

Impact Assessment –

Baltic Cable AB's request for derogation on Implementation of 30 min Intraday Cross Zonal Gate Closure Time

Background

It follows from EU Regulation 2019/943 Article 8, amended through (EU) 2024/1747, that the intraday cross-zonal gate closure time (IDCZGCT) shall not be more than 30 minutes from January 1, 2026. The purpose of this measure is to maximise market participants' opportunities to adjust their balances by trading in the intraday timeframe as close as possible to real time, while at the same time providing the TSOs and market participants with sufficient time for scheduling and balancing processes in relation to network and operational security.¹

At the request of the transmission system operator (TSO), regulatory authorities may grant a derogation from the requirement of a shortened IDCZGCT until 1st of January 2029. The TSO shall submit the request to the regulatory authority concerned including:

- (a) An impact assessment, taking into account feedback from NEMOs and market participants concerned, demonstrating the negative impact of such a measure on the security of supply in the national electricity system, cost-efficiency, including in relation to existing balancing platforms in accordance with Regulation (EU) 2017/2195, on the integration of renewable energy and on greenhouse gas emissions;² and
- (b) an action plan aiming to shorten the intraday cross-zonal gate closure time to 30 minutes ahead of real time by 1 January 2029.

This document outlines the impact assessment from Baltic Cable AB's (BCAB) planned request for a derogation. Although this assessment includes all relevant parts, it may differ slightly compared to similar requests from other TSO's in that BCAB holds no responsibility for

¹ CACM EU 2015/1222 art. 59

² Nominated Electricity Market Operator (NEMO)



a national electricity system. BCAB's outlook for providing a detailed impact assessment for this will thus be limited.

BCAB is responsible for the Baltic Cable High Voltage Direct Current (HVDC) interconnector between Sweden and Germany. Although not constituting a formal or significant part of either of these national electricity systems, the operations of the Baltic Cable will impact the connecting TSOs' grids. The feasibility of implementing the shorter intraday gate closure time is thus dependent on connecting TSOs preparedness for this – besides the implementation process of the capacity calculation methodology in Capacity Calculation Region (CCR) Hansa.

This Impact Assessment will be an annex to the request for derogation by BCAB regarding delayed go-live of 30 minute Intra Day Cross Zonal Gate Closure Time on the border SE4-DE/LU. Stakeholders (market participants, NEMOs) are hereby invited to provide their comments.

Baltic Cable AB's need for a derogation

The bidding zone border, SE4-DE/LU, where Baltic Cable is situated, is a part of the CCR Hansa. The calculation and allocation of capacity at Baltic Cable is dependent on the overall implementation of the Capacity Calculation Region (CCR) Hansa Day Ahead (DA) and Intraday (ID) capacity calculation methodology (CCM) as well as on the co-operation and co-ordination with the other TSOs and Regional Coordination Centers (RCCs) (Nordic RCC and TSCNET). According to the current implementation timeline for the Hansa DA and ID CCM, by the legal deadline for go-live of 30 min IDCZGCT, the border SE4-DE/LU will not yet have become available for trading in the ID market.

BCAB is therefore planning to request a derogation until Q4-26. This timing follows strictly from the implementation timeline of the CCR Hansa DA/ID CCM, which foresees that the SE4-DE/LU border will offer intraday trading by the fourth quarter of 2026. BCAB will have performed every necessary adjustment to internal systems and procedures to facilitate 30 mins IDCZGCT from the time of introducing intraday trading on this border.

BCAB's forthcoming request for derogation (and the duration of it) will not take into account any potential delay or need for additional time to go-live for the other TSO's on the border or for the implementation of the CCR Hansa CCM. Thus, it will only make clear that BCAB cannot provide the shorter IDCZGCT earlier than the planned go-live of intraday.

Assessment of impacts due to delayed implementation of 30 min IDCZGCT on the SE4-DE/LU border

1. Security of supply in the national electricity system



As mentioned above, BCAB does not operate any particular national electricity system but is connected to the Swedish as well as the German electricity systems. Anything that impacts the flow on or operations of Baltic Cable will therefore consequently impact also these two systems. Likewise, BCAB's system will be impacted by what happens in the national electricity systems of Germany and Sweden. The potential challenges regarding security of supply and/or operational security that may follow from shorter IDCZGCT will primarily not relate to BCAB processes or operations but will be dependent on how this change impacts other processes necessary to maintain operational security and security of supply in the national electricity systems.

