on Capacity Allocation and Congestion Management are setting more detailed requirements in this respect and do help for clarification.

4.3 Coordination – Key Issue #1 of the Third Compliance Report

According to Point 3.1 of the CM Guidelines capacity allocation at an interconnection shall be coordinated and implemented using common allocation procedures by the TSOs involved. In cases where commercial exchanges between two countries (TSOs) are expected to significantly affect physical flow conditions in any third country (TSO), CM methods shall be coordinated between all the TSOs so affected through a common CM procedure. NRAs and TSOs shall ensure that no CM procedure with significant effects on physical electric power flows in other networks is devised unilaterally. There is 85 % compliance with this provision.

Point 3.2 of the CM Guidelines require that a common coordinated CM method and procedure for the allocation of capacity to the market at least yearly, monthly and day-ahead shall be applied by not later than 1st January 2007 between countries in the seven regions (Northern Europe; North-West Europe; Italy (Central South Europe); Central Eastern Europe; South-West Europe; UK, Ireland and France (FUI); Baltic states). Furthermore, at an interconnection involving countries belonging to more than one region, the CM method applied may differ in order to ensure the compatibility with the methods applied in the other regions to which these countries belong. In this case the relevant TSOs shall propose the method which shall be subject to review by the relevant Regulatory Authorities. There is 80 % compliance with this provision.

According to Point 3.3 of the CM Guidelines the regions, where forward financial markets are well developed and have demonstrated their efficiency, may allocate all interconnection capacity through day-ahead allocation. There is 97 % compliance with this provision.

According to Point 3.4 of the CM Guidelines compatible CM procedures shall be defined in all seven regions with a view to forming integrated Internal Electricity Market and market parties shall not be confronted with incompatible regional systems. With this point the compliance is low, only 17 %. Keeping in mind that no events after 30 June 2010 have been taken into account; i.e the market coupling between the CWE and the Northern region (which went live on 9 November 2010) would contribute to a much higher compliance with this provision.

Point 3.5 of the CM Guidelines requires that when promoting fair and efficient competition and cross-border trade, coordination between TSOs within all seven regions shall include all the steps from capacity calculation and optimisation of allocation to secure operation of the network, with clear assignments of responsibility. Such coordination shall include, in particular:

- a) Use of a common transmission model dealing efficiently with interdependent physical loop-flows and having regard to discrepancies between physical and commercial flows,
- b) Allocation and nomination of capacity to deal efficiently with interdependent physical loop-flows,
- c) Identical obligations on capacity holders to provide information on their intended use of the capacity, i.e. nomination of capacity (for explicit auctions),
- d) Identical timeframes and closing times,
- e) Identical structure for the allocation of capacity among different timeframes and in terms of blocks of capacity sold,
- f) Consistent contractual framework with market participants,
- g) Verification of flows to comply with the network security requirements for operational planning and for real time operation,
- h) Accounting and settlement of congestion management actions.

According to Point 3.5 of the CM Guidelines coordination shall also include the exchange of information between TSOs. The nature, time and frequency of information exchange shall be compatible with the activities set in point 3.5 and the functioning of the electricity markets.

This information exchange shall in particular enable the TSOs to make the best possible forecast of the global grid situation in order to assess the flows in their network and the available interconnection capacities. Furthermore, any TSO collecting information on behalf of other TSOs shall give back to the participating TSO the results of the collection of data.

Compliance in terms of detailed compatibility of allocation procedures with other regions (Point 3.4 of the CM Guidelines) is an intra-regional question and has to be assessed from an overall European perspective. Still the issues referred to in this chapter have progressed within the Regional Initiative framework. Compliance has not yet been reached for all European interconnections but further improvements are under preparation and can be expected. Though there are different levels of coordination within the Regions, none of the Regions are fully compliant with the requirements set under point 3.5 (Common Region-wide coordinated allocation procedures) per 30.6.2010. The compliance with 3.5 is according to the data sent by NRAs at 50 %.

Since the focus of Point 3 of the CM Guidelines is on coordination within regions defined in Point 3.2, the regions are also used as the basis for the evaluation of compliance here.

Region Central South (CSE)

A common set of rules applies to yearly, monthly and daily capacities on the Italian borders of the CSE Region, ensuring a level of harmonisation on relevant issues, such as auctions' format of bids, secondary market, UIOSI for long term capacities and UIOLI for daily capacities. Auction rules are defined since 2008 in a common document drafted by the six TSOs involved and approved or reviewed by the relevant NRAs. Starting from mid-2011, CASC will act as a single point of contact throughout the whole CSE Region, including Swiss borders even if with separated auction rules which are foreseen to be harmonized by 2012.

Some features of the region-wide allocation process will be fully coordinated with the entry into force of CASC as single point of contact for all CSE borders. Some relevant examples are the harmonisation of timeframes and closing times.

Region Central Eastern Europe (CEE)

For the timeframe relevant for responses the coordination requirement to have common allocation procedures and having information on these procedures sufficiently available to the market are only partly fulfilled on a region wide basis in the CEE Region. The description and the communication to the market are usually done via the publication of auction rules by the involved TSOs. NRAs have been informed on the allocation procedures in advance or in parallel, usually also within the ERGEG ERI process. Effects of physical flows caused by the allocation procedures are partly taken into account, although not to the necessary extent.

Coordination for annual, monthly and daily allocations is done either bilaterally or multilaterally (Poland, Germany, Czech Republic and Slovakia) in the region.

The solutions in the monitored period are not fully compliant with the requirements described under point 3.5. However TSOs have established the Central Allocation Office (CAO) as a joint company and entity for implementing fully coordinated solutions. After extensive preparatory works CAO will start fully coordinated regional allocations, encompassing all TSOs from all the CEE countries, at the beginning of 2011. This step will ensure compliance since CAO will be a single point of contact and auctions are performed under a single set of rules for the entire region. Moreover, a common scheduling system, for all the CEE TSOs, allowing significant advantages for the market participants (one common data format throughout the region) is foreseen to start operation beginning of December 2010. This is also an important step towards the flow-based capacity calculation, planned to start in the first half of 2011.

Procedures for information and data exchange are established between TSOs and allow for assessments of the grid situation

Baltic States

Since between the Baltic countries no congestions exist, the application of the relevant legislation is in general not applicable.

Region South West Europe (SWE)

The coordination requirement to have common allocation procedures and that information on these procedures is sufficiently available to the market is partly fulfilled in the Region SWE. Coordination is done on a bilateral basis; however, a regional common allocation procedure does not exist yet within the region. The description and the communication to the market are widely compliant with the existing requirements.

Coordination for annual, monthly and daily allocations is done bilaterally. There exists no single coordinated allocation across all involved borders.

Compliance with detailed requirements under point 3.5 at the regional level is partly considered to be in place.

Procedures for regular information exchange between TSOs are established in the region. Not all NRAs have received further information or descriptions of such procedures.

Region Central West Europe (CWE)

The coordination requirement to have common regional allocation procedures and that information on these procedures is sufficiently available to the market (Point 3.1 of the CM Guidelines) is not yet uniform: for most of the countries. Effects of physical flows (caused by the allocation procedures) are not always taken into account.

Coordination for annual and monthly allocations is done via CASC-CWE for the entire region. Moreover France, Belgium and the Netherlands have a coordinated implicit day-ahead auction (Trilateral Market Coupling). From November 2010 onwards a coordinated day-ahead market coupling is applied within the whole CWE region (and the link from Germany towards the Nordic Region). This step should enable compliance with the given requirements. By mid December also the Normed cable will be included in the market coupling project – meaning that there will be one day ahead market from France, through Belgium and the Netherlands through to Northern Norway, Finland and Estonia.

Procedures for regular information exchange between TSOs are applied but NRAs do not always receive information of such procedures.

Region FUI

On the island of Ireland, the all-island Single Electricity Market (SEM) is operated by the two separate TSOs, namely EirGrid in the Republic of Ireland and SONI in Northern Ireland. They dispatch generators on a single all-island merit-order basis, so that what was the North - South interconnector (in the previous separate markets) is now treated like any other piece of transmission infrastructure on the island. Accordingly there are no forecasts of capacity, nominated capacity, auction of capacity, etc, with respect to this line. Instead it is treated the same as the other transmission lines in the SEM and affords automatic firm financial access to market participants with firm rights. Thus the only interconnection under compliance monitoring is the interconnection between France and the United Kingdom (the IFA interconnector).

For the IFA interconnector, coordination of allocations (Point 3.1 of the CM Guidelines) is done bilaterally.

Region Northern Europe (NE)

The understanding of coordination requirement; to have common allocation procedures and that information on these procedures is sufficiently available to the market (Point 3.1 of the CM Guidelines) is uniform in the Nordic market: For all countries within this market, these requirements are fulfilled. There is a multilateral coordination of congestion management within the Nordic market.

For region-wide coordination, i.e. the coordination between the Nordic market and Poland and Germany (Point 3.2 of the CM Guidelines), a bilateral coordination on interconnectors was introduced on 30.06.2010.. Compatibility with other regions is thus ensured. There are imminent plans for coordinating congestion management in the day-ahead timeframe through market coupling with the Central West Region. See also the section on CWE.

Concerning the transition to day-ahead allocation only (Point 3.3 of the CM Guidelines, and 2.8 of the Regulation), all NRAs consider that the markets are well developed and that the reasons for this transition are published.

4.4 Timetable for Market Operations

4.4.1 Allocation of Capacity Sufficiently in Advance

According to Point 4.1 of the CM Guidelines the allocation of the available transmission capacity shall take place sufficiently in advance. Prior to each allocation, the involved TSOs shall jointly publish the capacity to be allocated, taking into account, where appropriate, the capacity released from any firm transmission rights and, where relevant, associated netted nominations, along with any time periods during which the capacity will be reduced or not available.

All the interconnections comply with the criteria set under Point 4.1 of the CM Guidelines. This is higher than for the last report, where the number was 94 %. The increase in compliance may be due to TSOs now publishing information jointly and to another interconnection

Nomination Sufficiently in Advance

According to Point 4.2 of the CM Guidelines, having full regard to network security, the nomination of transmission rights shall take place sufficiently in advance, before the day-ahead sessions of all the relevant organised markets and before the publication of the capacity to be allocated under the day-ahead or intra-day allocation mechanism. Nominations of transmission rights in the opposite direction shall be netted in order to make efficient use of the interconnection. The issue of nomination is not relevant for systems with implicit auctions, and consequently those NRAs have been able to answer non-applicable, and this has counts as "yes".

Almost all NRAs have observed compatibility (99 %). The TSOs have described the nomination procedure and have also published it to the market participants accordingly. Moreover, the TSOs have sent the description of the nomination procedures to NRAs.

4.4.2 Intra-day Allocation Sufficiently in Advance

Point 4.3 of the CM Guidelines requires that successive intra-day allocations of available transmission capacity for day D shall take place on days D-1 and D, after the issuing of the indicated or actual day-ahead production schedules.

Approximately 68 % of the interconnections meet the criteria set under this Point (compared to 44 % in the last report). Note that interconnectors with no congestions are considered compliant in this context even if intraday mechanisms don't exist. 15 out of 31 monitored interconnectors have implemented intraday.

There exist a number of exceptions, with regard of the requirement for implementation of intra-day allocation or the region-wide coordination of intra-day allocation. It yields hence also non compliance in all such cases with regards to the description of the rules for the market. Several on-going projects for the implementation of intraday exist. See also Chapter 5.

4.4.3 Sufficient Exchange of Data between TSOs before Day-Ahead Operation

According to point 4.4 of the CM Guidelines when preparing day-ahead grid operation, the TSOs shall exchange information with neighbouring TSOs, including their forecast grid topology, the availability and forecasted production of generation units, and load flows in order to optimise the use of the overall network through operational measures in compliance with the rules for secure grid operation.

In all countries which responded, agreements exist for exchange of data for capacity calculation.

However, it has to be further evaluated by the NRAs, to what extent those agreements are fulfilled by the TSOs and whether TSOs actually optimise the use of the overall network through operational measures and in compliance with the rules for secure grid operation set under point 4.4. To that matter and bearing in mind numerous cases of curtailment, of operational emergencies and other events in the year 2007, it is easily concluded that this might not be the case.

Furthermore, there are cases where the TSOs have not sent related descriptions and agreements to their NRAs; in such cases the compliance cannot yet be directly confirmed by those NRAs. In order to alleviate that situation, an obligation should be included in the CM Guidelines, for the TSOs to report those descriptions to the NRAs. This is one of the issues which require further clarification and more detailed specification in the next version of the CM Guidelines.

At approximately 87 % of the interconnections, an information exchange platform is in place covering all the required information.

4.5 Transparency – Key Issue #2 of the Third Compliance Report

The Transparency requirements in the CM Guidelines were early on pointed out as needing clearer guidance for what information is to be published. In August 2006 ERGEG published Guidelines of Good Practice on Information Management and Transparency (GGP-IMT). The Regional Initiatives followed up with regional reports on transparency requirements. The first regional transparency report, which was for the Northern region was in 2007. This report was used as a starting point for other regional transparency reports. Even though these regional transparency reports are not legally binding, they have contributed greatly to enhanced transparency.

The European Commission asked ERGEG in cooperation with ENTSO-E to draft advice regarding Fundamental Data Transparency, which is intended to lead to (legally binding) comitology guidelines during 2011. The coming guidelines should give necessary clarity with regards to transparency requirements, and furthermore provide binding provisions. This is especially important regarding the publication of data on generation and load in DSO networks. While the CM Guidelines say that market participants concerned shall provide the TSOs with the relevant data, there is in many countries no obligation on the relevant market participants to provide the data or even to provide the necessary measurements.

Especially regarding the issue of transparency, the criteria for compliance defined by ERGEG are more detailed than the CM Guidelines. These more detailed criteria are interpretations, leaving the assessment of legal compliance unclear in some cases.

According to Point 5.1 of the CM Guidelines, TSOs shall publish all relevant data on network availability, network access, and network use, including a report on where and why congestion exist. In addition TSOs shall publish the methods applied for managing the congestion and the plans for its future management.

The replies indicate that in a high proportion of the cases, the TSOs or, where applicable, NRAs have defined criteria for relevant data related to network reliability, network access and network use. A lower proportion of TSOs is reported to have sent such criteria to the NRA. The TSOs are also requested under this point to publish a report on where and why congestion exists. Such a report has been published by the TSOs in approximately three fourths of the countries and sent to the NRAs.

The Baltic countries have reported no congestions and therefore the questions regarding congestion management methods are not applicable to these.

If there are congestions, the TSOs shall publish report on the methods applied for managing the congestion and send this report to the NRA. Three NRAs do not fulfil this requirement.

Furthermore, the TSOs shall publish plans for its future congestion management and send such a report to the NRA. A high proportion of NRAs fulfil this requirement.

Finally, nearly all of the NRAs report to have ensured that the TSO comply with this article. One explanation for this variation can be that the requested information is available in a variety of documents, published with different frequency and the NRA may have other methods to ensure that the requirements are met.¹³ The overall compliance with this point is 78 %.

According to point 5.2 of the CM Guidelines, the TSOs shall publish a general description of the congestion management method applied under different circumstances for maximising the capacity available to the market, and a general scheme for the calculation of the interconnection capacity for the different timeframes, based upon the electrical and physical realities of the network. The scheme shall be subject to review by the Regulatory Authorities of the Member States concerned.

Furthermore, TSOs shall publish a general scheme for the calculation of the interconnection capacity for the different timeframes and send such a scheme to the NRA. This has been the case in almost all the countries. The general scheme has been reviewed by all the NRAs, again indicating that NRAs may have other information for assessing the compliance with this general requirement.

There is an overall compliance with this point of 92 %.

According to point 5.3 of the CM Guidelines the congestion management and capacity allocation procedures in use, together with the times and procedures for applying for capacity, a description of the products offered and the obligations and rights of both the TSOs and the party obtaining the capacity, including the liabilities that accrue upon failure to honour obligations, shall be described in detail and made transparently available to all potential network users by TSOs.

