Joint statement of the TSOs regarding the public consultation comments on the drafts of the Long-Term and Day-Ahead Allocation Rules for the Bidding Zone Border Italy-Montenegro (IT-ME)

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Terna, CGES

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19/11/2025

On behalf of the TSOs (Terna and CGES), JAO organised the public consultation between the 9th October and 10th November 2025 on the following documents:

- '*Rules for Explicit Daily Capacity Allocation on Bidding Zone border Italy-Montenegro*'
- '*Harmonised Allocation Rules*' and its '*Border Specific Annex for the Bidding Zone border Italy-Montenegro*'

This report presents the comments received from market participants during the consultation period, along with the corresponding responses from the TSOs.

Public consultation comment #1

MP's comment:

"*Dear all,*
With reference to the draft Rules for Explicit Daily Capacity Allocation on the Italy–Montenegro border, we note that Article 27 (Auction Specification) proposes a Bidding Period from 09:35 to 10:05 CET on D-1.
We respectfully propose to keep the existing Bidding Period at 09:30–10:00 CET on D-1, as currently applied by the South East Europe Coordinated Auction Office (SEE CAO). A five-minute shift brings no operational benefit while adding needless inconsistency across adjacent borders.
If you do not plan to move the proposed Montenegro–Serbia window from 09:30–10:00 CET to 09:00–09:30 CET, then at a minimum please adjust Italy–Montenegro to 09:00–09:30 CET. This avoids overlap between Montenegro–Serbia and Italy–Montenegro, and it allows market participants to know their daily capacity allocations on one border before bidding on the other, reducing the risk of acquiring cross-border capacities that cannot be utilized.
Thank you for your consideration. …"

Response of TSOs:

We appreciate your feedback and can confirm that it will be taken into consideration during the finalisation of the rules, reflecting the following revised timings for the IT<>ME daily auctions:

Auction Specification publication: no later than 9:28
Bidding period: 9:28-9:55
Auction results in case of postponement: no later than 10:25

The new timings were defined to address market participants' concerns while ensuring the robustness and optimal performance of JAO's allocation tool.

Public consultation comment #2

MP's comment:

"Dear JAO consultation team,
we would like to raise a concern regarding the recently announced changes to the gate closure times for daily capacity bidding.
Please find below a comparison table outlining the current and new gate closure times, along with the corresponding power exchange (PX) closure times:

Border	Current Gate Closure	New Gate Closure	PX Closure
ME<>RS	09:30	10:00	MEPX at 10:15
ME<>IT	10:00	10:05	MEPX at 10:15
MK<>RS	09:30	10:35	MEMO at 10:35

Our concern stems from the fact that the updated gate closure times are scheduled very close to the respective power exchange closure times. This significantly reduces the time available for market participants to adjust and finalize their bids, which may impact the efficiency and reliability of the bidding process.
In light of this, we would appreciate clarification on whether there are any plans to adjust the PX gate closure times accordingly to ensure sufficient time remaining between the capacity allocation results and the closure of the power exchanges.
Thank you for your attention to this matter. We look forward to your response. …"

Response of TSOs:

We appreciate your feedback and can confirm that it will be taken into consideration during the finalisation of the rules, reflecting the following revised timings for the IT<>ME daily auctions:

Auction Specification publication: no later than 9:28
Bidding period: 9:28-9:55
Auction results in case of postponement: no later than 10:25

The new timings were defined to address market participants' concerns while ensuring the robustness and optimal performance of JAO's allocation tool.

Public consultation comment #3

MP's comment:

*"*** appreciates the current consultation process as a chance to improve the allocation rules design with reference to the border Italy-Montenegro.*
We deem it relevant to share a comment about the remuneration rules for the capacity allocated in long-term auctions and subject to curtailment. In detail, we propose to revise the remuneration rule to better reflect the value of the curtailed capacity by introducing a

reference to the price auctioned in the daily excplicit auction (that represent the market where the TSO eventually allocates the curtailed capacity). The proposed remuneration price for the curtailed capacity compares the amount of capacity allocated in the daily auctions and the amount curtailed:

a) if the capacity submitted to the daily auctions equals or exceeds curtailed capacity, we propose to remunerate the curtailment at the daily allocation price.

b) If condition a) is not met, we propose to apply a price equal to a weighted average between initial auctions and daily auctions price (the second term should be weighted for the daily offered volume, the first term for the difference between curtailed volume and the daily offered capacity)

In order to implement the comment, below we suggest a rewording of articles 5.2 and 6.2 of the "Border Specific Annex for the Bidding Zone border Italy – Montenegro to the Harmonised Allocation Rules for Long-Term Transmission Rights"):

"[…] and multiplied by the Marginal Price of the initial Auction following price (in EUR/MWh):

- *marginal price of the daily auction, if the capacity submitted to the daily auction is greater than the curtailed quantity for the Long Term Capacity*
- *the weighted average between the marginal price of the daily auction (weighted for the daily offered volume) and marginal price of the initial auction (weighted for the the difference between curtailed volume and the daily offered capacity), if the capacity submitted to the daily auction is lower than the curtailed quantity for the Long Term Capacity" …"*

<u>Response of TSOs:</u>

Thank you, this is a very interesting contribution. However, in this specific context, the introduction of a cap would be necessary to ensure adequate financial coverage by the TSO. This implies the needs of additional analysis to better reflect the value of the curtailed capacity and the definition of an appropriate cap that guarantees coherence and coverage for both TSOs and Market Operators. Then, we believe it would be more appropriate to consider this option in the next amendment, where we will have the opportunity to explore it in greater detail.