

RTE consultation on the participation of interconnections and/or foreign capacities in the French capacity market



EFET response – 15 October 2015

The European Federation of Energy Traders (EFET)¹ thanks RTE for the opportunity to provide expertise and input on its consultation on the cross-border participation of interconnections and/or foreign generation and demand capacity to the French capacity mechanism (CM).

Whichever decisions are taken on the rules for the French CM, we believe that RTE should make sure that the integrity of the internal electricity market is maintained. At the level of advancement of the internal electricity market we have reached since the early days of liberalisation, we believe that electricity markets can no longer be looked at through a strictly national prism. EFET remains convinced that a well-functioning pan-European market remains central to macroeconomic efficiency and is a key component to many of the questions related to security of supply. An undistorted, well-functioning and competitive market also provides the energy price signals that will trigger efficient decisions by all market participants, which will in turn reduce costs for end-consumers. Our answers to the consultation questions below should hence not be read as an exemption for RTE to continue improving market functioning in France, as well as in conjunction with its European counterparts.

In summary, EFET highlights a number of principles intended to support RTE's reflection on the cross-border aspects of the French CM. The establishment of transparent rules at regional and European level for the management of scarcity and emergency situations and the coordination of CMs² across borders should be a target for RTE, the French authorities and their counterparts in Europe. As a matter of principle, market participants holding generation or demand capacity, not TSOs holding interconnection capacity, should participate in the French CM, to mirror conditions within French borders and avoid distortions of investment/closure decisions. We therefore recommend that RTE pursue efforts in direction of Scenario D presented in the consultation document.

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

² Throughout this document, when referring to capacity mechanisms in general, we include all forms of capacity mechanisms and payments, as well as equivalent measures, such as strategic reserves, balancing reserves or grid reserves.

Q1. Should the evolution of the participation of interconnections and/or foreign capacities in the French capacity market depend upon prior changes to the practical and legal framework governing the management of scarcity situations? Why or why not?

The evolution of the participation of foreign capacities in the French CM poses a number of questions with regard to the legal and technical framework regarding both the cross-border functioning of the CM itself, and the rules governing inter-TSO cooperation and coordination in cases of system stress and/or market suspension.

Rules governing the functioning of the capacity mechanism

The participation of third-country capacity to the French CM should be governed by the same principles underlying the contribution of French capacities in the mechanism, namely:

- the certification of generation and demand-response capacities
- the control of the fulfilment of capacity providers' engagements
- the settlement of possible imbalances
- the possible penalties imposed on capacity providers

A number of rules need to be developed to ensure that these basic features of the French CM lawfully apply to assets situated outside the reach of French legislation and RTE rules. EFET therefore believes that the evolution of the RTE rules to allow for the participation of third-country generation and demand to the French CM should closely follow and be followed by practical and legal developments at European level and in neighbouring countries. In the meantime, TSO-TSO cooperation agreements are to be developed to ensure that foreign TSOs can effectively perform the above-listed functions carried out by RTE on French territory.

Rules governing the functioning of interconnections and of inter-TSO cooperation and coordination in cases of system stress and/or market suspension

EFET observes that under well-functioning market conditions with remaining margins, scarcity situations are governed by a number of basic market rules at European level, according to the Target Model currently being implemented, namely that (i) scarcity is expressed through market prices, (ii) cross-border energy flows follow these energy prices, so that lower priced markets export to higher priced markets, and (iii) imports/exports may not be curtailed for scarcity reasons, unless in case of emergency situations or Force Majeure. As such, a scarcity situation does not mean that the market will not perform its duties, and the combination of standard market rules with the type of agreement mentioned above should guarantee the functioning of the energy markets and the contribution of all relevant capacities to the French CRM even in situations of scarcity if no market suspension, interconnection curtailment/outage or out-of-market measures are taken or incurred by the TSOs.

It should nonetheless be taken into account that security of electricity supply largely remains a matter of national competence according to Directive 2005/89/CE. Dealing with scarcity situations involves a level of threat to security of supply, which may lead national authorities and TSOs to deviate from the normal operation of the energy markets. There is therefore no full guarantee that in times of scarcity, import/export transmission capacity will be available and that allocated rights will not be curtailed³.

³We refer to the events of September 2003 and November 2006 as examples of situations where the normal operation of the market and/or network was not guaranteed anymore.