¹³ It must however be mentioned, that this figure does not relate to the information on the actual origin and reasons for congestion (cf. Point 1.7 of the CM Guidelines). It is therefore considered important that the TSOs also provide such a report.

In relation to the requirements from point 5.3 of the CM Guidelines, the Baltic countries have reported that there is no congestion, and thus answered “on applicable”. The rest of TSOs have described in detail the congestion management and capacity allocation procedures in use and made that description transparently available to all market participants. Furthermore, these TSOs have sent the description of procedures to the NRAs. Only in one country the NRA has not explicitly ensured that the TSO complies with this article. The transparency requirements set in this Point 5.3 show an overall compliance of 93 %.

Point 5.4 of the CM Guidelines requires that the operational and planning security standards shall form an integral part of the information that TSOs publish in an open and public document. This document shall also be subject to review of national Regulatory Authorities.

The operational and planning security standards have been prepared and published by all the TSOs in an open and public document to market participants, and overall there is 93 % compliance with this provision.

Point 5.5 of the CM Guidelines requires that TSOs shall publish all relevant data concerning cross-border trade on the basis of the best possible forecast. The market participants shall provide the TSOs with the relevant data. Furthermore, the way in which such information is published shall be subject to review by Regulatory Authorities.

Point 5.5 seems to be more difficult in terms of achieving compliance than the other Points on Transparency, partly due to the many details requested, i.e. ERGEG has specified 47 criteria to be fulfilled in order to comply with this point.

The overall compliance with this point is relatively high, given the many criteria, with an average compliance of 89 %. However, ERGEG has specified that in order to be fully compliant with 5.5, the points 5.7, 5.8 and 5.9 also need to be complied with.

Planned outages in the transmission grid and on interconnections (including maintenance and other works) with dates and their impact on available capacity of interconnections if impact > 100 MW including reasons and are now published according to requirements, by a high proportion of the monitored TSOs.

Details on actual unplanned outages in the transmission grid and on interconnections if the impact is larger than 100 MW, with dates and their impact on available (remaining) interconnection capacity are now published by most of the TSOs¹⁴. Both these points have improved significantly since the second report.

In terms of capacity reserved ex-ante for balancing markets, only Denmark indicates that such capacity is reserved and published.

In case of explicit auctions, hourly capacity offered by TSO per border is published sufficiently before the allocation procedure by most of the relevant the TSOs. Furthermore capacity requested by market participants per border is published at the latest H+2 after each capacity allocation session according to requirements by almost all the relevant TSOs. About one fourth of the NRAs report that explicit auctions are not applicable.

About eight of ten TSOs publish congestion income, in compliance with criteria; shortly after each capacity allocation session has taken place and ensures that data is available for 2 years.

¹⁴ In the Nordic market, the four TSOs have an agreement with the power exchange, Nord Pool Spot to publish this information via the UMMs (urgent market messages). See <http://www.nordpoolspot.com/umm/>

For the following provisions under 5.5, ERGEG has made calculations of compliance with each of the criteria set out in the ERGEG Report "Compliance with Regulation 1228/2003 and Congestion Management Guidelines – Criteria for Compliance"¹⁵ The criteria are referred in the text.

The publication of reasons for any corrective action taken by the TSOs during daily operation is done by the TSOs in 71 % of the countries while 12 % regard this issue as non applicable. Rules and procedures for market participants to provide data to TSOs exist in 96 % of the countries, a substantial improvement since the second report. Furthermore, 92 % of the NRAs have reviewed the way in which information under Point 5.5 is published.

Point 5.5 of the CM Guidelines requires also that more detailed information shall be published.

According to point 5.5 (a) of the CM Guidelines TSOs shall publish at least annually information on the long-term evolution of the transmission infrastructure and its impact on cross-border transmission capacity for the next 3 years, including details for each project. The TSOs in 88 % of the countries comply with this requirement. In 63 % of the countries the TSOs comply with the specific provision of publishing the information a week before yearly capacity auction (i.e. at the latest 5th calendar day of month before the auction or at the end of week 51). A report on yearly timeframe, updated with changes at the latest two weeks later is published by the TSOs in 79% of the countries and 83% answers indicate that the report is available for three years..

According to point 5.5 (b) of the CM Guidelines TSOs shall publish at least monthly month- and year-ahead forecasts of the transmission capacity available to the market, taking into account all relevant information available to the TSO at the time of the forecast calculation (e.g. impact of summer and winter seasons on the capacity of lines, maintenance on the grid, availability of production units, etc.) According to the replies regarding requirements from point 5.5 (b), the year-ahead forecasts of available transmission capacity taking into account all relevant information available to the TSO are published by the TSOs in 92 % of the countries, whereas month-ahead forecasts of available transmission capacity are published all TSOs.

According to point 5.5 (c) of the CM Guidelines TSOs shall publish at least weekly week-ahead forecasts of the transmission capacity available to the market, taking into account all relevant information available to the TSOs at the time of calculation of the forecast, such as the weather forecast, planned maintenance works of the grid, availability of production units. In relation to point 5.5 (c), the TSOs in 83 % of the countries have published week ahead-forecasts of available transmission capacity.

According to Point 5.5 (d) of the CM Guidelines TSOs shall publish at least daily day-ahead and intra-day transmission capacity available to the market for each market time unit, taking into account all netted day-ahead nominations, day-ahead production schedules, demand forecasts and planned maintenance works of the grid. Point 5.5 (e) requires that TSOs shall publish total capacity already allocated by market time unit, and all relevant conditions under which this capacity may be used (e.g. auction clearing price, obligations on how to use the capacity), so as to identify any remaining capacity. Concerning the provisions and requirements from point 5.5 (d) day ahead capacity is published by all TSOs while the TSOs in 79 % of the countries also publish capacity for intra day allocation. This difference can be attributed to the fact that intra day allocation is not yet available on all borders.

¹⁵ Ref: E07-EFG-25-03, 10 December 2007

According to point 5.5 (e) the TSOs shall publish the total capacity already allocated by market time unit, any remaining capacity and the conditions under which capacity may be used (information on e.g. auction clearing price, obligation to use the capacity). The main information is published by the TSOs in about 90% of the countries with some variation between the questions. Some TSOs note that the questions are N/A. This relates for instance to the Nordic countries where all capacity is allocated through implicit auctions day ahead.

Point 5.5 (f) is divided between borders with explicit auctions and implicit auctions. According to point 5.5 (f) of the CM Guidelines TSOs shall publish allocated capacity as soon as possible after each allocation, as well as an indication of prices paid as soon as possible after each allocation according to point 5.5 (f). For explicit auctions approximately 58% of the answers indicate compliance whereas as many as the TSOs in 27 % of the countries regard this provision non applicable and 12 % does not comply with this provision. Information on the price differences and congestion income for implicit auctions is published by 21 % of the TSOs two hours after allocation. Many TSOs have not answered this question and the replies indicate that at least one country is not compliant,

According to Point 5.5 (g) of the CM Guidelines TSOs shall at least publish the total capacity used by market time unit, immediately after the nomination. This Point is applicable only for explicit auctions. The TSOs in 71% of the countries publish total capacity nominated after each nomination by market time unit. The publication includes hourly aggregated values of capacity nominated by market players on each interconnection, which are published at the latest two hours after nomination. These data are available for 2 years. There are no non-compliant TSOs.

Point 5.5 (h) of the CM Guidelines requires that TSOs shall publish as closely as possible to real time aggregated realised commercial and physical flows per interconnection by market time unit. This publication shall include a description of the effects of any corrective actions taken by TSOs (such as curtailment) for solving network or system problems.

In 83 % of the countries the TSOs publish realised commercial and physical flows at the latest H+2. In 92 % of the cases final scheduled exchanges including intra-day changes are published. In 88 % of the countries the TSOs publish realised physical cross-border flows aggregated per interconnection. Lower compliance rate of 63 % is observed in point where it is required that TSOs have published description of the effects of any corrective actions taken by them. This publication is required when TSOs' actions have effect on the transmission capacity larger than 100 MW. The publication is for control area or bidding area and, actions and effects are published immediately and at the latest two hours after the real time, Furthermore, reasons should be published in more detail at the latest in the following day and information is kept available for 2 years.

Furthermore, in 67 % of the countries the TSOs published the reasons for corrective actions taken by the TSOs. Only 8 % indicated non applicable of this point.

According to point 5.5 (i) of the CM Guidelines the TSOs shall publish ex-ante information on planned outages and ex-post information for the previous day on planned and unplanned outages of generation units larger than 100 MW.

In 67 % of the cases procedures for providing information on generation outages (both ex-ante and ex-post) are in place. Ex-ante information on planned outages of generation units larger than 100 MW within a control or bidding area include the following information: station name, unit name, installed capacity, location, production type, estimated start and stop date of the outage, unavailable capacity and possible remarks. This annual information should be published one week before yearly capacity auction (i.e. at the latest 15th calendar day of the month before the 'delivery' year or at the end of week 51), updated with changes during the year and kept available for 2 years. Ex ante information is published by the TSOs in 75% of the countries, while 71% publish ex-post information on unplanned unavailability of generation units larger than 100 MW. This ex-post publication for each control or bidding area should include: station name, unit name, installed capacity, location, production type, start and stop date of the outage, unavailable capacity and possible remarks. This publication should happen two hours after real time but at the latest following day. Information should be kept available for 2 years. It is known among regulators that difficulties exist with regard to the provision of the data by generators to the TSOs on the availability of the generation units. This issue is under discussion in many countries and might be seen as a reason for the high degree of incompliance with the requirements of this Point. Within the Transparency Reports of the Northern, Central Western and Central Eastern Europe Region the implementation of the publication of generation data was agreed upon, in order to overcome these difficulties by July 2008.

According to point 5.6 of the CM Guidelines all relevant information shall be available for the market in due time for the negotiation of all transactions. Therefore it is necessary that the information is available on TSOs and/or PEX websites. There can only be full compliance with this provision if there is full compliance with points 5.5 and 5.7 of the CM Guidelines. Only two countries have reported full compliance here. In summary there is a 56 % compliance with point 5.6 of the CM Guidelines.

Point 5.7 of the CM Guidelines requires that the TSO shall publish relevant information on forecast demand and on generation according to the timeframes referred to in point 5.5 and 5.6. The TSO shall also publish the relevant information necessary for the cross-border balancing market. The results of the compliance evaluation for Point 5.7 are summarized as follows:

Load

92 % of the TSOs publish day ahead load forecast per control/bidding area. This high figure may be misleading, since it is known by regulators that only so called vertical load is published by many TSOs. Vertical load is the load connected to the transmission grid. Furthermore, load forecast per week and month is only published by the TSOs in 50% and 54% respectively of the countries. Year ahead load forecasts are published in 67 % of the cases, while year-ahead forecast margin including peak-load forecast is published by 75 % of TSOs. In this area there is a clear increase in compliance compared to the second report.

In only 58 % of the countries, TSOs publish ex-ante information in their control or bidding area on the scheduled unavailability of significant consumption units larger than 100 MW. While this figure is low, it is still an improvement compared to the second report. This ex-ante information to be published should include: consumption unit concerned, place, start and estimated stop dates of the unavailability, maximum consumption capacity and unavailable power. This annual publication should happen one week before yearly capacity auction (i.e. at the latest 15th calendar day of the month before the 'delivery' year) and information should be updated with changes. It should be kept available for 2 years. The low degree of compliance with this Point can be explained by the fact, that also for this Point the Transparency Reports of the Northern, Central Western and Central Eastern Europe Region have foreseen the publication by the beginning of July 2008 to overcome implementation problems. Even when publication is done, data are not always available for two years.

It has to be clarified here, that the Transparency Reports of the Northern, Central Western and Central Eastern Europe Region do not see the publication of year-, month- and week-ahead forecast as relevant information for the market that has to be published by the TSOs. On the other hand, the publication of day-ahead load forecast and of the year forecast margin are considered to be important.

Generation

Data for installed generation capacity > 100 MW per unit including foreseeable evolution at least for the following three years, containing station name, unit name, installed capacity, location and forecast of available power for each year shall be published per control area/bidding area. Publication shall happen in time for the yearly capacity auction (at the latest 15th calendar day of the month before the "delivery year" and be available for minimum 3 years. Furthermore, total sum of installed generation larger than 1 MW for each year, with the same time requirements.

With regard to the publication of installed generation data larger than 100 MW as well as total sum of installed generation capacity larger than 1 MW, the general requirements are met by the TSOs in 75 % of the countries, but it is known that not all TSOs fulfil all the requirements, such as keeping the data for 3 years as well as parts of other requirements where some TSOs do not have access to all data. Ex ante information on aggregated scheduled generation per control area/bidding area, published D-1 per hour, available for 2 years, is also published by the TSOs in 75 % of the countries. It has to be stated, that the Transparency Reports of the Northern, Central Western and Central Eastern Europe Region have foreseen the implementation of the publication of generation data in beginning of July 2008, taking into account the difficulties to get the data from generators. In some cases, this information is still not available.

For control/bidding areas having at least 15 % hydro and/or more than 1 % of wind (solar) generation per control area/5 % per bidding area relevant information such as reservoir filling rates, forecasts of wind/solar power has to be published D-1 late, timeframe per hour, available for 2 years.

For 42 % of the countries NRAs indicate that their hydro generation does not reach the threshold for publication. Out of the applicable 15 countries, only 9 indicate that they publish the required information.

Improvements are necessary especially for the publication of information for forecast of wind and solar power for control or bidding area where exist more than 1 % or 5 % of wind or solar power. To this point 33 % of all TSOs are non-compliant and compliance is achieved only for 42 % whereas 25 % of the NRAs stated that this requirement is not applicable (amount of wind and solar is less than 1 % and 5 % respectively in control/bidding area).

Balancing

The general assessment of compliance with the requirements for publishing balancing information is that in 79 % of the countries the TSOs published the information on the two following points:

1. Volume of balancing power contracted by TSO via tenders, auctions or bilateral contracts as reserves, separately for each type of balancing energy (e.g. primary, secondary, tertiary reserve) per control area / bidding area. Published at the latest 2 hours before the following procurement procedure. Timeframe per balancing mechanism time unit, available for 2 years,
2. Average and marginal prices of bids / offers: relevant prices for balancing energy / reserve power, depending on pricing mechanism applied, per control area / bidding area. Published depending on the mechanism applied (2 hours before following procurement, H+2 after real time for continuous trade). Timeframe per market time unit relevant for imbalance settlement, available for 2 years.

Imbalance prices per timeframe relevant for balancing are published by TSOs in 83 % of the countries including definition of what is published, and it should be published at the latest D+1 per market time unit available for 2 years.

With regard to the publication of control area imbalance volumes and volumes of manually activated reserve used and of automatic reserves used (actual use) distinguishing between volumes of manually activated reserves used and volumes of automatically activated reserves used (e.g. primary, secondary reserves), published at the latest two hours after real time in the timeframe relevant for imbalance settlement and kept available for 2 years. Here, the TSOs of 71 % of the countries comply, finally, in 71 % of the countries; the TSOs indicate compliance with the publication of financial outcome of balance settlement. This publication requires that TSOs to publish information on financial balance of the market including expenses for balancing energy and power at the balancing market, payments resulting from imbalance pricing and difference between expenses and income. This information shall be published for a control area and this monthly information should be published last calendar day of the month M+3 for month M, updated until final reconciliation in balance unit's economical balance sheet and kept available for 2 years. While the responses indicate a relatively high compliance, the requirements need to be clarified and adapted to the different balancing markets that exist.