The CCR Hansa DA/ID CCM methodology is currently under approval by the relevant national regulatory authorities. This methodology outlines and facilitates the coordinated processes and system developments that need to take place for the CCR Hansa borders to function well and ensure secure operation. This coordination does not only involve TSOs, but also on a very tangible level the RCC's that have been appointed to CCR Hansa, i.e. NRCC and TSCNET. All involved parties need to have the necessary arrangements in place before intraday trading can be made possible at the border and before 30 min IDCZGCT can be facilitated.

Some of the complexities that are to be solved before implementing 30 min IDCZGCT is that this prolonged trading window will decrease the time for TSOs handling national electricity systems to perform necessary calculations and measures to operate the grid in a secure manner. Although there are theoretical gains to be reaped from shortening the gate closure time, these complexities need to be managed and addressed in a robust and sustainable way in order not to jeopardize operational security. Among the challenges to be addressed is how to secure sufficient liquidity of automatic balancing reserves (Automatic Frequency Restoration Reserves, aFRR) to cope with increased need for automatized processes for balancing when time gets scarce.

The impacts on processes and operations of a national electricity system can be both extensive and complex. The Danish TSO Energinet has described many of these aspects in the material provided as background for their request for derogation to the Danish NRA Forsyningstilsynet³.

2. Cost efficiency

By market participants having less access to interconnection capacity, as a consequence of not being able to trade closer to real-time, cost efficiency in the electricity system will probably decrease. This effect is at least two-fold:

³ [Høring: Anmodning om undtagelse for tidsfristen om implementering af 30 min cross-zonal gate closure time i intraday-markedet](#)



1. In a situation where market participants' possibilities to obtain more optimally balanced portfolios, the remaining imbalances that TSOs will have to manage will likely be smaller. Along with smaller volumes to manage, costs for managing imbalances will likely also decrease. When go-live of the later gate closure time is delayed, this reduction of costs will temporarily not be realized.
2. When extended trading possibilities in the organized marketplaces (such as the common DA or ID market) can facilitate that the balance between demand and supply is more optimally struck, the prices in these markets will better reflect the underlying conditions in the electricity system and of each individual bidding zone. This also strengthens cost efficiency by giving market participants more correct incentives to either increase/decrease supply or demand when it's most needed.

3. Integration of renewable energy and on greenhouse gas emissions

One of the objectives for prolonging the trading opportunities in intraday markets is to make it possible for generators of renewable energy to balance their portfolios closer to real-time, when (for example) wind forecasts have become more accurate. This would potentially allow renewable generators to manage their imbalance price risks better and thus improve their business case as well as competitiveness. In markets where balancing capacity is largely provided by fossil fueled generators, the extended trading window will consequently also decrease the dependency on capacity causing greenhouse gas emissions. This effect may be more widely seen on the German side of Baltic Cable, but also in the south of Sweden where the supply of balancing capacity from renewable sources is more limited compared to other parts of Sweden. Although it is very complex to quantify, the net effect of not going live with a shorter closing time within the legal deadline, is probably negative for the integration of renewable energy. This in turn may, but not necessarily so, increase greenhouse gas emissions in the short term somewhat.

Summary of impact assessment

Taken as a whole, the delayed go-live of a shorter closing time in the intraday market, will have a negative consequence for the criteria that the regulation identifies as relevant for the impact assessment. Consequently, it is a strong priority for BCAB to minimize the delay by proactively performing the work needed to have all necessary systems and processes in place as soon as possible. BCAB will also continue to work for the implementation of the CCR Hansa DA/ID CCM methodology in order to be able to go live with providing intraday trading possibilities via Baltic Cable as quickly as possible.

It is worth noting that the negative impact(s) identified above will only be proportional to the amount of capacity on the interconnector that would still be available for trading in the extra 30 mins that the prolonged closing time provides. In the instance(s) where all capacity



will already be allocated in the “right” direction (i.e. the direction or the volume of the flow on the interconnector will not change by the transactions made possible in the last 30 mins) earlier in the trading session, keeping the session open for an extra 30 minutes will not bring additional value neither to security of supply, cost efficiency nor to the integration of renewable energy.

Instructions for how to provide feedback to this impact assessment

Market participants and NEMOs are invited to provide feedback to Baltic Cable AB's impact assessment by e-mail, regulation@balticcable.com

We would appreciate if the feedback provided addresses the following two questions:

- Are there additional impacts from postponing the go-live of 30 min IDCZGCT on the SE4-DE/LU border that have not been sufficiently captured in the assessment by Baltic Cable?
- Do you have any other points of relevance that you would like to mention?

When sending the e-mail, make sure to clearly state which company and/or organization that you represent and also your title. Please, also mark the e-mail with the headline “Feedback to Impact assessment regarding 30 min IDCZGCT”

Your personal information will be handled according to our [Privacy Policy](#).

We need your response no later than 12.00 (CET) on May 26th 2025.