Indeed, current national network codes, but also all future or existing EU network codes/binding Guidelines contain “fall back” modes allowing TSOs to suspend part or all of the market rules in case of Emergency Situations or Force Majeure, such as the curtailment of allocated cross-zonal capacity in Article 72 of Capacity Allocation and Congestion Management (CACM) Guideline. Article 34.2-4 of the draft Emergency and Restoration (E&R) network code foresees the development of “rules and conditions for the suspension of market activities [by the TSOs] *at least* in situations where prolongation of market activities would worsen the conditions of the Transmission System being in Emergency State.”⁴ This article and Article 72 of the CACM Guideline, with their vague formulations and lack of proper definition of the situations at stake could trigger premature market suspensions or excessive out-of-market actions.

These elements, which may be justified for system security reasons, nevertheless show that a unilateral suspension of basic market rules by one or several TSOs is not to be excluded in cases of system stress or emergency situation.

In cases where TSOs suspend the standard functioning of the market, relying strictly on market rules and TSO-TSO agreements on the functioning of the CM (as described above) risks resulting in situations where market participants bound by the CM rules have fulfilled all their obligations (generators and DSR providers being available and to contribute; retail supplier having purchased the appropriate volumes of capacity certificates), but the objective of contribution to security of supply is not fulfilled because of an action of TSOs or a network event has isolated the foreign capacity from the French energy market. The potentiality of such events happening cannot be ignored in a CM which aims to improve security of supply in all situations and from a public policy perspective – consumers should not be paying for a mechanism that TSO actions renders ineffective.

The clarification of the rules applicable to the management of scarcity and emergency situations, at national and European level, is thus highly needed when considering cross-border contributions to CMs and to security of supply in general.

While EFET does not make it conditional to an evolution of the French CM rules, it calls on ENTSO-E, ACER, the European Commission and Member States to define and adopt joint principles for the management of situations of simultaneous adequacy problems in neighbouring markets. As a first step, EFET sees the possibility of bilateral or multilateral agreements between the concerned Member States and their TSOs. Bilateral/multilateral agreements should ensure that market activities are not suspended or curtailed in day-ahead or intraday between the concerned bidding zones (especially import-exports), even in the form of reduced volume of capacity being made available for allocation in day-Ahead or intraday (i.e. full firmness of allocated and of available but not yet allocated rights should be guaranteed).

These rules should also include provisions on how to deal with situations affecting the ability of foreign capacities to fulfil their obligations under the French CM, including in such cases as energy market suspensions, as mentioned above.

⁴ At European level, the Emergency and Restoration network code (NC ER), which is critical to the debate on cross-border security of supply and the coordination of CMs, allows for individual TSOs to suspend market activities (such as market coupling or import/exports) at any time in case of “Emergency Situation” – a concept that still lacks a harmonised definition in European legislation and raises concerns that scarcity prices may not materialise in case of scarcity related emergency events like brown-outs lacks. The ACER opinion on this network code clearly mentions the lack of ambitions in this field and the possible impacts on cross-border security of supply and generation adequacy. We believe that TSOs should let markets work in order to signal scarcity (at least in day-ahead) and that setting up a CM in addition to energy markets would not improve security of supply if cross-border energy markets themselves are not allowed to work efficiently in day-ahead and intraday.

Q2. Should a neighbouring country be required to have a capacity mechanism in place for capacities in that country to be allowed to participate in the French capacity market?

The existence of a CM in the neighbouring markets cannot be a prerequisite to the participation of third-country capacity in the French CM. This would contradict the fundamental principles of the Third Package and of EU Directive 2005/89/EC on Security of Supply.

EFET supports a pragmatic approach whereby all capacity from a country, with or without a CM, is allowed to participate in the CM of a neighbouring country, provided that they fulfil the obligations and requirements of the said mechanism, including in cases of simultaneous scarcity in both markets. Therefore, the existence in neighbouring markets of compatible rules around the common management of available resources, their certification and their control is essential in order to allow cross-border participation and recognition of individual or collective contributions to system adequacy.

In practical terms, it means that:

- If a CM already exists or is being considered in a neighbouring country, some form of coordination and compatibility needs to be ensured, even in the case of very different models. These measures are needed to avoid that the same capacity is relied upon by several mechanisms for the same time period or that the available capacities are not shared because they are pre-booked by another non-compatible CM or equivalent: this would result in sharing only scarcity and not the available margins,
- If no CM exists or is being considered in the neighbouring country, specific rules for the calculation, control and sharing of the available margins across the borders during periods of scarcity once the market results have been taken into account should be put in place.