Point 5.8 of the CM Guidelines foresees that when forecasts are published, the ex post realised values for the forecast information shall also be published in the time period following that to which the forecast applies or at the latest on the following day (D+1). In 96 % of the countries the TSOs publish information of hourly load per control area/bidding area at the latest two hours after real time and keep this information available for 2 years. This is a great improvement from the second report. Still, there are areas where these requirements are not fulfilled, especially regarding renewable energy, as follows from the following.

Hydro: Regarding the question if TSOs published information for control / bidding area having more than 15 % of hydro generation, i.e. information on filling rate of the water reservoirs, ex-post information in aggregated form, per control / bidding area and per week in terms of percentage of the 100 % filling. A comparison to the weekly value of the year before should also be given and it should be published 3rd working day of following week and kept available for 2 years. Here an improvement is shown since the TSOs in 33 % of countries/bidding areas publish this information. On the other hand, there is 83 % compliance due to low hydro capacity in half the countries.

Wind and solar: In 38 % of the countries TSOs publish the required data: TSOs have to publish at the latest two hours after the real time the hourly information for control / bidding areas having 1 % / 5 % of actual generation of wind and solar power (intermittent generation) and keep this information available for 2 years. Moreover, 29 % of the NRAs answered "not applicable".

Unavailability of consumption units: Furthermore, the TSOs shall publish hourly ex-post information at the latest two hours after the real time on the unplanned unavailability of significant consumption units larger than 100 MW aggregated per control/ bidding area and including e.g. consumption unit concerned, place, start and estimated stop date of unavailability, maximum consumption capacity, unavailable power and keep this information available for 2 years. This information is published by the TSOs in 50 % of the countries.

Actual generation: In the case of publishing hourly ex-post aggregated information at the latest two hours after real time on the actual generation per bidding area / control area (al generation shall be included as soon as possible) and keeping it available for 2 years, the TSOs in 83 % of the countries are compliant and publish this information.

According to point 5.9 of the CM Guidelines all information published by the TSOs shall be made freely available in an easily accessible form. All data shall also be accessible through adequate and standardised means of information exchange and it shall be defined in close cooperation with market parties. The data shall include information on past time periods with a minimum of two years, so that new market entrants may also have access to such data. In relation to point 5.9 and according to the replies from the NRAs, in 92 % of the countries, TSOs have made all information freely available (on TSO website or PEX website). In 83 % of the cases the history of published information covers at least two years.

According to point 5.10 of the CM Guidelines the TSOs shall exchange regularly a set of sufficiently accurate network and load flow data in order to enable load flow calculations for each TSO in their relevant area. The same set of data shall be made available to the Regulatory Authorities and to the European Commission upon request. The Regulatory Authorities and the European Commission shall ensure the confidential treatment of this set of data, by themselves and by any consultant carrying out analytical work for them on the basis of these data. All TSOs exchange regularly a set of sufficiently accurate network and load flow data in order to enable load flow calculations for each TSO in their relevant area, whereas only 83 % of the TSOs have communicated to the NRAs the procedures to exchange network and load flow data. This might result from the condition that the NRAs and European Commission have to request the data from the TSOs.

4.6 Use of Congestion Income

The table below shows congestion income per country and the total across Europe for 2008 and 2009. In 2008 the total congestion income in Europe was approximately 2 Billion Euros (21 countries reporting), while for 2009 the reported sum is approximately 1.3 Billion Euros.

Some NRAs have reported that for the purpose of allocating congestion income to half year periods, it is not clear how to assign the congestion revenue to the relevant half year period in the case where the TSO auctions long term physical capacity. This need to be clarified.

Congestion income Million Euro		
Year	2008	2009
Austria	66	55
Belgium	29	29
Bulgaria	24	22
Czech Republic	33	48
Denmark	126	67
Finland	5	6
France	367	257
Germany	220	159
Greece	30	33
Hungary	79	49
Italy	295	188
Lithuania	0	0
Netherlands	107	60
Norway	248	89
Poland	24	14
Portugal	34	6
Romania	0	0
Slovakia	36	28
Slovenia	33	33
Spain	78	42
Sweden	86	28
United Kingdom	106	66
Total	2 024	1 278

Table 1: Congestion income per country in years 2008¹⁶ and 2009.

The Baltic countries are not included here as there are reported to be no congestions on the interconnectors. Consequently the NRAs have reported zero in congestion income for these interconnectors.

2.2.1 Procedure for Distribution of Revenues

According to Point 6.1 of the CM Guidelines, CM procedures associated with a pre-specified timeframe may generate revenue only in the event of congestion which arises for that timeframe, except in the case of new interconnections exempted under Article 7 of the Regulation. The procedure for the distribution of these revenues shall be subject to review by the Regulatory Authorities and shall neither distort the allocation process in favour of any party requesting capacity or energy nor provide a disincentive to reduce congestion.

¹⁶ Netherlands: In 2008 318 MEUR were used to invest in the Norned cable. This came from a separate account used to collect auction revenue year by year.

Out of the 26 countries with interconnectors, 93 % comply with point 6.1, which either means that the requirements under this point have been fulfilled, or that there are no congestions. Almost all TSOs have described the procedure for the distribution of congestion management revenue and these TSOs have also sent the procedure to the NRAs for review, and the NRAs have reviewed the revenue distribution procedures in order to ensure that they do not distort the allocation process (by favouring any party who requests capacity) and / or provide any disincentive to reduce congestion.

2.2.2 Transparency of NRAs regarding the Use of Congestion Revenues

According to Point 6.2 National Regulatory Authorities shall be transparent regarding the use of congestion revenues resulting from the allocation of interconnector capacity. There is an overall compliance of 91 % with this provision.

The table below shows the use of congestion revenues for different purposes. The data collected relate to 2008.

Use of congestion income	Ensure capacity	Invest in new lines	Tariff reduction
Austria	11 %	71 %	18 %
Belgium			100 %
Bulgaria	66 %		34 %
Czech Republic	65 %	21 %	14 %
Denmark		32 %	68 %
Finland		100 %	
France			100 %
Germany	71 %		29 %
Greece		100 %	
Hungary			100 %
Italy			100 %
Netherlands	-	-	-
Norway	100 %		
Poland		57 %	43 %
Portugal		100 %	
Romania		100 %	
Slovakia		50 %	50 %
Slovenia	0 %	53 %	47 %
Spain	1 %		99 %
Sweden		80 %	20 %
United Kingdom	54 %	46 %	

Table 2: Use of congestion income in 2008 according to Article 6(6) of the Regulation

With regard to use of congestion income, it has to be noted that the different use of the congestion management revenues lead to different options for of annual or longer-term breakdown: taking into account the congestion revenues for the tariff calculation allows for an annual assessment whereas the use of congestion revenues for investments may lead to a longer-term, multi-annual reservation and “backlog” of the revenues for a given project.

It must be emphasized further that the details on the way how the NRAs regulate the costs / revenues to guarantee the actual availability of the allocated capacity (redispatching / countertrading, compensation in case of curtailment, etc.) is significant for the actual incentives or disincentives to the TSOs to maximise the cross-border capacities.

Concerning the interconnection between Great Britain and France, the auction revenue collected on the British portion of the interconnector is used for recovering the capital and

operational expenditures supported by the British interconnector operator and any income that exceeds/is below these, corresponds to a return on investment/loss for this operator.

As regards its role under Regulation Point 6.6 (c) GB Regulatory Authority (Ofgem) monitors income from the British portion of the interconnector and can, for this purpose, take into account income to the interconnector in assessing whether tariffs should be modified. The income comes from explicit auctions and Ofgem considers this to be efficient. If Ofgem considers income to be excessive, it has the ability to take corrective action.

2.2.3 Agreement and Review of Criteria for Sharing the Revenues

According to point 6.3 the congestion income shall be shared among the TSOs involved according to criteria agreed between the TSOs involved and reviewed by the respective Regulatory Authorities.

Almost all TSOs have described criteria and all TSOs have agreed on how to share congestion income where applicable among involved TSOs. The criteria have been reviewed by nearly all the NRAs. There is an overall compliance of with the relevant provisions of point 6.3 of the CM Guidelines 96 %.

2.2.4 Establish the Use of the Congestion Revenues beforehand

Point 6.4 of the CM Guidelines requires that TSOs shall clearly establish beforehand the use they will make of any congestion income they may obtain and report on the actual use of this income. Regulatory Authorities shall verify that this use complies with the present Regulation and Guidelines and that the total amount of congestion income resulting from the allocation of interconnection capacity is devoted to one or more of the three purposes described in Article 6(6) of Regulation.

There is an overall compliance of 89 % with this provision.

2.2.5 Publication of Report on Congestion revenues Usage by NRAs

According to point 6.5 of the CM Guidelines the Regulatory Authorities shall publish on an annual basis, and by 31st July each year, a report setting out the amount of revenue collected for the 12-month period up to 30 June of the same year and the use made of the revenues in question, together with verification that this use complies with the Regulation and the CM Guidelines and that the total amount of congestion income is devoted to one or more of the three prescribed purposes defined in the Regulation. One country has only reported congestion revenues but not the use. Otherwise, use of congestion revenue has been reported where congestions exist.

There is an overall compliance of 78 % with this provision.

2.2.6 Use of Congestion Income for Investment

According to point 6.6 of the CM Guidelines the use of congestion income for investment to maintain or increase interconnection capacity shall preferably be assigned to specific predefined projects which contribute to relieving the existing associated congestion and which may also be implemented within a reasonable time, particularly as regards the authorisation process.

About half of the NRAs have reported that congestion income is allocated specifically to projects of building new lines, see Table 2. However, these NRAs do not specify if the congestion income is assigned to specific projects.

Overall there is a 93 % compliance with this provision.

4.7 Countertrade and Redispatching – Key Issue #3 of the Third Compliance Report

According to point 2 of the article 6 of Regulation No 1228/2003, transaction curtailment procedures shall only be used in emergency situations where the transmission system operator must act in an expeditious manner and redispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.

The designations "countertrade" and "re-dispatch" are often perceived as synonyms, but a distinction is very helpful when different countermeasures for congestion are discussed. "Re-dispatch" is normally regarded as a general term covering every counter method with the objective of changing generation or load schedules. Countertrade is generally regarded as a subset of re-dispatch. TSOs are used to countertrade or re-dispatch in real time when problems occur on the grid but the existence of those tools have an impact on the cross-border capacity offer to the market.

Below are schemas endeavouring to define the various available mechanisms:

- Redispatching with no coordination

Redispatching: In order to alleviate constraints in their networks, TSOs can generally relocate the production, i.e. decrease the production upstream from the constraint and increase the production downstream. In particular, these actions can be undertaken when internal lines are saturated e.g. due to cross-border flows, to avoid curtailments and guarantee the firmness of capacities.

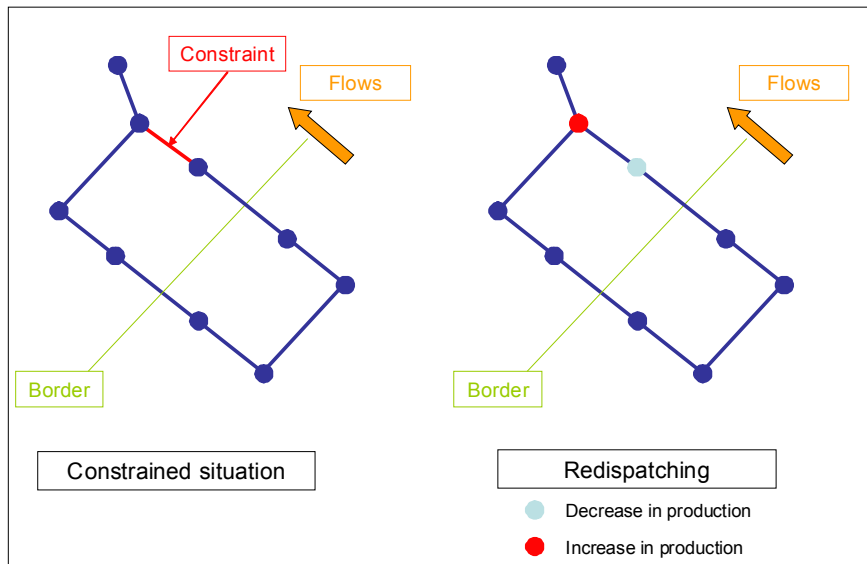


Figure 2 Redispatching

- Partially coordinated redispatching actions

Counter-trading: In case adequate agreements exist between TSOs involved, one of them can call for counter-trade measures in order to diminish physical cross-border flows and alleviate a constraint on its network or on the interconnection thanks to an exchange between control areas opposite to net commercial flows. Concretely, TSOs involved agree on increasing the

production on one side of the interconnection (the mainly importing side) and decreasing it on the other side (the mainly exporting side). This method does not necessarily require specifying which units should be decreased or increased within the networks, it is merely market related as it could be done by market players. On the other hand, it changes (reduces) physical flows in the interconnection.

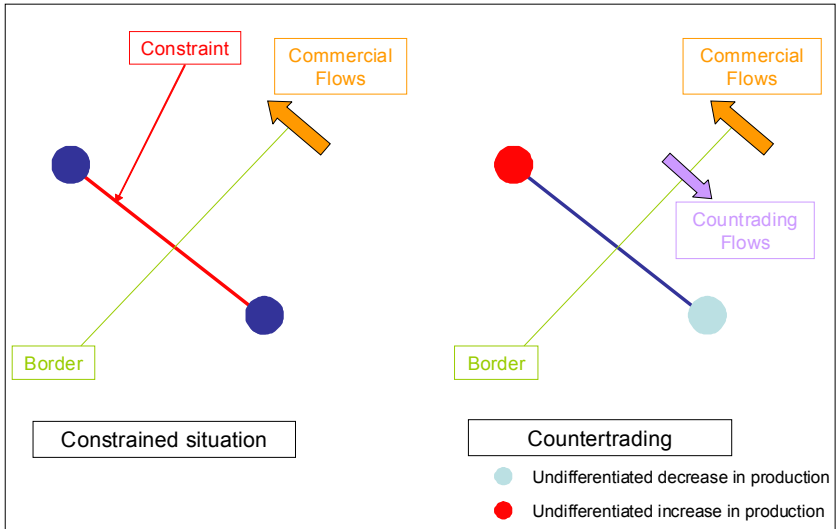


Figure 3: Counter-trading

Coordinated cross-border redispatching: In order to alleviate constraints on their networks, TSOs (or a common entity) decide together which redispatching actions would be the most cost effective and act in consequence. Thus, they could choose the most economic efficient actions to be undertaken to alleviate constraints (thus selecting generation units with greater impact on the constraint in both control areas). Basically, it is like merging control area, at least for specific constraints.

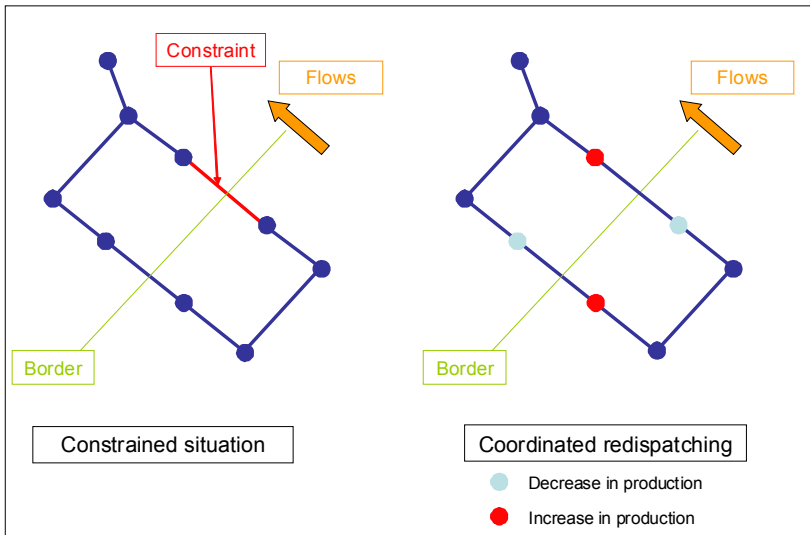


Figure 4: Coordinated redispatching

Two open initiatives¹⁷ have been developed by TSOs since December 2008 in order to improve the security of the power grids and their cooperation in resolving grid problems in real time.

