

EB SG – CZCA Harmonised Methodology

21 April 2021



Agenda

1. Background
2. CCR Market-based and Economic Efficiency methodologies status update
3. Draft Table of Contents
4. Proposed interactions with stakeholders

Background

- Several CCRs have submitted MB and EE methodologies to their respective NRAs.
- Currently, the Baltic, Hansa, and Core MB allocation methodologies have been referred to ACER.
- ACER is currently harmonising the general principles of the allocation methodologies.
- Some TSOs intent to use one of these methodologies in case the balancing platforms go live (e.g., Nordic).
- In June 2023, the EB Reg. Art. 38(3) is expected to be approved, replacing with a implementation timeline all current MB and EE methodologies.
- CCRs who did not submit a methodology will be able to start applications in June 2023.

Regional Market-based and Economic-efficiency Methodologies Status Update – April 2021

Region	Submitted Methodology	Current Status
Baltic	Market-based (Art 41)	<ul style="list-style-type: none"> NRAs forwarded 2nd Amended Proposal for decision to ACER on 19 February 2021 The decision by ACER is expected by 19 August 2021
Core	Market-based (Art 41)	<ul style="list-style-type: none"> NRAs forwarded 1st Amended Proposal for decision to ACER on 22 February 2021 The decision by ACER is expected by 22 August 2021
Core	Economic efficiency (Art 42)	<ul style="list-style-type: none"> NRAs forwarded 1st Amended Proposal for decision to ACER on 22 February 2021 The decision by ACER is expected by 22 August 2021
Hansa	Market-based (Art 41)	<ul style="list-style-type: none"> Hansa NRAs have requested ACER to adopt a decision for the proposed methodology on 27 January 2021 The decision by ACER is expected by 27 July 2021
Nordic	Market-based (Art 41)	<ul style="list-style-type: none"> Final approval of the methodology by ACER was received on 5 August 2020
GRIT	Market-based (Art 41)	<ul style="list-style-type: none"> 2nd Amended Proposal was submitted to NRAs on 1 April 2021 The decision by NRAs is expected by 1 June 2021
GRIT	Economic efficiency (Art 42)	<ul style="list-style-type: none"> 2nd Amended Proposal was submitted to NRAs on 9 April 2021 The decision by NRAs is expected by 9 June 2021
Italy North	Market-based (Art 41)	<ul style="list-style-type: none"> 2nd Amended Proposal was submitted to NRAs on 26 March 2021 The decision by NRAs is expected by 26 May 2021
Italy North	Economic efficiency (Art 42)	<ul style="list-style-type: none"> 2nd Amended Proposal was submitted to NRAs on 26 March 2021 The decision by NRAs is expected by 26 May 2021

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Draft Table of Contents

Whereas

TITLE 1: General provisions

Article 1: Subject matter and scope

Article 2: Definitions

Article 3: Principles for applying cross-zonal capacity allocation for the exchange of balancing capacity or sharing of reserves

Article 4: Notification process for applying cross-zonal capacity allocation for the exchange of balancing capacity or sharing of reserves

Applicable to
all timeframes

TITLE 2: Methodology for the timeframe of co-optimised allocation

Article 5: The market timeframe of the co-optimised allocation process

Article 6: The process to define the maximum volume of allocated cross-zonal capacity for the exchange of balancing capacity or sharing of reserves

Article 7: Determination of the actual market value of cross-zonal capacity for the exchange of energy in SDAC

Article 8: Determination of the actual market value of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves

Article 9: Determination of the allocated volume of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves

Timeframe of
co-
optimisation

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Draft Table of Contents (continued)

TITLE 3: Methodology for the timeframe of market-based allocation

Article 10: The market timeframe of the market-based allocation

Article 11: The process to define the maximum volume of allocated cross-zonal capacity for the exchange of balancing capacity or sharing of reserves

Article 12: Determination of the forecasted market value of cross-zonal capacity for the exchange of energy

Article 13: Determination of the actual market value of cross-zonal capacity for the exchange of balancing capacity and sharing of reserves

Article 14: Determination of the allocated volume of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves

Market-based
Timeframe

TBD TITLE: Methodology for the timeframe of inverted market-based approach

Article TBD

Possible other
timeframes

TBD TITLE: Methodology for the timeframe of economic efficiency

Article TBD

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Draft Table of Contents (continued)

TITLE 4: Provisions of cross-zonal capacity

Article 15: Firmness regime for the allocation of cross-zonal capacity

Article 16: Pricing of cross-zonal capacity

Article 17: Sharing of congestion income from cross-zonal capacity

TITLE 5: Final provisions

Article 18: Implementation timeline

Article 19: Publication

Article 20: Language



Applicable to
all timeframes

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List of Proposed Interactions with Stakeholders

Date	Description
April 2021	<ul style="list-style-type: none">First meeting with ACER/NRAs (share TSOs way forward and discuss ACER's expectations of the required chapters (TOC) and scoping topics)
October 2021	<ul style="list-style-type: none">Second meeting with ACER/NRAs (discuss ongoing draft methodology and explanatory document development)
March - April 2022	<ul style="list-style-type: none">Workshop & consultation with stakeholders is planned
April 2022	<ul style="list-style-type: none">Send a draft methodology and explanatory document for ACER shadow opinion
December 2022	<ul style="list-style-type: none">Submit CZCA Harmonised methodology, Explanatory document and Consultation document to ACER