In a long-term perspective, we believe that harmonisation of such principles at European level is desirable. This includes not only the principles for the cross-border participation to national CMs, but also the principles for pan-European and regional capacity adequacy assessments and the criteria for the implementation of CMs.

Q3. If a capacity mechanism is implemented in a neighbouring country, should the French capacities necessarily be allowed to participate to the capacity mechanism of this given country so that the capacities from this country participate to the French capacity market?

Harmonisation is a core principle of the single energy market, and reciprocity is a guiding value of the EU external energy policy. Consequently, EFET sees steps towards common generation adequacy assessments and, when they are implemented, to mutual recognition of CMs within and outside the Union, as conducive to efficient market outcomes.

Nonetheless, as highlighted in our answer to Q2, the existence of a CM in a neighbouring market cannot be a prerequisite to the participation of third-country capacity in the French CM from a legal perspective. This also extends to the question of whether foreign capacity located in a country with a CM that excludes the participation of French capacities may or not participate in the French mechanism.

While we favour a coordinated approach to ensuring security of supply across borders, thereby reducing the system costs of this security at a regional level, we do not believe that the RTE rules on the French CM should exclude foreign capacity located in a country with a CM only for the reason that it excludes the participation of French capacities.

From a pure security of supply perspective, a situation whereby the French CRM recognises and rewards capacities abroad whereas CRM(s) in neighbouring countries would not recognize and reward capacities in France would admittedly limit foreign TSOs' possibilities to ensure security of supply in their control area by relying on and rewarding French capacities beyond the normal operation of the market. However, it would not reduce RTE's ability to tap into foreign capacity in case of scarcity. Overall, security of supply in France would be improved, while security of supply in the neighbouring bidding zone would remain unchanged.

In practice we therefore believe that the establishment of a concrete roadmap towards mutual recognition of foreign capacities in CMs in Europe will be beneficial and should be discussed when setting up operational TSO to TSO agreements, as explained in our answer to Q1. Non-reciprocal recognition of foreign capacities in CMs would be suboptimal economically, and would pose questions of political and public acceptability with regard to the financing of capacities abroad by French consumers when the opposite is not true. We therefore believe that this situation is not desirable and can only be transitory.

From a legal perspective, a CM not recognising the participation of French capacities is likely to be found in breach of the Guidelines on State aid for environmental protection and energy (EEAG). However, imposing reciprocity in the French mechanism would likely also expose the French system to a breach of the EEAG. Mutual recognition and full reciprocity seem therefore to be the way forward.

As a consequence of the above, we urge all Member States to take the necessary steps in order to achieve mutual recognition when discussing cross-border participation arrangements in CMs and cross-border aspects of security of supply in general.

The ideal Target Model would take account of all available generation and demand capacities, with no technology discrimination. However, defining the roadmap towards this target model on the various borders may take time and should therefore not slow down efforts from French authorities and RTE to open the French CM to the participation of foreign capacities, as a pilot project.

Pending an EU or regional framework, bilateral or multilateral agreements can provide a level playing field, reduce overall costs and improve the overall efficiency of coordinated generation adequacy management at regional or European level.

Q4. If a capacity mechanism is implemented in a neighbouring country, should the participation of French capacities to the capacity mechanism of this given country be considered as a sufficient condition so that the capacities from this country participate to the French capacity market?

As argued above (see our answers to Q1 to Q3), the participation of foreign capacities to the French CM should not be conditioned to the existence of a CM in neighbouring markets or to the recognition of foreign capacities in the French CRM, but should be addressed through bilateral or multilateral discussions. In any case, the condition of "mutual participation" could not become sufficient in itself since additional cross-border arrangements are needed on firmness, on coordination measures for the avoidance of market suspensions, as well as on the continuity of the underlying market

processes, such a capacity calculation and allocation of all the available volumes to the market (see our answers to Q1 to Q3).

As highlighted in our answer to Q2, the fundamental question, irrespective of whether a neighbouring country has a CM, and whether this CM takes account of French capacities or not, is that compatible rules are in place to ensure that the contribution of foreign capacities to security of supply across the border. This means that both agreements on TSO-TSO cooperation for the CRM, but also clear rules on the management of system stress and market suspension by TSOs are developed to ensure the effective functioning of cross-border participation in CMs and of the market in general, in all possible situations.