Since effective remedial actions may be costly ones and irrespective of certain initiatives the question arises how a TSO that takes remedial actions on behalf of another TSO can recover such costs.

The TSOs of both initiatives therefore recommend approaching regulators in the very near future in order to establish clarity for the participating TSOs with regard to what is and what is not consistent with the existing rules concerning the treatment of costly cross-border remedial actions.

Three principles for sharing the cost of cross-border remedial actions are in discussion:

1. Each TSO pays its own costs (regardless of who requested that a costly remedial action be taken);
2. The requester principle (meaning that the TSO requesting remedial actions be taken pays the costs of all contributing TSOs); and
3. The principle of using a cost-sharing key.

The challenge is to find a solution within different regulatory regimes.

In 2009, redispatching was used to guarantee the allocated capacity only in 4 countries. According to the Regulation, a part of congestion revenues can be used to cover costs to guarantee the actual availability of the allocated capacity.

¹⁷ Coordination of Electrical System Operators (CORESO) and Transmission System Operator Security Cooperation (TSC)

5. Intraday trading mechanism

Intraday trading arrangements on interconnectors were mentioned a shortcoming in the Second Compliance Report. Thus, and upon request from the Commission, intraday trading is a focus area for the Third Compliance Report.

According to Point 1.9 of the Congestion Management Guidelines mechanisms for intraday congestion management for interconnector capacity shall be established in a coordinated way and no later than 1.1.2008.

ERGEG has defined criteria for compliance in this report to entail the existence of intraday trading mechanisms by mid 2010, and that rules for the trading mechanism have been described and published by the TSO and sent to the NRA for review.

Answers given by the NRAs on this point vary with respect to different interconnections, i.e. there may be differing arrangements on different interconnectors from one country with regards to intraday mechanisms, and whether or not such mechanisms are in place. In this context, it has been possible to answer “non-applicable” only on interconnectors where no congestions occur, these answers have counted as “yes” in the calculations. I.e. interconnectors with no congestions, such as the Baltic interconnectors, have been considered compliant in this report as regards intraday requirements.

Replies from the NRAs indicate that over two thirds of the interconnectors have intraday trading mechanisms or that they are without congestions. This is an increase since the second report, where only about half (54 %) of the measured interconnectors were counted as compliant.

The number of interconnectors included in this monitoring report (31) is higher than that in the previous reports (28 in the second report), so the numbers are not directly comparable. However it is reasonable to say that there is a clear trend towards increased availability of intraday trading on European interconnectors.

Several projects have been implemented, e.g. intraday has been introduced on the France-UK interconnector, and on the interconnectors from Norway to Denmark and Sweden, and likewise for the Austrian-Czech and the Czech-German interconnectors. On the Polish borders with Czech Republic, Germany and Slovakia cross border intraday mechanism have been already described, approved by the NRA and published on the TSO's website. The implementation is foreseen beginning of December 2010.

On interconnectors where intra-day mechanisms are established, the TSOs have in most cases sent a description of these mechanisms to the relevant NRA. Likewise, the NRAs in most cases confirm that the intraday mechanisms, where they are introduced, are introduced in a coordinated way with the timeframes of day ahead and balancing.

In summary, the NRA data confirms that intraday trading arrangements are in place on 17 of 31 interconnectors, and that TSOs comply with mostly all criteria set by the regulators; though there are a few cases where the TSO has not sent description of the rules to the NRA.

On borders where no intraday arrangements are in place, there are concrete plans for implementation within 2011 on the following ten interconnectors:

- Polish borders (3 interconnectors)
- Italian borders (4 interconnectors)
- Hungary – Slovakia (Dec 2010)
- Hungary – Austria
- Norway – Netherlands

There are five different types of intraday trading arrangements that have been reported on the monitored interconnectors:

- First come first serve (FCFS) with explicit capacity allocation
- Continuous trade with implicit allocation of capacity
- Improved pro-rata allocation
- Explicit auctions
- Implicit auctions

The table below lists the interconnectors and shows the level of compliance on intraday. In this report there is no discrimination between the trading arrangements, existence of intraday trading counts as compliant regardless of trading arrangement.

The percentages in the middle column indicate compliance with the criteria set out for this article by ERGEG. The criteria are as follows.

"Yes" replies are only acceptable where intraday is actually in place. "NA" is acceptable only for those interconnections having no congestions. If intra-day mechanism is not in place then reply shall be No. If it has not been published or known by NRA then the reply shall be No.

- Mechanism for intra-day has been described by TSOs.
- TSO has published rules on mechanism for intra-day
- TSO has sent description of intra-day mechanism to NRA
- NRA has ensured that mechanism for intra-day complies with this Article.

E.g. a percentage of 75 % means that the NRA has replied "yes" to three out of four criteria.

Article in Regulation			Point 1.9	Mechanism for intra-day has been described by TSOs.	TSO has published rules on mechanism for intra-day	TSO has sent description of intra-day mechanism to NRA	NRA has ensured that mechanism for intra-day complies with this Article.
Total number of answers			Criteria	"Yes" replies are only acceptable where intraday is actually in place. "NA" is acceptable only for those interconnections having no congestions. If intra-day mechanism is not in place then reply shall be No. If it has not been published or known by NRA then the reply shall be No.			
Interconnection	From	Type of trading arrangement	Compliance with criteria				
Estonia - Latvia	Estonia	No congestion	100 %	NA	NA	NA	NA
	Latvia	No congestion	100 %	NA	NA	NA	NA
Latvia - Lithuania	Lithuania	No congestion	100 %	NA	NA	NA	NA
	Latvia	No congestion	100 %	Yes	NA	NA	NA
Austria - Czech Republic	Austria	FCFS	100 %	Yes	Yes	Yes	Yes
	Czech Republic	FCFS	75 %	Yes	No	Yes	Yes
Austria - Hungary	Austria	No intraday	25 %	No	No	Yes	No
	Hungary	No intraday	25 %	No	No	Yes	No
Austria - Slovenia	Austria	FCFS explicit	100 %	Yes	Yes	Yes	Yes
	Slovenia	FCFS explicit	75 %	Yes	Yes	Yes	No
Germany - Poland	Germany	No intraday	0 %	No	No	No	No
	Poland	No intraday	0 %	No	No	No	No
	Poland	No intraday	0 %	No	No	No	No
Czech Republic - Poland	Czech Republic	No intraday	0 %	No	No	No	No
	Poland	No intraday	0 %	No	No	No	No
Poland - Slovakia	Poland	No intraday	0 %	No	No	No	No
	Slovakia	No intraday	0 %	No	No	No	No
Czech Republic - Germany	Germany	FCFS explicit	100 %	Yes	Yes	Yes	Yes
	Czech Republic	FCFS explicit	100 %	Yes	Yes	Yes	Yes
Czech Republic - Slovakia	Czech Republic	FCFS explicit	100 %	Yes	Yes	Yes	Yes
	Slovakia	FCFS explicit	75 %	Yes	No	Yes	Yes
Hungary - Slovakia	Slovakia	No intraday	0 %	No	No	No	No
	Hungary	No intraday	0 %	No	No	No	No
Austria - Italy	Austria	No intraday	0 %	No	No	No	No
	Italy	No intraday	0 %	No	No	No	No
Italy - Slovenia	Italy	No intraday	0 %	No	No	No	No
	Slovenia	No intraday	0 %	No	No	No	No
Greece - Italy	Italy	No intraday	0 %	No	No	No	No
	Greece	No intraday	0 %	No	No	No	No
France - Italy	Italy	No intraday	0 %	No	No	No	No
	France	No intraday	0 %	No	No	No	No
France - Germany	France	Improved pro rata	100 %	Yes	Yes	Yes	Yes
	Germany	FCFS explicit	100 %	Yes	Yes	Yes	Yes
Belgium - France	Belgium	Improved pro rata	100 %	Yes	Yes	Yes	Yes
	France	Improved pro rata	100 %	Yes	Yes	Yes	Yes
Belgium - Netherlands	Belgium	Improved pro rata	100 %	Yes	Yes	Yes	Yes
	Netherlands	Improved pro rata	100 %	Yes	Yes	Yes	Yes
Germany - Netherlands	Germany	FCFS explicit	100 %	Yes	Yes	Yes	Yes
	Netherlands	FCFS explicit	100 %	Yes	Yes	Yes	Yes
Norway - Sweden	Norway	Continuous trading	100 %	Yes	Yes	Yes	Yes
	Sweden	Continuous trading	100 %	Yes	Yes	Yes	Yes
Finland - Sweden	Sweden	Continuous trading	100 %	Yes	Yes	Yes	Yes
	Finland	Continuous trading	100 %	Yes	Yes	Yes	Yes
Denmark - Sweden	Sweden	Continuous trading	100 %	Yes	Yes	Yes	Yes
	Denmark	Continuous trading	100 %	Yes	Yes	Yes	Yes
Denmark - Germany	Germany	FCFS explicit	100 %	Yes	Yes	Yes	Yes
	Denmark	FCFS explicit	100 %	Yes	Yes	Yes	Yes
Denmark - Norway	Norway	Continuous trading	100 %	Yes	Yes	Yes	Yes
	Denmark	Continuous trading	100 %	Yes	Yes	Yes	Yes
France - Spain	France	Explicit auction	75 %	Yes	Yes	Yes	No
	Spain	Explicit auction	100 %	Yes	Yes	Yes	Yes
Portugal - Spain	Portugal	Implicit auction	100 %	Yes	Yes	Yes	Yes
	Spain	Implicit auction	100 %	Yes	Yes	Yes	Yes
France - UK	France	Explicit auction	75 %	Yes	No	Yes	Yes
	UK	Explicit auction	100 %	Yes	Yes	Yes	Yes
Hungary - Rumania	Rumania	No intraday					
	Hungary	No intraday	25 %	No	No	Yes	No
Bulgaria - Rumania	Bulgaria	No intraday	0 %	No	No	No	No
	Bulgaria	No intraday	0 %	No	No	No	No
Bulgaria - Greece	Greece	No intraday	0 %	No	No	No	No
	Norway	No intraday	0 %	No	No	No	No
Norway - Netherlands	Netherlands	No intraday	0 %	No	No	No	No

Table 3 Intraday compliance and trading arrangements

6. Inter-TSO Compensation and Transmission Tariffication

Article 3 of the Regulation requires that TSOs shall be compensated for costs incurred as a result of hosting cross border flows of electricity. Payment of compensation is to come from those TSOs where the flows arise and where they end. Article 8 of the Regulation foresees further the way for the European Commission to, using the process of comitology set binding Guidelines for Inter-TSO compensation and for transmission tariffication.

6.1 Inter-TSO Compensation: History, Past and Present

The ITC scheme applied from the 2002 and onwards has been a voluntary agreement among participating TSOs. Where relevant, Regulatory Authorities have reviewed TSO involvement and have provided data on allowed transmission network costs.

The ITC mechanism was first implemented with nine ITC Parties in 2002. At the beginning of 2004 the total number of ITC parties had increased to twenty. The number of countries participating in the voluntary scheme has increased to 32 at the end of year 2009.

The compliance of the ENTSO-E voluntary methods for 2009 and 2010 is practically equal with the respective considerations in the Second Compliance Report and will thus not be a subject to further analysis in this compliance monitoring report, nor will the compliance with the new Commission regulation adopted on 2 September.

March 2002 to Dec 2002	2003	2004, 2005 and 2006	2007	2008 and 2009
Austria	Austria	Austria	Albania	Albania
Belgium	Belgium	Belgium	Austria	Austria
France	Czech Republic	Czech Republic	Belgium	Belgium
Germany	France	Denmark	Bosnia	Bosnia
Italy	Germany	Finland	Czech Republic	Czech Republic
Luxembourg*	Greece	France	Denmark	Denmark
Netherlands	Hungary	Germany	Finland	Finland
Portugal	Italy	Greece	France	France
Spain	Luxembourg*	Hungary	Germany	Germany
Switzerland	Netherlands	Italy	Greece	Great Britain
	Portugal	Luxembourg*	Hungary	Greece
	Slovakia	Netherlands	Italy	Hungary
	Slovenia	Norway	Estonia	Ireland
	Spain	Poland	Luxembourg*	Italy
	Switzerland	Portugal		Estonia
		Slovakia		Latvia
		Slovenia		Lithuania
		Spain		Luxembourg*
		Sweden		FYROM
		Switzerland		Montenegro
				Netherlands
				Northern Ireland
				Norway
				Poland
				Portugal
				Romania
				Serbia
				Slovakia
				Slovenia
				Spain
				Sweden
				Switzerland

Table 4 Countries where TSOs have participated in Inter-TSO Compensation mechanism¹⁸

The 2008/2009 ITC agreement is based on contributions from the cross border flows between 32 countries that participated in the 2008/2009 ITC agreement and the sum of scheduled flows from perimeter countries.

The calculation of compensation was comprised of two main components: an infrastructure asset cost element to compensate for the cost of hosting cross border flows, and a transmission losses element based on the WWT model. In the WWT-model losses are calculated on each TSOs transmission grid in a load flow situation with transits and in a load flow situation without transits.

¹⁸ Luxembourg is indirectly included in the scheme via participation of German ITC party.

The level of infrastructure payment was based on regulated cost asset value of the infrastructure used to host cross-border flows, and the amount of cross border flows between participating TSOs.

Contributions from participating countries were calculated based on cross-border flows between these countries. The contribution from perimeter countries was 1,4 €/MWh multiplied by the sum of scheduled flows to / from participating countries.

The amounts of compensations for each participating TSO during 2004-2006 have been presented in the First Compliance Report in 2007. The amounts of compensations within a participating TSO during 2007, 2008 and 2009 vary from paying approximately 55 million euro to receiving about 60 million euro. During these years the value of the compensation fund has been around 350 - 400 million euro depending on the cost of horizontal network and amount of flows. Table 3 presents ex-post calculation for the years 2007, 2008 and 2009 net results for compensations country by country.

Country	2004	2005	2006	2007	2008	2009
Albania				-1,57	-1,13	-1,19
Austria	20,08	21,37	19,79	26,24	21,05	19,27
Belgium	0,87	1,77	0,98	3,59	-0,4	-0,12
Bosnia				4,98	3,68	2,5
Bulgaria				0,85	-4,17	-4,24
Croatia				4,55	5,07	4,45
Czech Republic	-4,29	3,02	6,96	0,03	-0,86	-2,86
Denmark	7,41	12,21	7,26	9,5	15,1	11,96
Finland	-4,14	-18,16	-8,85	-7,54	-6,64	-8,59
France	-53,92	52,03	-56,06	-53,67	-55,82	-42,85
Germany	31,64	37,5	40,5	22,06	49,72	54,7
Great Britain					-8,07	-9,01
Greece	2,73	0,78	1,48	0,58	-2,05	-2,26
Hungary	2,86	6,7	5,47	6,05	9,47	6,84
Ireland					-1,59	-1,61
Italy	-60,06	-67,33	-52,86	-48,94	-46,6	-46,61
Estonia				-0,88	-0,98	-0,98
Latvia					-0,61	-0,61
Lithuania					-0,61	-0,61
FYROM				-1,33	-1,17	-0,92
Montenegro				0,69	0,47	0,05
Netherlands	-16,6	-21,51	-24,08	-17,51	-15,06	-16,64
Northern Ireland					-0,82	-0,57
Norway	-17,57	-18,92	-16,6	-16,34	-15,73	-15,21
Poland				3,14	-5,03	-4,11
Portugal	-5,21	-5,46	-3,08	-5,66	-5,38	-5,14
Romania				-3,43	-6,05	-7,08
Serbia				6,27	4,77	1,78
Slovakia	8,45	9,05	10,57	3,64	0,46	0,77
Slovenia	7,94	6,85	6,14	5,95	6,45	6,57
Spain	13,49	15,76	17,12	8,87	0,79	2,35
Sweden	-3,62	-2,52	-1,33	-3,37	2,23	-0,01
Switzerland	69,59	76,39	49,82	53,27	59,51	59,97

Table 5 Ex-post calculation of ITC compensations

The table above shows ex post calculation for years 2007, 2008 and 2009. Figures present ex-post net results after reconciliation in million €. Negative sign shows that TSO has to pay and positive sign that TSO shall receive the amount of money given.

At the Electricity Cross-Border Committee meeting on 24 March 2010 the Committee was asked to give its opinion, in accordance to the regulatory procedure provided for in Regulation 1228/2003 and 714/2009, on guidelines establishing an Inter-TSO compensation mechanism and a common regulatory approach to transmission charging.

The European Commission proposals to the Committee consisted of two Commission Regulations, one under Regulation 1228/2003, that would expire 2 March 2011, and a second under 714/2009 that would apply from 3 March 2011 and would reflect the institutions established by the Third Package. The Committee gave a positive opinion on this Regulation on 24 March 2010. The guidelines relating to Inter-TSO compensation and a common regulatory approach to transmission charging was adopted in Commission Regulation (EU) No 774/2010 on 2 September 2010.

6.2 Inter-TSO Compensation: Future perspective on ACER work

The adopted ITC guidelines provide an important role for ACER in this topic:

According to Article 5.1 of ITC Guidelines the Agency shall make a proposal on the compensation for the provision of infrastructure for the cross-border flows of electricity. The Article 5.3 states that the Agency shall make its best endeavours to produce this assessment within two years when the Regulation 714/2009 becomes applicable. This proposal shall be based on a Union-wide assessment of the infrastructure of electricity transmission associated with facilitating cross-border flows of electricity. This assessment shall consist of a technical and economic assessment of the forward-looking long-run average incremental costs (LRAIC) on an annual basis of making such electricity transmission infrastructure available for cross-border flows of electricity over the relevant period.

Furthermore, according to Article 4.4 ACER shall verify the criteria for the valuation of losses.

Until ACER has carried out this assessment, the annual cross border infrastructure compensation sum shall be 100.000.000 €.

ACER considered this task already in the work program for 2011 and it will become a challenge, especially as the different opinions on an appropriate solution expressed in the past prevail.

6.3 Charges for Access to the Networks

General principles regarding charges for access to the networks for cross-border exchanges of electricity are set in the preamble of the Regulation. It is stated that e.g. rules introduced with regard to cross-border tariffication and the allocation of available interconnection capacities should be fair, cost reflective, transparent and directly applicable in order to ensure effective access to transmission networks for the purpose of cross-border transactions.

According to Article 4 of the Regulation charges applied by network operators for access to networks shall be transparent, take into account the need for network security and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and applied in a non discriminatory manner. Those charges shall not be distance-related (Article 4.1).

Producers and consumers ('load') may be charged for access to networks (Article 4.2), when setting the charges for network access the payments and receipts resulting from the inter-transmission system operator compensation mechanism as well as actual payments made and received as well as payments expected for future periods of time, estimated on the basis of past periods shall be taken into account (Article 4.3).

Finally, charges for access to networks applied to producers and consumers shall be applied regardless of the countries of destination and, origin, respectively, of the electricity (Article 4.4), and there shall be no specific network charge on individual transactions for declared transits of electricity (Article 4.5).

The above cited provisions are rather general. Nevertheless the main issues can be summarised as follows:

- Possible distance and/or transaction relation of network charges;
- Cost base with special attention paid to the possible inclusion of the non-network related costs into the cost base, what would lead to distortions and possibly compromising the whole system;
- Application of locational signals.

6.4 Transmission Tariffication Guidelines

Under Article 8.3 of the Regulation the European Commission is empowered to set binding Guidelines that shall determine appropriate rules leading to a progressive harmonisation of the underlying principles for the setting of charges applied to producers and consumers (load) under national tariff systems including i.a. the provision of appropriate and efficient locational signals. ERGEG has drafted Guidelines on Transmission Tariffication (TT Guidelines) in early 2005 and revised them following the consultation process held in May and June 2005.

The guidelines relating transmission charging was adopted in Commission Regulation (EU) No 774/2010 on 2 September 2010. The Guideline provides for a level of harmonisation of average G charges paid by generators for access to networks considering them more important than L charges in terms of development of undistorted competition.

As the level of average G charges across Europe had not yet been set by legally binding Guidelines during 2008 and 2009 the compliance in this regard cannot be considered.

6.5 Compliance with the ITC and TT Provisions in the Regulation

As indicated already before, while there was no detailed specification and legally binding framework for the ITC and TT solutions in the form of the Guidelines according to the Article 8 of the Regulation in 2008 and 2009, there could also be no full compliance for these two issues, neither is it possible to perform related monitoring and compliance assessment to the full extent necessary.

Nevertheless, the Regulation provides also for some general and some specific provisions for the Inter-TSO compensation and for transmission tariffication, which shall be complied with. Those provisions have been evaluated in detail for this Third Compliance Report.

The basis for the evaluation has been mainly the Article 4 of the Regulation. The compliance criteria for this part of the Third Compliance Report have also been defined and described in detail in the Criteria Paper mentioned already in the introduction.

All NRAs, but one, indicate that the tariff methodology is described. Tariff methodology is publicly available in all countries.

TSO network charges are published on the TSO website in all countries, except for one. All the NRAs, but one, are checking annually that tariffs reflect only relevant (allowed) costs and take into account the network security aspects.

Charges are further identical for all customers and do not reflect network relevant factors in all countries where NRAs answered the questionnaire. All charges are completely independent of distance between commercial seller and buyer.

Finally, all NRAs, but one, have ensured that charges comply with the Article 4.1 of the Regulation.

Total amount of network charges borne by generation are reported to be transparently defined in about 80 % of the countries. The remaining 5 countries consider this issue not applicable, since charges for generation are set to zero by TSO or Authority/Ministry.

Also about 80 % of the NRAs have communicated the definitions of network charges to each other, by describing charges in their annual report to EC.

The transmission charges may be imposed on generators (G charge) and on load (L charge).

The Regulation does not set any absolute values or shares for charges to be applied to producers and consumers of electricity. However, charges borne by producers shall be lower than the proportion borne by consumers. The allocation of these charges in all Member States fulfils the criteria that the majority of the charges fall on load rather than on generation.

The figure below shows costs included in transmission tariffs in the countries that answered the compliance questionnaire.

	CAPEX			Losses	ITC	OPEX	System services										Other costs	
	Depreciated on	Return on capital invested	other costs				Primary reserves	Secondary reserves	Tertiary reserves	System balancing	Internal congestion management	CM on interconnectors	Voltage control / reactive reserve	Black start	Other costs			
Austria																		
Belgium																		
Bulgaria																		
Czech Republic																		
Denmark																		
Estonia																		
Finland																		
France																		
Germany																		
Greece																		
Hungary																		
Italy																		
Latvia																		
Lithuania																		
Luxembourg																		
Netherlands																		
Norway																		
Poland																		
Portugal																		
Rumania																		
Slovakia																		
Slovenia																		
Spain																		
Sweden																		
UK																		

Figure 5: Costs Included in Transmission Tariffs

Transmission charging systems in the Member States are different but they are in general built on comparable schemes and components, which are applied in a non-discriminatory way. The basic cost elements of the network tariffs are operational costs and capital costs related to transmission activity. In some Member States transmission tariffs can include costs of primary, secondary and tertiary reserves and other ancillary services (Ireland, Germany, Lithuania, Luxembourg, France, Austria, Poland, Denmark, Latvia and Hungary)

In Slovenia, there are separate transmission and ancillary services tariffs. The latter is paid by all users of all networks regardless of whether they use the transmission system. In all but one case where a TSO is participating in the Inter-TSO Compensation scheme the compensations – both paid as well as received – are included into the tariff cost base.

Figure 6 shows the tariffication principles and pricing signals in all the EU countries who answered the compliance questionnaire. Transmission tariffs in the Member States reflect most of the requirements of the Regulation given that they are entry-exit tariff systems rather than being distance-based. In some countries a zonal tariff system (Bulgaria, Italy and Great Britain) or a nodal system (Norway) is applied. Article 4.2 of the Regulation warrants the provision of locational signals to producers and consumers of electricity. Some countries have introduced systems providing locational signals (Great Britain, Norway, Sweden, Rumania and Slovakia). The majority of the countries do not have locational signals that take into account the network losses and congestion caused and investment costs for infrastructure. However, this is not considered as actual non-compliance as the Article 4.2 is largely conditional and leaving implementation of locational signals to the Member States.

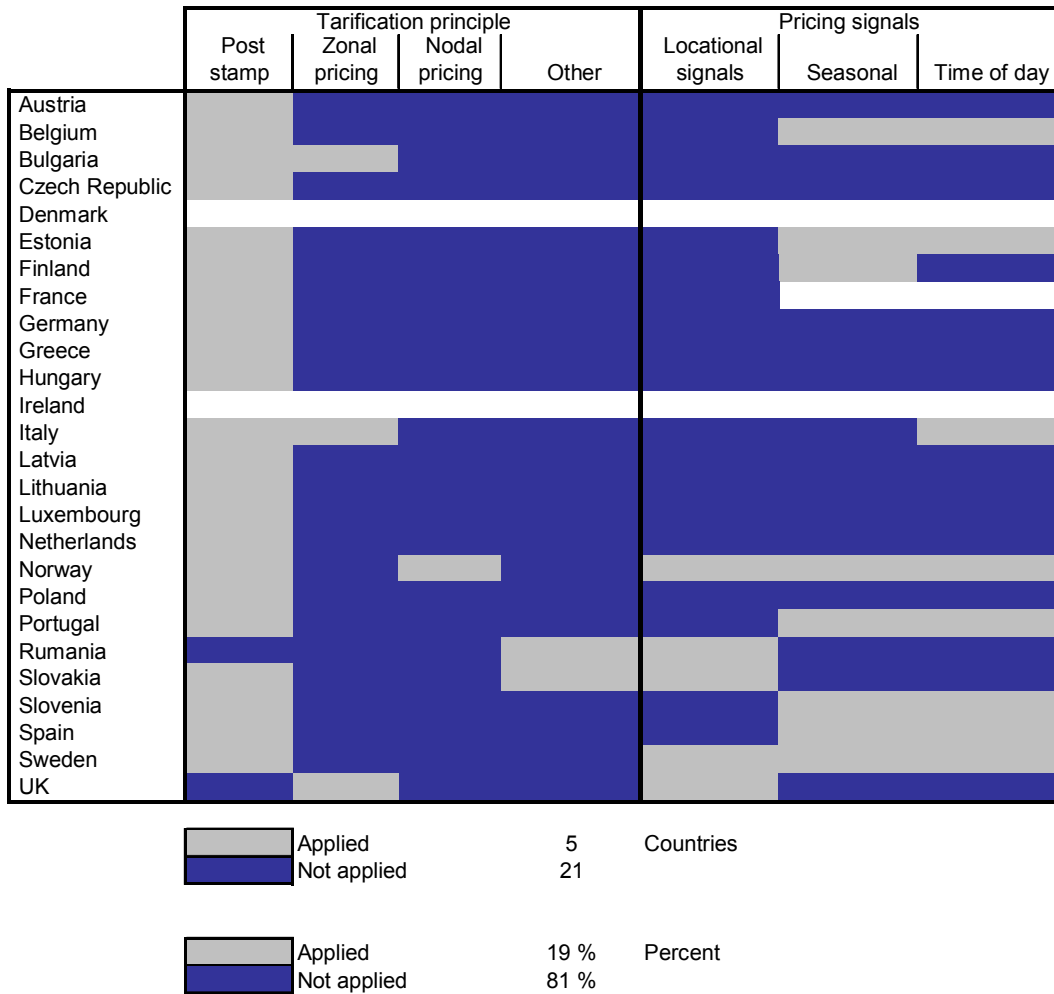


Figure 6: Tariffication Principles and Pricing Signals

Figure 6: Tariffication Principles and Pricing Signals represent the usage of different connection charges for the analysed countries. 33 % of the Member States practice deep connection charges, which means that direct cost of connection (connecting line, bay in substation and part of common equipment) plus some part of grid development costs are charged when connection is realised. The answers imply a significant increase in the use of deep connection charges from the first compliance monitoring report.

Διαγράφηκε: Figure 6: Tariffication Principles and Pricing Signals

Connection charges

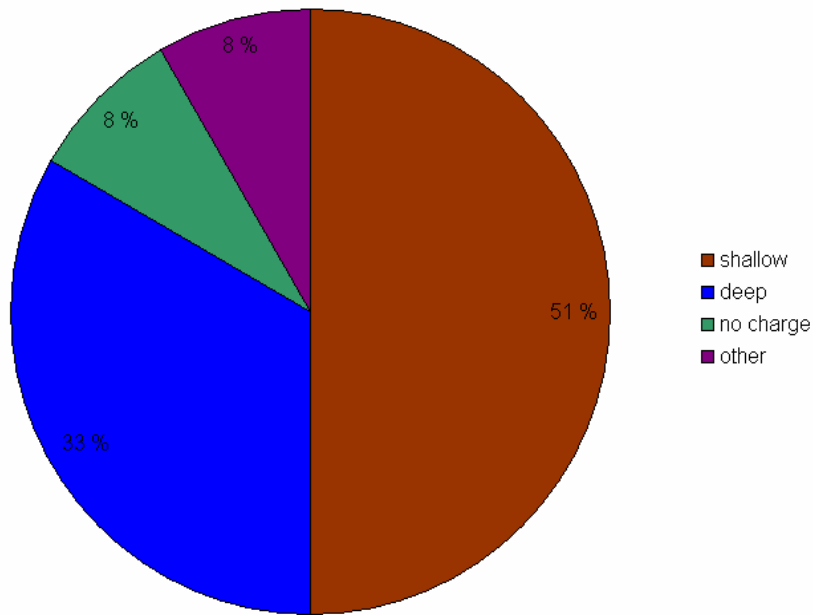


Figure 7: Connection Charges

The Figures presented here indicate full compliance with the related aspects of the Article 4 and with the general provisions and requirements for non-discrimination and tariffication which stem from the Directive 2003/54/EC.

Finally, in virtually all countries who replied to the compliance questionnaire:

- (i) the TSO has described tariff methodology including all issues addressed above (the only exception was in countries where that description was done by the NRA),
- (ii) charges for access to network are applied regardless of country of destination or origin,
- (iii) no transaction based charges are applied on interconnections and
- (iv) NRAs have ensured compliance in the related issues here.

To summarize, a very high degree of compliance with the Article 4 of Regulation can be observed. Where negative answers were given, or certain issues were deemed not-applicable, this was due mainly to either NRA describing and publishing some information instead of the TSO or because the given provisions of the Article 4 were themselves not mandatory but foresee a high degree of subsidiarity and own approach per Member States for implementation.

7. Summary and Conclusions

In this section, the key findings of the Third Compliance Report, together with the recommendations for improvements and further development are presented.

7.1 Key Findings

7.1.1 Intra- and Inter-Regional Coordination and Coherence

Coordination of Congestion Management methods and procedures on a regional and EU-level is a key objective of Regulation 1228/2003 and the CM Guidelines. Thus coordination is of particular relevance for monitoring compliance and progress. In general the degree of compliance is higher than in the previous report. Several regional and cross-regional projects have contributed to this improved situation. However it should be noted that almost all regions do have coordination-shortcomings compared to the legal requirements.

In the near future further projects will move from elaboration to real implementation and thus compliance is expected to be increased. Ongoing projects do address coordination in long-term allocation (such as in CEE and CSE) or market coupling (in CWE).