Considering the limited regulatory framework around the coordination of TSO actions in case of Emergency Situations (cf. our comments on the possibility to suspend the day-ahead and intraday markets in the NC ER), it is clear that reciprocity in the consideration of foreign capacities in a neighbouring Member State's CM is neither a pre-condition, nor a sufficient condition: pending a sturdy European framework on the subject, the contribution of third-country capacities should be subject to detailed agreements between the concerned Member States and their TSOs.

Q5. If some foreign capacities or the overall available margin in a neighbouring country were certified, what type of underlying commitment should this imply?

EFET believes that third-country capacities should be subject to the same rights and obligations as domestic capacity in order to be valued in the same way. Their contribution should be calculated according to their expected contribution to cross-border security of supply, taking into account the defined availability margin of the interconnector to France (as defined by the capacity products).

EFET believes that no booking or nomination of transmission capacity should be requested or allowed for the participation of neighbouring capacities in the French CM, as this would interfere with energy markets and would reduce the available of capacity for cross-border energy flows. It would also be unnecessary as the energy would flow to the bidding zone most in demand in any case as long as market processes in day-ahead and intraday are not suspended.

As highlighted by RTE in the consultation document, such an approach (corresponding to scenario C and scenario D at pp. 26—27) requires close cooperation between neighbouring TSOs, especially in determining the margins available.

Q6. If some foreign capacities were certified, what local criteria should be used to qualify capacities? Would it be justified if they were treated differently depending on whether or not they were located in an area directly adjacent to mainland France?

All bidding zones (or individual plants in a bidding zone) should be treated the same way as long as they provide the same contribution. EFET believes that no bidding zone should *a priori* be excluded, provided that TSOs agree on a set of rules around the certification of capacity, the determination of the available margin available for export in the situations defined by the capacity products and by the amount of commercially available transmission capacity (see our answer to Q5).

Q7. Should the explicit participation of an area not directly adjacent to mainland France take into account that area's interconnection with areas adjacent to mainland France? If not, why? If so, how should it be taken into account?

As mentioned in our answer to Q6, capacities located in non-directly adjacent bidding zones should be subject to the same treatment as national capacities or capacities directly adjacent bidding zones. In practice, this of course adds layers of complexity, requires multilateral agreements or bilateral agreements beyond France's direct neighbours, and would likely make capacity available for the French CM in indirect neighbours scarcer than in direct neighbours. However, no outright exclusion should apply if concrete contribution to the French CM can be evidenced.

Q8. How should coordination be organised between French and cross-border parties for calculating the contribution of capacities located in other countries to security of supply for French consumers (agreement on adequacy studies, datasets, etc.)? Would it be acceptable for transmission system operators to be accountable for overall margins made available?

EFET believes that common EU or regional adequacy assessments are a prerequisite to ensuring security of supply in Europe and individual Member States at the lowest cost for end consumers. While security of supply formally remains a national competence, we believe that adequacy planning, system operations and security of supply questions are highly interlinked and need to be tightly coordinated across borders. The current 'national approach' that still prevails in many capitals, while reflecting the current state of cooperation in terms of security of supply, could arguably lead to an overall over-procurement of capacity if Member States do not appropriately take into account what capacity could be reliably considered as a contribution to local adequacy across borders through the energy-only market, thanks to fully firm volumes of interconnection capacity rights guaranteed by TSOs for the efficient use of the market coupling optimisation (with no market suspension, curtailment or restriction).

A common approach to assessing system adequacy will contribute to ensuring supply security more efficiently across and within bidding zones borders as it will effectively pool resources over a wider area. We call for a true adequacy assessment to be completed at a pan-European level, as pledged by the signatory governments of the recent Joint Declaration for Regional Cooperation on Security of Electricity Supply in the Framework of the Internal Energy Market⁵.

In addition to this, given the current lack of visibility and jurisdiction of local TSOs or regulators (RTE/CRE) over foreign capacity providers, specific agreements between TSOs are a necessity for the time being. These agreements should cover the global available capacity margin expected during the time periods defined by the capacity products. A partial sharing of capacity margins would result in sharing scarcity, not adequacy margins, and would also be costly and inefficient. We refer to our answer to Q2 for more details on our proposals for the coordination of TSOs for the participation of foreign capacities in the French CM.

It is also important to make sure that all forms of CMs are considered – see footnote 2 – and that all cables and interconnections in the neighbouring zones effectively contribute to this common scheme when cross-border adequacy coordination with a neighbouring country is put in place.

⁵ See the Joint Declaration at: <http://www.bmwi.de/BMWi/Redaktion/PDF/J-L/joint-declaration-for-regional-cooperation-on-security-of-electricity-supply-in-the-framework-of-the-internal-energy-market,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf>.

Q9. Where appropriate, could a certification of interconnections with underlying commitments based on NTC values be suitable? If so, what deadlines for participation could be considered?

EFET believes that direct participation of interconnections cannot be the way to proceed for the opening of cross-border participation in the French capacity mechanism. As such, the certification of interconnectors seems flawed as it only considers one part of the equation, namely the interconnection capacity: if the generation/demand capacity is not taken into account, the solution is not likely to prove durable. It is also inadequate as it implies that TSOs (such as RTE) would participate in a market that they are themselves organising and supervising. This is in direct conflict with the role of TSOs and unbundling rules.

Q10. If both interconnection capacities and foreign generation and demand response capacities can be certified, should firmness rules apply to ensure that the responsibilities of different parties vis-à-vis their individual commitments are shared equally? If so, what principles and timeframes should apply?

As mentioned in our answer to Q9, the participation of interconnectors in the CM cannot be the way to proceed. This hybrid model is therefore not acceptable for EFET. Foreign capacity providers should be exposed to the same rules and commitments as French capacity providers.

Q11. Should the explicit participation of interconnections be allowed only if regulations are already in place to ensure that revenues collected by the two transmission system operators via the capacity market are used in a similar way to those collected for cross-border capacity allocations in the energy market?

As mentioned in our answers to Q9 and Q10, EFET regards direct participation of interconnectors to the French CM as inappropriate. However, if this option is pursued as an interim solution, EFET considers that revenues resulting from this mechanism should indeed be subject to the same rigorous rules that are in place for revenues from commercial capacity allocation.

Q12. If so, under which regulatory framework: that of France and/or that of the EU?

As mentioned in our answers to Q9 to Q11, EFET is not in favour of direct participation of interconnectors to the French CM. If the solution of explicit participation of interconnectors is approved, then a regional or European regulatory framework would be ideal. Pending a European framework, bilateral or multilateral agreements between Member States could be concluded.

Q13. Are the criteria applied in this assessment framework relevant? Should other criteria be added or removed? And if so for what reason?

We believe that the criteria proposed by RTE in order to analyse the different scenarios are sound.

Q14. Do you think that it is accurate to deal both and separately with the question of the location of the value and of its distribution? If yes, under what conditions? If not, why?

We refer to our answer to Q5 to Q9.

Q15. Please provide an assessment of scenario A, particularly with regard to the assessment framework presented in part 3 of this document.

Scenario A has the advantage of simplicity for the TSO and market participants. However, this scenario represents a status quo, and fails to meet the requests of the European Commission to find operational solutions to facilitate the participation of foreign capacities to national CMs across borders. It also fails to directly reward, and therefore optimise investment/closure decisions for capacities located outside the French borders but which contribute to security of supply in France.

Q16. Please provide an assessment of scenario B, particularly with regard to the assessment framework presented in part 3 of this document.

As mentioned in our answers to Q9 to Q12, EFET is not in favour of direct participation of interconnectors to the French CM. Scenario B could more easily work for privately owned cables since the capacity could arguably be considered as directly connected to RTE, but this would require that the corresponding generation/demand capacity is not connected to other bidding zones, otherwise the same adequacy coordination measures would apply.

We also reiterate our concerns over the fact that Scenario B would fail to consider the generation/demand capacity, and it would imply that RTE would be participating in a scheme that it runs itself.

Q17. Please provide an assessment of scenario C, particularly with regard to the assessment framework presented in part 3 of this document.

The hybrid system seems a rather complex solution, and also creates differentiated types of certificates, which could have an impact on the liquidity of the whole mechanism and valuation of the corresponding products (i.e. with different commitments). Also it still includes a participation of the interconnectors (see our criticism on this point in our answers to Q9 to Q12 and Q16), even if this participation is coupled with generation certificates. The beneficial effects and the positive incentives of Scenario C remain unclear and would deserve further analysis.