It should be noted that less NRAs considered that the methods currently applied for managing the interconnections are suitable for regional and communitywide application. Although explicit allocations are compliant, there seems to be a growing consensus that implicit day-ahead auctions are more suitable for regional and communitywide integration. Moreover the coherence of long-term allocations is going to be enhanced. These developments are reflected in the ERGEG Framework Guidelines on Capacity Allocation and Congestion Management. In the period until the Framework Guidelines and the accompanying codes are to be finalized, efficient steps shall be taken in order to enhance compliance on a regional level with regard to the coordination requirements but also to ensure overall consistency between the regions.

7.1.2 About limitation of cross border capacity

Compliance with regards to point 1.7 of the CM Guidelines (no limitation of cross border capacity to solve internal congestions) is analysed in the chapter 4.1.7. Compared to last year's report, compliance has improved, however the interpretation of this article is not commonly shared. As a consequence, for the same interconnection, different answers were sometimes given from the respective sides of the border. This highlights an important need to specify the information TSOs shall provide to the regulators and market players. Moreover this point is strongly linked with transparency (see point 5.1 of the CM Guidelines) and capacity calculation issues. For example, it appears that there are few concrete criteria to assess the price zone question in the ongoing discussions within ERGEG and AHAG. This issue is reinforced with the recent Svenska Kraftnät case. Therefore, it is of utmost importance to support all efforts to define clear criteria for reporting on and reviewing network constraints in order to ensure that cross-border capacity is not limited for internal congestion and the European market is fully efficient.

7.1.3 Intra-day Aspects

There is a higher level of compliance on intraday since the last report, due to several new projects having been implemented. However, there are examples of interconnectors where intraday is not in place. Of the 31 monitored interconnectors, intraday is in place on 17. On further 10 interconnectors there are concrete plans for introduction within 2011. The type of intraday solutions has not been subject to compliance monitoring in this report.

For the next improvement steps enhanced coordination of different intra-day solutions needs to become an objective. Due to the increasing amount of intermittent, unpredictable renewable generation the importance of coordinated intra-day mechanisms will increase.

7.1.4 Transparency

In general, there is a higher level of compliance on transparency since the last report. A lower level of transparency is still observed in certain areas. This is especially so with regard to renewables, especially forecasts of wind and solar power for control areas with more than 1 % of such sources or bidding areas with more than 5 %. Here still only in one third of countries with these levels of wind or solar the TSOs publish the required information. Furthermore, publication of outages in transmission grid, generation and large consumption units is still missing in several countries. Information on corrective actions in the grid and the effects of these also needs improvement.

7.1.5 Use of congestion income

In general, the most common use of congestion income is to reduce tariffs, which is how about half of the reported congestion income is used, followed by use for investment in new lines, while the amount used to ensure capacity is the lowest. Several countries do not report the planned use of congestion income, indicating that in this area regulators need to be more active. Also, clearer rules for how to define the different uses are needed.

7.2 Recommendations

In general there seems to be high level of “practical compliance”, i.e. that procedures and practices in fact work according to the Regulations and Guidelines. However, in several cases the more formal requirements may be fulfilled to a lesser extent, e.g. TSO has not sent written documentation of procedures to the NRAs. In cases where the NRA has not received documentation from the TSO, ERGEG cannot consider this to be fully compliant.

ERGEG recommends the following issues to ensure goals set out for cross-border trade in the Regulation and the CM Guidelines be addressed by the following stakeholders:

The EU Commission should:

- Give clear guidance and aid work with provisions so that those leaving too much room for interpretation become clear and unambiguous.
- Ensure swift process for the CACM Framework Guidelines and elaboration / committee process of the related codes and the Fundamental Data Transparency Guidelines in order to support the further development on IEM.

Member States should:

- Ensure swift implementation of legal framework that supports efficient cross border trade including the codes under the forthcoming CACM Framework Guidelines, the Fundamental Data Transparency Guidelines and the provisions stemming from the 3rd package requiring TSO and Regulators cross-border cooperation.
- Support Regional Initiatives in their efforts for market coupling and coordinating congestion management procedures across borders and across regions for all timeframes.

TSOs should:

- Ensure a quick development of the codes related to the CACM Framework Guidelines
- Continue their committed work within the Regional Initiative and strive towards efficient inter-regional congestion management methods for all timeframes.
- Enhance and speed up implementation of missing transparency elements, as requested by forthcoming committee guidelines.
- Ensure documentation of relevant procedures and send these to NRAs.

European Regulators should:

- Continue to foster and support regional and inter-regional coordination via the Regional Initiatives
- Ensure that TSOs document relevant procedures and routines and send these to the NRAs for review.
- Document relevant national procedures with regards to monitoring compliance for the TSO. Consider harmonised approach in national compliance monitoring.

The ongoing ERGEG work on Framework Guidelines for Capacity Allocation and Congestion Management (CACM), and the subsequent network codes will contribute to clarifying and specifying requirements for appropriate methods capacity allocation on interconnectors, and congestion management methods in general. Likewise the forthcoming Commitology Guidelines on Fundamental Energy Data Transparency will contribute to clarifying criteria for publishing information on a regional and interregional basis.

7.3 Future role of ACER in compliance monitoring

Compliance monitoring is among the key tasks of ACER, and there could be scope for further developing the framework for future compliance reporting, and detailing criteria for compliance without endangering a consistent and comparable approach over the years. The work done by ERGEG could be a starting point for ACER's future work with compliance monitoring, though a new legal framework (i.e. the Third Directive and corresponding Regulations) would require adjustments.

Work towards national harmonised approach on procedures for compliance monitoring is another issue that ACER could support and coordinate.

8. Acronyms and Abbreviations

CACM	Capacity Allocation and Congestion Management Framework Guidelines
CM	Congestion Management
CM Guidelines	Congestion Management Guidelines 2006/770/EC
CEE	Central East Europe region
CSE	Central South Europe region
CWE	Central West Europe region
EMCC	European Market Coupling Company
ENM TF	EREG Electricity Network and Market TF
ERI	EREG Electricity Regional Initiative process
FCFS	First-Come-First-Serve method
FUI	France-UK-Ireland region
HN	Horizontal Network definition for the ITC purposes
IEM	Internal Electricity Market (of the EU)
ITC	Inter-TSO Compensation
NRA	National Regulatory Authority
Regulation	Regulation (EC) 1228/2003
SEE	South East Europe region
SWE	South West Europe region
TLC	Trilateral Market Coupling between Belgium, France and Netherlands
TPA	Third Party Access (regulated)
TSO	Transmission System Operator
TT	Transmission Tariffication
UIOLI	Use-It-Or-Loose-It rule
UIOSI	Use-It-Or-Sell-It rule

Annex 1 – Summary of Replies from National Regulatory Authorities

EXPLANATORY NOTE 1:

The subject of the questionnaire / replies from NRAs is the monitoring of the implementation of the Regulation and the CM Guidelines.

For that, the regulators have adopted the common criteria¹⁹.

However, some of those criteria go beyond legal framework in the Regulation and the CM Guidelines in a sense that they address also the issues of assessment like e.g. the means of reporting, the interpretation of the Regulation by each NRA and / or CM Guidelines in points where they are not precise enough etc.

For the above reasons, the figures / percentages in the following tables do not directly imply compliance with the legal provisions (e.g. 86 % in the table does not necessarily mean 86 % compliance), but they must be instead read and interpreted in close relation with the related text of the Third Compliance Report.

A summary of all responses is presented below, using the following methodology:

- All answers to the Compliance Questionnaire have been summarized per country or per interconnection and per Article of the Regulation or Point of the CM Guidelines
- The percentages are a sum of answers with “yes” or “not applicable” in relation to the all answers for a given issue
- In calculating percentages, each “sub-question” of an article / a point (the number of “sub-questions” per article/point is indicated in the second row of tables) has been given same weighting, although in terms of legal provisions, the “sub-questions” do not always have equal importance. Such a simplification was introduced for practical reasons, readability and clarity.
- For better visibility colour codes have been used in the tables to highlight areas which are less than 100 % compliant: Pink for values below 50 %, light green for values between 50 % - 100 %.

¹⁹http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_ERGEG_PAPERS/Electricity/2007/E07-EFG-25-03_CriteriaForCompliance_10-Dec-2007.pdf

A1.1 Article 4 of the Regulation

Article in Regulation	Article 4.1	Article 4.2	Article 4.3	Article 4.4	Article 4.5
Total number of answers	7	6	4	3	3
Country					
Estonia	100 %	100 %	100 %	100 %	100 %
Latvia	100 %	100 %	100 %	100 %	100 %
Lithuania	100 %	100 %	100 %	100 %	100 %
Austria	100 %	100 %	100 %	100 %	100 %
Czech Republic	100 %	83 %	100 %	100 %	100 %
Hungary	100 %	100 %	100 %	100 %	100 %
Slovenia	86 %	100 %	100 %	100 %	100 %
Germany	100 %	100 %	100 %	100 %	100 %
Poland	100 %	100 %	100 %	100 %	100 %
Slovakia	100 %	100 %	100 %	100 %	100 %
Italy	100 %	83 %	100 %	100 %	100 %
Greece	100 %	100 %	100 %	100 %	100 %
France	100 %	100 %	100 %	100 %	100 %
Belgium	100 %	100 %	100 %	100 %	100 %
Netherlands	100 %	100 %	100 %	100 %	100 %
Luxembourg	100 %	100 %	100 %	100 %	100 %
Sweden	100 %	100 %	100 %	100 %	100 %
Norway	100 %	100 %	100 %	100 %	100 %
Finland	86 %	100 %	100 %	67 %	100 %
Denmark	100 %	83 %	100 %	100 %	67 %
Spain	100 %	100 %	100 %	100 %	100 %
Portugal	100 %	100 %	100 %	100 %	100 %
UK	100 %	100 %	100 %	100 %	100 %
Ireland	100 %	100 %	100 %	100 %	100 %
Rumania					
Bulgaria	100 %	100 %	100 %	100 %	100 %
Average %	99 %	98 %	100 %	99 %	99 %

A1.2 Article 5 of the Regulation

Article in Regulation		Article 5.1 4	Article 5.2 6	Article 5.3 7
Total number of answers	From			
Interconnection				
Estonia - Latvia	Estonia	100 %	100 %	100 %
	Latvia	100 %	100 %	57 %
Latvia - Lithuania	Lithuania	100 %	100 %	86 %
	Latvia	100 %	100 %	57 %
Austria - Czech Republic	Austria	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %
Austria - Hungary	Austria	100 %	100 %	100 %
	Hungary	100 %	100 %	100 %
Austria - Slovenia	Austria	100 %	100 %	100 %
	Slovenia	0 %	100 %	71 %
Germany - Poland	Germany	75 %	100 %	86 %
	Poland	100 %	100 %	100 %
Czech Republic - Poland	Poland	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %
Poland - Slovakia	Poland	100 %	100 %	100 %
	Slovakia	100 %	100 %	86 %
Czech Republic - Germany	Germany	75 %	100 %	86 %
	Czech Republic	100 %	100 %	100 %
Czech Republic - Slovakia	Czech Republic	100 %	100 %	100 %
	Slovakia	100 %	100 %	86 %
Hungary - Slovakia	Slovakia	100 %	100 %	86 %
	Hungary	50 %	100 %	100 %
Austria - Italy	Austria	100 %	100 %	100 %
	Italy	75 %	100 %	100 %
Italy - Slovenia	Italy	75 %	100 %	100 %
	Slovenia	0 %	100 %	71 %
Greece - Italy	Italy	75 %	100 %	100 %
	Greece	50 %	100 %	100 %
France - Italy	Italy	75 %	100 %	100 %
	France	75 %	50 %	57 %
France - Germany	France	75 %	50 %	57 %
	Germany	75 %	100 %	86 %
Belgium - France	Belgium	75 %	67 %	57 %
	France	75 %	50 %	57 %
Belgium - Netherlands	Belgium	75 %	67 %	57 %
	Netherlands	75 %	50 %	71 %
Germany - Netherlands	Germany	75 %	100 %	86 %
	Netherlands	75 %	50 %	71 %
Norway - Sweden	Sweden	100 %	67 %	100 %
	Norway	100 %	100 %	100 %
Finland - Sweden	Sweden	100 %	67 %	100 %
	Finland	75 %	100 %	71 %
Denmark - Sweden	Sweden	100 %	67 %	100 %
	Denmark	75 %	100 %	100 %
Denmark - Germany	Germany	75 %	100 %	86 %
	Denmark	75 %	100 %	100 %
Denmark - Norway	Norway	100 %	100 %	100 %
	Denmark	75 %	100 %	100 %
France - Spain	France	75 %	100 %	100 %
	Spain	100 %	100 %	100 %
Portugal - Spain	Portugal	100 %	100 %	100 %
	Spain	100 %	100 %	100 %
France - UK	France	75 %	100 %	100 %
	UK	100 %	100 %	100 %
Hungary - Rumania	Rumania			
	Hungary	100 %	100 %	100 %
Bulgaria - Rumania	Rumania			
	Bulgaria	100 %	100 %	86 %
Bulgaria - Greece	Bulgaria	100 %	100 %	86 %
	Greece	50 %	100 %	100 %
Norway - Netherlands	Norway	100 %	100 %	100 %
	Netherlands	75 %	50 %	71 %
Average %		85 %	92 %	90 %