It is also worth reiterating the need for an EU framework, or alternatively regional or bilateral agreements between Member States and their TSOs, to ensure that real benefits can be reaped from this approach to cross-border security of supply certification. The overall market design should avoid free riding and ensure that sound investment signals are provided.

Q18. Please provide an assessment of scenario D, particularly with regard to the assessment framework presented in part 3 of this document.

EFET supports this scenario as the target for RTE. The set-up of this solution may be complex, but it will reward bidding zones (or individual capacity providers within these bidding zones) based on their actual individual contribution to security of supply. We understand that Scenario D would require in-depth TSO-TSO cooperation and refer to our answers to Q5 to Q9 for additional details on this part.

We believe that this scenario does not leave interconnectors out of the equation (contrary to Scenario B and part of Scenario C), as they do capture part of the value of a CM directly through the

energy-only market, via the congestion income. Besides, specific incentives are already in place concerning cross-border interconnections capacities, such as PCI initiatives, with different dynamics.

In a second step, further analysis will be needed to clarify how generation/demand capacity can be shared among different bidding zones depending on local requirements (CM or other network requirements).

Q19. Is it necessary that interconnections and/or foreign generation and demand response capacities face the same commitments and control processes as the one for domestic capacities under the French capacity market?

As mentioned in our answer to Q5, EFET believes that third-country capacities should be subject to the same rights and obligations as domestic capacity to ensure non-discrimination. This of course applies to the valuation and control of foreign capacities. Bilateral, regional or EU rules and cooperation agreements between Member States will be required in order for these arrangements to be effective and beneficial for end-consumers.

Q20. In the case of a certification of interconnections and/or generation and demand response capacities based on the effective availability of capacities with ex-post controls, are there feasible alternatives to having neighbouring transmission system operators act as the margin responsible parties of last resort?

It is difficult to see how the control of capacity commitments abroad could be realised without the help of the corresponding foreign TSOs, since no contribution to security of supply can be envisaged without the prior agreement of the concerned TSOs. In any case ex-post contributions would require the same level of coordination and control as ex-ante coordination.

Q21. What would be the best way to share revenues if interconnections and/or foreign generation and demand response capacities participated explicitly in the French capacity market?

Participation of interconnectors should preferably be excluded, as mentioned our answers to Q9 to Q12, Q16 and Q17.

For the participation of foreign generation/demand, the foreign TSO would redistribute to facility operators according to their contribution as per the normative distribution and effective control performed. The detailed arrangements would however need to be further consulted if this option was to be implemented and the preliminary agreements would have to be put in place in order for cross-border contributions to be effective: see answers to Q1 to Q5.

Q22. Should some of the scenarios in this list be automatically ruled out? Are there sub-scenarios other than those presented here that could be considered?

Here is the summary of our assessment of the different scenario. For more details, we refer to our answers to Q15 to Q18:

- Scenario A represents the status quo. Though it has the advantage of simplicity, an evolution is needed to comply with European orientations, i.e. to allow the participation of foreign generation and demand capacity in the French CM. Scenario A fails to send signals for investment in/closure of capacities outside the French borders based on their contribution to French security of supply. Explicit participation of foreign generation/demand should lead to a higher degree of supply security if cross-border aspects are correctly handled at bilateral or regional level, and reduce costs at regional level.
- Scenario B should be excluded, as it fails to reward directly foreign generation/demand capacity. By allowing the participation of interconnectors, it would also imply that RTE both participates in and runs the scheme.
- Scenario C is broadly coherent with the principles of the French CM. However, it seems to be quite complex, creates separate capacity products, and still allows the participation of interconnectors (see comments on Scenario B).
- Scenario D should be RTE's target model for the participation of foreign capacities in the French CM. Serious work would nonetheless be needed in terms of TSO cooperation, including possible bilateral or multilateral agreements, to ensure that the contribution of foreign capacities to the mechanism is effective in all aspects and remains cost-efficient.

Q23. Could one of these scenarios be considered a potential target? If not, what target could be considered?

Scenario D should be RTE's target model for the participation of foreign capacities in the French CM. See our answers to Q15 to Q18 and Q22.

Q24. Should intermediate steps be considered while moving toward this target?

See our answers to Q1 to Q5.