A1.3 Article 6 of the Regulation

Article in Regulation		Article 6.1	Article 6.2	Article 6.3	Article 6.4	Article 6.5	Article 6.6
Total number of answers		4	11	4	4	4	7
Interconnection	From						
Estonia - Latvia	Estonia	100 %	100 %	100 %	100 %	50 %	57 %
	Latvia	100 %	100 %	100 %	100 %	100 %	100 %
Latvia - Lithuania	Lithuania	100 %	100 %	100 %	100 %	100 %	100 %
	Latvia	100 %	100 %	100 %	100 %	100 %	100 %
Austria - Czech Republic	Austria	100 %	100 %	50 %	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %
Austria - Hungary	Austria	100 %	100 %	50 %	100 %	100 %	100 %
	Hungary	100 %	100 %	100 %	100 %	100 %	100 %
Austria - Slovenia	Austria	100 %	100 %	50 %	100 %	100 %	100 %
	Slovenia	100 %	100 %	75 %	100 %	100 %	86 %
Germany - Poland	Germany	100 %	100 %	100 %	100 %	75 %	100 %
	Poland	100 %	100 %	100 %	100 %	100 %	100 %
Czech Republic - Poland	Poland	100 %	100 %	100 %	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %
Poland - Slovakia	Poland	100 %	100 %	100 %	100 %	100 %	100 %
	Slovakia	100 %	100 %	100 %	100 %	100 %	100 %
Czech Republic - Germany	Germany	100 %	100 %	100 %	100 %	75 %	100 %
	Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %
Czech Republic - Slovakia	Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %
	Slovakia	100 %	100 %	100 %	100 %	100 %	100 %
Hungary - Slovakia	Slovakia	100 %	100 %	100 %	100 %	100 %	100 %
	Hungary	100 %	100 %	100 %	100 %	100 %	100 %
Austria - Italy	Austria	100 %	100 %	50 %	100 %	100 %	100 %
	Italy	100 %	82 %	100 %	100 %	100 %	100 %
Italy - Slovenia	Italy	100 %	82 %	100 %	100 %	100 %	100 %
	Slovenia	100 %	100 %	67 %	100 %	100 %	86 %
Greece - Italy	Italy	100 %	82 %	100 %	100 %	100 %	100 %
	Greece	100 %	100 %	50 %	100 %	75 %	100 %
France - Italy	Italy	100 %	82 %	100 %	100 %	100 %	100 %
	France	100 %	82 %	100 %	100 %	100 %	100 %
France - Germany	France	100 %	73 %	50 %	100 %	75 %	100 %
	Germany	100 %	100 %	100 %	100 %	75 %	100 %
Belgium - France	Belgium	100 %	100 %	50 %	100 %	100 %	71 %
	France	100 %	73 %	50 %	100 %	75 %	100 %
Belgium - Netherlands	Belgium	100 %	100 %	50 %	100 %	100 %	71 %
	Netherlands	100 %	82 %	100 %	100 %	100 %	100 %
Germany - Netherlands	Germany	100 %	100 %	100 %	100 %	75 %	100 %
	Netherlands	100 %	82 %	100 %	100 %	100 %	100 %
Norway - Sweden	Sweden	100 %	100 %	100 %	100 %	100 %	86 %
	Norway	100 %	91 %	100 %	100 %	100 %	100 %
Finland - Sweden	Sweden	100 %	100 %	100 %	100 %	100 %	86 %
	Finland	100 %	100 %	100 %	100 %	100 %	86 %
Denmark - Sweden	Sweden	100 %	100 %	100 %	100 %	100 %	86 %
	Denmark	100 %	100 %	100 %	100 %	100 %	100 %
Denmark - Germany	Germany	100 %	100 %	100 %	100 %	75 %	100 %
	Denmark	100 %	100 %	100 %	100 %	100 %	100 %
Denmark - Norway	Norway	100 %	91 %	100 %	100 %	100 %	100 %
	Denmark	100 %	100 %	100 %	100 %	100 %	100 %
France - Spain	France	100 %	73 %	50 %	100 %	75 %	100 %
	Spain	100 %	100 %	100 %	100 %	100 %	100 %
Portugal - Spain	Portugal	100 %	100 %	100 %	100 %	100 %	100 %
	Spain	100 %	100 %	100 %	100 %	100 %	100 %
France - UK	France	100 %	64 %	50 %	100 %	75 %	100 %
	UK	100 %	100 %	100 %	100 %	100 %	43 %
Ireland - N. Ireland	Ireland	100 %	100 %	100 %	100 %	100 %	100 %
	N. Ireland	100 %	100 %	100 %	100 %	100 %	100 %
Hungary - Rumania	Rumania						
	Hungary	100 %	100 %	100 %	100 %	100 %	100 %
Bulgaria - Rumania	Rumania						
	Bulgaria	100 %	100 %	75 %	100 %	25 %	71 %
Bulgaria - Greece	Bulgaria	100 %	100 %	75 %	100 %	25 %	71 %
	Greece	100 %	100 %	50 %	75 %	50 %	100 %
Norway - Netherlands	Norway	100 %	91 %	100 %	100 %	100 %	71 %
	Netherlands	100 %	82 %	100 %	100 %	100 %	100 %
Average %		100 %	95 %	89 %	100 %	82 %	95 %

A1.4 Point 1 of the CM Guidelines

Article in Regulation	Total number of answers	Point 1.1	Point 1.2	Point 1.3	Point 1.4	Point 1.5	Point 1.6	Point 1.7	Point 1.8	Point 1.9	Point 1.10
Interconnection	From	6	3	3	13	6	2	5	4	4	3
Estonia - Latvia	Estonia	100%	100%	67%	100%	67%	50%	20%	100%	100%	67%
	Latvia	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Latvia - Lithuania	Lithuania	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Latvia	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Austria - Czech Republic	Austria	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Czech Republic	100%	100%	100%	100%	100%	100%	100%	100%	75%	33%
Austria - Hungary	Austria	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Hungary	100%	100%	100%	100%	100%	100%	100%	100%	25%	100%
Austria - Slovenia	Austria	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Slovenia	83%	100%	67%	77%	83%	50%	80%	0%	75%	67%
Germany - Poland	Germany	100%	100%	100%	85%	100%	50%	100%	100%	0%	100%
	Poland	100%	100%	100%	100%	100%	100%	100%	100%	0%	67%
Czech Republic - Poland	Poland	100%	100%	100%	100%	100%	100%	100%	100%	0%	67%
	Czech Republic	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
Poland - Slovakia	Poland	100%	100%	100%	100%	100%	100%	100%	100%	0%	67%
	Slovakia	100%	100%	67%	100%	100%	100%	100%	100%	0%	67%
Czech Republic - Germany	Germany	100%	100%	100%	85%	100%	50%	100%	100%	100%	100%
	Czech Republic	100%	100%	100%	100%	100%	100%	100%	100%	100%	33%
Czech Republic - Slovakia	Czech Republic	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Slovakia	100%	100%	100%	100%	100%	100%	100%	100%	75%	67%
Hungary - Slovakia	Slovakia	100%	100%	67%	100%	100%	100%	100%	100%	0%	67%
	Hungary	100%	100%	33%	85%	100%	100%	80%	75%	0%	0%
Austria - Italy	Austria	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Italy	100%	100%	100%	100%	100%	50%	100%	100%	0%	100%
Italy - Slovenia	Italy	100%	100%	100%	100%	100%	50%	100%	100%	0%	100%
	Slovenia	83%	100%	67%	77%	83%	50%	80%	0%	75%	67%
Greece - Italy	Italy	100%	100%	100%	100%	100%	50%	100%	100%	0%	100%
	Greece	100%	100%	67%	92%	50%	50%	100%	50%	0%	33%
France - Italy	Italy	100%	100%	100%	100%	100%	50%	100%	100%	0%	100%
	France	100%	100%	100%	91%	40%	100%	40%	100%	0%	100%
France - Germany	France	100%	100%	100%	91%	40%	100%	40%	100%	100%	100%
	Germany	100%	100%	100%	85%	100%	50%	100%	100%	100%	100%
Belgium - France	Belgium	100%	100%	0%	92%	33%	50%	40%	75%	100%	100%
	France	100%	100%	100%	91%	40%	100%	40%	100%	100%	100%
Belgium - Netherlands	Belgium	100%	100%	0%	92%	33%	50%	40%	75%	100%	100%
	Netherlands	100%	100%	0%	77%	100%	100%	100%	50%	100%	100%
Germany - Netherlands	Germany	100%	100%	100%	85%	100%	50%	100%	100%	100%	100%
	Netherlands	100%	100%	0%	77%	100%	100%	100%	50%	100%	100%
Norway - Sweden	Sweden	83%	100%	67%	92%	100%	100%	100%	100%	100%	100%
	Norway	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Finland - Sweden	Sweden	83%	100%	67%	92%	100%	100%	100%	100%	100%	100%
	Finland	83%	100%	67%	77%	100%	100%	100%	100%	100%	100%
Denmark - Sweden	Sweden	83%	100%	67%	92%	100%	100%	100%	100%	100%	100%
	Denmark	100%	100%	67%	100%	100%	0%	100%	100%	100%	100%
Denmark - Germany	Germany	100%	100%	100%	85%	100%	50%	100%	100%	100%	100%
	Denmark	100%	100%	67%	100%	100%	0%	100%	100%	100%	100%
Denmark - Norway	Norway	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Denmark	100%	100%	67%	100%	100%	0%	100%	100%	100%	100%
France - Spain	France	100%	100%	100%	91%	80%	100%	40%	100%	75%	100%
	Spain	100%	100%	100%	100%	100%	50%	100%	100%	100%	100%
Portugal - Spain	Portugal	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Spain	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
France - UK	France	100%	100%	100%	77%	50%	100%	40%	100%	67%	100%
	UK	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hungary - Rumania	Rumania										
	Hungary	100%	100%	100%	100%	100%	100%	100%	100%	25%	100%
Bulgaria - Rumania	Rumania										
	Bulgaria	100%	100%	67%	100%	100%	100%	100%	100%	0%	100%
Bulgaria - Greece	Bulgaria	100%	100%	67%	100%	100%	100%	100%	100%	0%	100%
	Greece	100%	100%	67%	92%	50%	50%	100%	50%	0%	0%
Norway - Netherlands	Norway	100%	100%	67%	85%	50%	100%	60%	100%	0%	100%
	Netherlands	100%	100%	0%	77%	100%	100%	100%	50%	0%	100%
Average %		98%	100%	82%	94%	90%	81%	90%	92%	64%	87%

A1.5a Point 2 of the CM Guidelines

Article in Regulation		Point 2.1	Point 2.2	Point 2.3	Point 2.4	Point 2.5	Point 2.6	Point 2.7
Total number of answers		26	3	5	7	7	3	4
Interconnection	From							
Estonia - Latvia	Estonia	100%	100%	80%	100%	86%	100%	100%
	Latvia	100%	100%	100%	100%	100%	100%	100%
Latvia - Lithuania	Lithuania	100%	100%	100%	100%	100%	100%	100%
	Latvia	100%	100%	100%	100%	100%	100%	100%
Austria - Czech Republic	Austria	100%	100%	100%	100%	100%	100%	100%
	Czech Republic	100%	100%	100%	100%	100%	100%	100%
Austria - Hungary	Austria	100%	100%	100%	100%	100%	100%	100%
	Hungary	78%	100%	100%	100%	100%	100%	100%
Austria - Slovenia	Austria	100%	100%	100%	100%	100%	100%	100%
	Slovenia	95%	33%	80%	57%	86%	33%	100%
Germany - Poland	Germany	70%	33%	80%	86%	100%	100%	100%
	Poland	70%	100%	100%	100%	100%	100%	100%
Czech Republic - Poland	Poland	70%	100%	100%	100%	100%	100%	100%
	Czech Republic	87%	100%	100%	100%	100%	100%	100%
Poland - Slovakia	Poland	70%	100%	100%	100%	100%	100%	100%
	Slovakia	87%	100%	100%	100%	100%	100%	100%
Czech Republic - Germany	Germany	100%	33%	80%	86%	100%	100%	100%
	Czech Republic	100%	100%	100%	100%	100%	100%	100%
Czech Republic - Slovakia	Czech Republic	100%	100%	100%	100%	100%	100%	100%
	Slovakia	100%	100%	100%	100%	100%	100%	100%
Hungary - Slovakia	Slovakia	87%	100%	100%	100%	100%	100%	100%
	Hungary	85%	100%	20%	57%	100%	100%	100%
Austria - Italy	Austria	85%	100%	100%	100%	86%	100%	100%
	Italy	85%	100%	100%	100%	86%	100%	100%
Italy - Slovenia	Italy	85%	100%	100%	100%	86%	100%	100%
	Slovenia	95%	33%	80%	57%	86%	33%	100%
Greece - Italy	Italy	85%	100%	100%	100%	86%	100%	100%
	Greece	70%	100%	80%	100%	100%	0%	100%
France - Italy	Italy	85%	100%	100%	100%	86%	100%	100%
	France	85%	100%	100%	100%	86%	100%	100%
France - Germany	France	80%	100%	60%	71%	100%	100%	100%
	Germany	100%	33%	80%	86%	100%	100%	100%
Belgium - France	Belgium	100%	100%	100%	100%	100%	100%	100%
	France	80%	100%	60%	71%	100%	100%	100%
Belgium - Netherlands	Belgium	100%	100%	100%	100%	100%	100%	100%
	Netherlands	90%	100%	80%	86%	100%	100%	100%
Germany - Netherlands	Germany	100%	33%	80%	86%	100%	100%	100%
	Netherlands	90%	100%	80%	86%	100%	100%	100%
Norway - Sweden	Sweden	100%	100%	100%	100%	100%	67%	100%
	Norway	100%	100%	100%	100%	100%	100%	100%
Finland - Sweden	Sweden	100%	100%	100%	100%	100%	67%	100%
	Finland	100%	100%	100%	100%	100%	100%	100%
Denmark - Sweden	Sweden	100%	100%	100%	100%	100%	67%	100%
	Denmark	100%	100%	100%	71%	14%	67%	100%
Denmark - Germany	Germany	91%	33%	80%	86%	100%	100%	100%
	Denmark	100%	100%	80%	71%	100%	100%	100%
Denmark - Norway	Norway	100%	100%	100%	100%	100%	100%	100%
	Denmark	100%	100%	100%	71%	14%	67%	100%
France - Spain	France	80%	100%	60%	71%	100%	100%	100%
	Spain	100%	100%	100%	100%	100%	100%	100%
Portugal - Spain	Portugal	100%	100%	100%	100%	100%	100%	100%
	Spain	100%	100%	100%	100%	100%	100%	100%
France - UK	France	80%	100%	80%	71%	100%	100%	100%
	UK	100%	100%	100%	100%	100%	100%	100%
Hungary - Rumania	Rumania							
	Hungary	90%	100%	100%	100%	100%	100%	100%
Bulgaria - Rumania	Rumania	0%	0%	0%	0%	0%	0%	0%
	Bulgaria	80%	100%	100%	71%	100%	0%	100%
Bulgaria - Greece	Bulgaria	80%	100%	100%	71%	100%	0%	100%
	Greece	80%	100%	80%	100%	100%	0%	100%
Norway - Netherlands	Norway	83%	100%	100%	100%	100%	100%	100%
	Netherlands	79%	100%	80%	86%	100%	100%	100%
Average %		89%	91%	90%	90%	93%	87%	98%

A1.5b Point 2 of the CM Guidelines

Article in Regulation		Point 2.8	Point 2.9	Point 2.10	Point 2.11	Point 2.12	Point 2.13
Total number of answers		2	2	6	6	8	10
Interconnection	From						
Estonia - Latvia	Estonia	100%	100%	50%	67%	100%	0%
	Latvia	100%	100%	100%	100%	100%	100%
Latvia - Lithuania	Lithuania	100%	100%	100%	100%	100%	100%
	Latvia	100%	100%	100%	100%	100%	100%
Austria - Czech Republic	Austria	100%	100%	100%	100%	100%	100%
	Czech Republic	100%	100%	100%	83%	63%	100%
Austria - Hungary	Austria	100%	100%	100%	100%	100%	100%
	Hungary	100%	100%	100%	83%	100%	100%
Austria - Slovenia	Austria	100%	100%	100%	100%	100%	100%
	Slovenia	100%	50%	83%	100%	75%	100%
Germany - Poland	Germany	100%	100%	50%	100%	75%	100%
	Poland	100%	100%	100%	83%	75%	100%
Czech Republic - Poland	Poland	100%	100%	100%	83%	75%	100%
	Czech Republic	100%	100%	100%	83%	63%	100%
Poland - Slovakia	Poland	100%	100%	100%	83%	75%	100%
	Slovakia	100%	100%	100%	100%	100%	90%
Czech Republic - Germany	Germany	100%	100%	50%	100%	75%	100%
	Czech Republic	100%	100%	100%	100%	63%	100%
Czech Republic - Slovakia	Czech Republic	100%	100%	100%	100%	63%	100%
	Slovakia	100%	100%	100%	100%	100%	90%
Hungary - Slovakia	Slovakia	100%	100%	100%	100%	100%	90%
	Hungary	100%	100%	83%	100%	50%	80%
Austria - Italy	Austria	100%	100%	100%	100%	100%	100%
	Italy	100%	100%	100%	100%	75%	100%
Italy - Slovenia	Italy	100%	100%	100%	100%	75%	100%
	Slovenia	100%	50%	83%	100%	75%	100%
Greece - Italy	Italy	100%	100%	100%	100%	75%	100%
	Greece	100%	100%	50%	83%	75%	70%
France - Italy	Italy	100%	100%	100%	100%	75%	100%
	France	100%	100%	100%	100%	75%	100%
France - Germany	France	100%	100%	83%	100%	50%	90%
	Germany	100%	100%	50%	100%	75%	100%
Belgium - France	Belgium	100%	100%	100%	100%	75%	100%
	France	33%	100%	83%	100%	63%	90%
Belgium - Netherlands	Belgium	100%	100%	100%	100%	75%	100%
	Netherlands	100%	100%	100%	100%	63%	100%
Germany - Netherlands	Germany	100%	100%	50%	100%	75%	100%
	Netherlands	100%	100%	100%	100%	63%	100%
Norway - Sweden	Sweden	100%	100%	100%	100%	100%	89%
	Norway	100%	100%	100%	100%	100%	100%
Finland - Sweden	Sweden	100%	100%	100%	100%	100%	89%
	Finland	100%	100%	100%	100%	100%	89%
Denmark - Sweden	Sweden	100%	100%	100%	100%	100%	89%
	Denmark	100%	100%	100%	83%	100%	100%
Denmark - Germany	Germany	100%	100%	50%	100%	75%	100%
	Denmark	100%	100%	100%	83%	100%	100%
Denmark - Norway	Norway	100%	100%	100%	100%	100%	100%
	Denmark	100%	100%	100%	83%	100%	100%
France - Spain	France	100%	100%	83%	100%	50%	100%
	Spain	100%	100%	83%	100%	63%	100%
Portugal - Spain	Portugal	100%	100%	100%	100%	100%	100%
	Spain	100%	100%	100%	100%	100%	100%
France - UK	France	100%	100%	83%	100%	50%	100%
	UK	100%	100%	100%	100%	100%	100%
Hungary - Rumania	Rumania						
	Hungary	100%	100%	100%	83%	100%	100%
Bulgaria - Rumania	Rumania						
	Bulgaria	100%	100%	50%	83%	100%	100%
Bulgaria - Greece	Bulgaria	100%	100%	50%	83%	100%	100%
	Greece	100%	100%	50%	83%	38%	70%
Norway - Netherlands	Norway	100%	100%	83%	100%	88%	100%
	Netherlands	100%	100%	100%	100%	63%	100%
Average %		93%	92%	84%	90%	77%	89%

A1.6 Point 3 of the CM Guidelines

Article in Regulation		Point 3.1	Point 3.2	Point 3.3	Point 3.4	Point 3.5	Point 3.6
Total number of answers		5	8	2	2	3	6
Interconnection	From						
Estonia - Latvia	Estonia	100 %	75 %	100 %	100 %	100 %	100 %
	Latvia	100 %	100 %	100 %	100 %	100 %	100 %
Latvia - Lithuania	Lithuania	100 %	100 %	100 %	100 %	100 %	100 %
	Latvia	100 %	100 %	100 %	100 %	100 %	100 %
Austria - Czech Republic	Austria	75 %	63 %	100 %	0 %	67 %	100 %
	Czech Republic	100 %	25 %	100 %	0 %	100 %	100 %
Austria - Hungary	Austria	75 %	63 %	100 %	0 %	67 %	100 %
	Hungary	100 %	63 %	100 %	100 %	100 %	100 %
Austria - Slovenia	Austria	75 %	63 %	100 %	0 %	67 %	100 %
	Slovenia	100 %	100 %	100 %	0 %	0 %	80 %
Germany - Poland	Germany	100 %	100 %	100 %	0 %	100 %	83 %
	Poland	100 %	100 %	100 %	0 %	100 %	100 %
Czech Republic - Poland	Poland	100 %	100 %	100 %	0 %	100 %	100 %
	Czech Republic	100 %	63 %	100 %	0 %	100 %	100 %
Poland - Slovakia	Poland	100 %	100 %	100 %	0 %	100 %	100 %
	Slovakia	100 %	100 %	100 %	100 %	0 %	100 %
Czech Republic - Germany	Germany	100 %	100 %	100 %	0 %	100 %	83 %
	Czech Republic	100 %	63 %	100 %	0 %	100 %	100 %
Czech Republic - Slovakia	Czech Republic	100 %	63 %	100 %	0 %	100 %	100 %
	Slovakia	100 %	100 %	100 %	100 %	0 %	100 %
Hungary - Slovakia	Slovakia	100 %	25 %	100 %	100 %	0 %	100 %
	Hungary	60 %	0 %	100 %	0 %	0 %	0 %
Austria - Italy	Austria	75 %	63 %	100 %	0 %	67 %	100 %
	Italy	100 %	100 %	100 %	0 %	67 %	100 %
Italy - Slovenia	Italy	100 %	100 %	100 %	0 %	67 %	100 %
	Slovenia	100 %	100 %	100 %	0 %	0 %	83 %
Greece - Italy	Italy	100 %	100 %	100 %	0 %	67 %	100 %
	Greece	100 %	50 %	100 %	0 %	0 %	50 %
France - Italy	Italy	100 %	100 %	100 %	0 %	67 %	100 %
	France	0 %	63 %	100 %	0 %	67 %	67 %
France - Germany	France	0 %	88 %	100 %	0 %	67 %	67 %
	Germany	100 %	100 %	100 %	0 %	100 %	83 %
Belgium - France	Belgium	0 %	38 %	100 %	0 %	33 %	100 %
	France	0 %	88 %	100 %	0 %	67 %	67 %
Belgium - Netherlands	Belgium	0 %	38 %	100 %	0 %	33 %	100 %
	Netherlands	100 %	63 %	100 %	0 %	0 %	83 %
Germany - Netherlands	Germany	100 %	100 %	100 %	0 %	100 %	83 %
	Netherlands	100 %	63 %	100 %	0 %	0 %	83 %
Norway - Sweden	Sweden	100 %	100 %	100 %	0 %	0 %	100 %
	Norway	75 %	100 %	100 %	0 %	0 %	100 %
Finland - Sweden	Sweden	100 %	100 %	100 %	0 %	0 %	100 %
	Finland	100 %	100 %	100 %	0 %	0 %	100 %
Denmark - Sweden	Sweden	100 %	100 %	100 %	0 %	0 %	100 %
	Denmark	100 %	100 %	100 %	0 %	0 %	100 %
Denmark - Germany	Germany	100 %	100 %	100 %	0 %	100 %	83 %
	Denmark	100 %	100 %	100 %	0 %	0 %	100 %
Denmark - Norway	Norway	80 %	100 %	100 %	0 %	0 %	100 %
	Denmark	100 %	100 %	100 %	0 %	0 %	100 %
France - Spain	France	0 %	63 %	100 %	0 %	67 %	67 %
	Spain	100 %	100 %	100 %	0 %	33 %	100 %
Portugal - Spain	Portugal	100 %	100 %	100 %	100 %	100 %	100 %
	Spain	100 %	100 %	100 %	0 %	33 %	100 %
France - UK	France	0 %	63 %	100 %	0 %	67 %	67 %
	UK	100 %	100 %	100 %	0 %	100 %	100 %
Hungary - Rumania	Rumania						
	Hungary	100 %	63 %	100 %	100 %	100 %	100 %
Bulgaria - Rumania	Rumania						
	Bulgaria	100 %	63 %	0 %	0 %	0 %	50 %
Bulgaria - Greece	Bulgaria	100 %	63 %	0 %	0 %	0 %	50 %
	Greece	80 %	25 %	100 %	0 %	0 %	50 %
Norway - Netherlands	Norway	80 %	63 %	100 %	0 %	0 %	100 %
	Netherlands	100 %	63 %	100 %	0 %	0 %	83 %
Average %		85 %	80 %	97 %	17 %	50 %	89 %

Art.17 Point 4 of the CM Guidelines

Article in Regulation		Point 4.1	Point 4.2	Point 4.3	Point 4.4
Total number of answers		6	6	5	4
Interconnection	From				
Estonia - Latvia	Estonia	100 %	100 %	100 %	100 %
	Latvia	100 %	100 %	100 %	100 %
Latvia - Lithuania	Lithuania	100 %	100 %	100 %	100 %
	Latvia	100 %	100 %	100 %	100 %
Austria - Czech Republic	Austria	100 %	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %	100 %
Austria - Hungary	Austria	100 %	100 %	100 %	100 %
	Hungary	100 %	100 %	20 %	75 %
Austria - Slovenia	Austria	100 %	100 %	100 %	100 %
	Slovenia	100 %	100 %	80 %	50 %
Germany - Poland	Germany	100 %	100 %	0 %	100 %
	Poland	100 %	100 %	80 %	100 %
Czech Republic - Poland	Poland	100 %	100 %	80 %	100 %
	Czech Republic	100 %	100 %	0 %	100 %
Poland - Slovakia	Poland	100 %	100 %	80 %	100 %
	Slovakia	100 %	100 %	80 %	100 %
Czech Republic - Germany	Germany	100 %	100 %	100 %	100 %
	Czech Republic	100 %	100 %	100 %	100 %
Czech Republic - Slovakia	Czech Republic	100 %	100 %	100 %	100 %
	Slovakia	100 %	100 %	100 %	100 %
Hungary - Slovakia	Slovakia	100 %	100 %	80 %	100 %
	Hungary	100 %	100 %	0 %	100 %
Austria - Italy	Austria	100 %	100 %	100 %	100 %
	Italy	100 %	100 %	0 %	75 %
Italy - Slovenia	Italy	100 %	100 %	0 %	75 %
	Slovenia	100 %	100 %	80 %	50 %
Greece - Italy	Italy	100 %	100 %	0 %	75 %
	Greece	100 %	100 %	0 %	50 %
France - Italy	Italy	100 %	100 %	0 %	75 %
	France	100 %	100 %	0 %	0 %
France - Germany	France	100 %	100 %	100 %	100 %
	Germany	100 %	100 %	100 %	100 %
Belgium - France	Belgium	100 %	100 %	100 %	100 %
	France	100 %	100 %	100 %	0 %
Belgium - Netherlands	Belgium	100 %	100 %	100 %	100 %
	Netherlands	100 %	100 %	20 %	100 %
Germany - Netherlands	Germany	100 %	100 %	100 %	100 %
	Netherlands	100 %	100 %	20 %	100 %
Norway - Sweden	Sweden	100 %	100 %	100 %	100 %
	Norway	100 %	83 %	100 %	100 %
Finland - Sweden	Sweden	100 %	100 %	100 %	100 %
	Finland	100 %	100 %	100 %	100 %
Denmark - Sweden	Sweden	100 %	100 %	100 %	100 %
	Denmark	100 %	100 %	100 %	75 %
Denmark - Germany	Germany	100 %	100 %	100 %	100 %
	Denmark	100 %	100 %	80 %	75 %
Denmark - Norway	Norway	100 %	83 %	100 %	100 %
	Denmark	100 %	100 %	100 %	75 %
France - Spain	France	100 %	100 %	60 %	0 %
	Spain	100 %	100 %	100 %	100 %
Portugal - Spain	Portugal	100 %	100 %	100 %	100 %
	Spain	100 %	100 %	100 %	100 %
France - UK	France	100 %	83 %	100 %	100 %
	UK	100 %	100 %	100 %	100 %
Hungary - Rumania	Rumania				
	Hungary	100 %	100 %	0 %	100 %
Bulgaria - Rumania	Rumania				
	Bulgaria	100 %	100 %	0 %	100 %
Bulgaria - Greece	Bulgaria	100 %	100 %	0 %	100 %
	Greece	100 %	100 %	0 %	50 %
Norway - Netherlands	Norway	100 %	83 %	20 %	100 %
	Netherlands	100 %	100 %	20 %	100 %
Average %		100 %	99 %	68 %	87 %

A1.8 Point 5 of the CM Guidelines

Article in Regulation Total number of answers Country	Point 5.1 9	Point 5.2 0	Point 5.3 4	Point 5.4 4	Point 5.5 47	Point 5.6 2	Point 5.7 17	Point 5.8 6	Point 5.9 3	Point 5.10 3
Estonia	100%	100%	100%	100%	84%	100%	88%	100%	100%	100%
Latvia	78%	100%	100%	100%	88%	100%	68%	67%	100%	100%
Lithuania	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Austria	100%	100%	100%	100%	97%	100%	76%	50%	100%	100%
Czech Republic	100%	100%	100%	100%	100%	100%	89%	100%	100%	100%
Hungary	100%	100%	100%	100%	92%	100%	100%	100%	100%	100%
Slovenia	89%	100%	100%	100%	98%	100%	65%	100%	100%	100%
Germany	44%	100%	100%	100%	98%	100%	76%	100%	100%	100%
Germany	44%	100%	100%	100%	98%	100%	76%	100%	100%	100%
Germany	44%	100%	100%	100%	98%	100%	76%	100%	100%	100%
Germany	44%	100%	100%	100%	98%	100%	76%	100%	100%	100%
Poland	100%	100%	100%	100%	96%	100%	94%	83%	100%	100%
Slovakia	100%	100%	100%	100%	80%	100%	53%	50%	100%	100%
Italy	78%	100%	100%	100%	70%	50%	94%	100%	100%	100%
Greece	100%	83%	100%	100%	64%	50%	29%	67%	100%	33%
France	14%	100%	100%	100%	45%	0%	59%	50%	33%	67%
Belgium	78%	100%	100%	100%	68%	50%	47%	83%	67%	100%
Netherlands	89%	83%	100%	100%	72%	50%	53%	50%	67%	100%
Luxembourg										
Sweden	100%	100%	100%	100%	96%	100%	76%	67%	100%	100%
Norway	100%	100%	100%	100%	94%	100%	82%	67%	100%	100%
Finland	44%	83%	75%	75%	66%	100%	71%	67%	67%	67%
Denmark	100%	100%	100%	100%	96%	100%	82%	100%	100%	100%
Spain	100%	100%	100%	100%	98%	50%	89%	83%	100%	100%
Portugal	100%	100%	100%	100%	85%	100%	100%	100%	100%	100%
UK	78%	100%	100%	100%	80%	100%	89%	100%	100%	100%
Ireland										
Rumania										
Bulgaria	67%	100%	100%	100%	65%	0%	12%	20%	67%	100%

A1.9 Point 6 of the CM Guidelines

Article in Regulation	Point 6.1	Point 6.2	Point 6.3	Point 6.4	Point 6.5	Point 6.6
Total number of answers	3	2	5	4	2	5
Country						
Estonia	0 %	0 %	100 %	0 %	0 %	20 %
Latvia	100 %	100 %	100 %	100 %	100 %	100 %
Lithuania	100 %	100 %	100 %	100 %	100 %	100 %
Austria	100 %	100 %	100 %	100 %	100 %	100 %
Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %
Hungary	33 %	50 %	80 %	50 %	100 %	100 %
Slovenia	100 %	100 %	60 %	100 %	100 %	100 %
Germany	100 %	100 %	100 %	100 %	100 %	100 %
Poland	100 %	100 %	100 %	100 %	100 %	100 %
Slovakia	100 %	100 %	100 %	100 %	100 %	100 %
Italy	100 %	100 %	100 %	100 %	100 %	100 %
Greece	100 %	100 %	100 %	50 %	0 %	100 %
France	100 %	100 %	80 %	100 %	100 %	100 %
Belgium	100 %	100 %	100 %	100 %	50 %	80 %
Netherlands	100 %	100 %	100 %	50 %	100 %	100 %
Sweden	100 %	100 %	80 %	100 %	100 %	100 %
Norway	100 %	100 %	100 %	100 %	50 %	100 %
Finland	100 %	100 %	100 %	100 %	100 %	100 %
Denmark	100 %	50 %	100 %	100 %	0 %	100 %
Spain	100 %	100 %	100 %	100 %	100 %	100 %
Portugal	100 %	100 %	100 %	100 %	100 %	100 %
UK	100 %	100 %	100 %	100 %	100 %	100 %
Rumania						
Bulgaria	100 %	100 %	100 %	100 %	0 %	40 %
Average %	93 %	91 %	96 %	89 %	78 %	93 %

Annex 2 – Interconnections not in the Compliance Report

Spain – Morocco (non-EU)
Interconnections to Switzerland (unclear applicability (non-EU))
Germany – Luxembourg (special case)
Sweden – Germany (special case)
Sweden – Poland (Swepol) (special case)
Ireland – Northern Ireland (part of internal market – SEM)
Finland – Estonia (Estlink) (derogation)
Finland – Russia (non-EU)
Hungary – Ukraine (non-EU)
Poland – Belarus (non-EU)
Slovakia – Ukraine (non-EU)
Slovenia – Croatia (non-EU)
Hungary – Croatia (non-EU)
Greece – Macedonia (non-EU)
Greece – Albania (non-EU)
Rumania – Ukraine (non-EU)