

4.1 Update on the EB developments

ACER Decisions on MB CZCA for Core and Baltic CCRs

ACER Decision on pricing methodology amendment

Referrals due to non-agreement among NRAs (CCR CZCA methodologies)

- 27 January: **Hansa** market based cross-zonal capacity allocation (MB CZCA) pursuant to Article 41(1) of the EB Regulation
- 22 February: **Core** MB CZCA pursuant to Article 41(1) of the EB Regulation and cross-zonal capacity allocation based on economic efficiency (EE CZCA) pursuant to Article 42(1) of the EB Regulation
- 26 February: **Baltic** MB CZCA pursuant to Article 41(1) of the EB Regulation

Withdrawals by the TSOs (these proposals are submitted by the TSOs on a voluntary basis, as a harmonise methodology for all three processes is expected to be submitted to ACER in December 2022):

- Hansa MB CZCA on 12 May
- Core EE CZCA on 24 May

ACER Decisions issued on 13 August 2021:

- ACER Decision [10/2021 on Baltic MB CZCA](#)
- ACER Decision [11/2021 on Core MB CZCA](#)
- ACER aimed at **harmonising** as much as possible the two methodologies, in view also of the upcoming proposal pursuant to Article 38(3) of the EB Regulation for a harmonised methodology on the cross-zonal capacity allocation for each timeframe and for all processes (the deadline for its submission by all TSOs to ACER is December 2022).
- However, due to regional specificities of the two CCRs, **different approaches** were followed (a) in the forecasting methodology for the market value of the cross-zonal capacity for the exchange of energy, and (b) in the implementation timeline of the methodology.
- The implementation of each methodology is an **obligation for all TSOs of each CCR** and not only of the ones intending to apply each methodology.

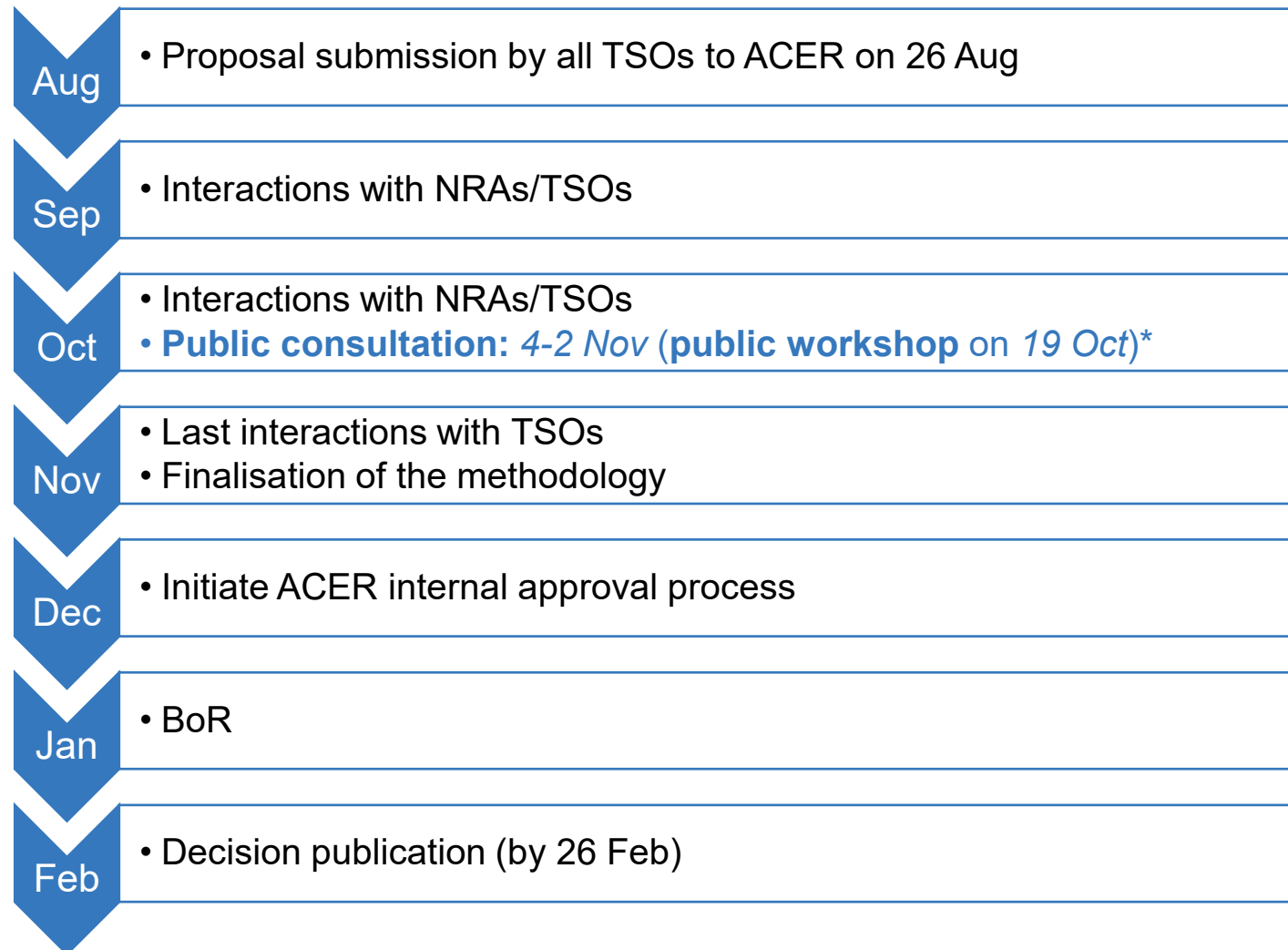
ACER Decision no [10/2021 on Baltic MB CZCA](#)

- Forecasting methodology for the market value of the cross-zonal capacity for the exchange of energy:
 - based on the market spread of the reference day and a predefined mark-up (for each direction)
 - Baltic TSOs are in the process of further analysing and improving the forecasting methodology
 - a new proposal is expected next year
- Implementation depends on availability of CACM CCM (requirement of Article 38(5) of the EB Regulation)

ACER Decision no [11/2021 on Core MB CZCA](#)

- Forecasting methodology for the market value of the cross-zonal capacity for the exchange of energy:
 - based on expected change of economic surplus in the Core CCR for the single day-ahead coupling
 - recalculation with reference day data and pre-final day-ahead flow based capacity domain
 - including an adjustment factor for considering inaccuracies of the forecasting method
- Implementation timeline 24 months, with the possibility of early implementation with reduced requirements.

ACER Decision on pricing methodology amendment



**indicative dates*

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- **ACER Decision 01/2020** sets, pursuant to Article 30(2) of the EB Regulation, the technical price limits for **balancing energy** on the balancing platforms to - **99,999 Euro/MWh** and **99,999 Euro/MWh**.
 - On **26 August 2021** all TSOs submitted to ACER for approval a **proposal for amending** the methodology to determine balancing energy prices pursuant to Article 30(1) of the EB Regulation, proposing in particular the following amendments:
 - Technical price limits for balancing energy: from -/+ 99,999 Euro/MWh to -/+ **15,000 Euro/MWh**
 - Report on limits: by **January 2026** all TSOs shall prepare a report to **justify** whether these technical price limits should be maintained or amended (stakeholders will submit comments); **final report to ACER by July 2026**.
 - Annual reporting: All TSOs shall include in the European report (Article 59 of the EB Regulation) an analysis of the **impact of these technical price limits on the functioning of the market** (if TSOs identify that the technical price limits hinder the efficient functioning of the market, they shall trigger the assessment mentioned above).
 - Adjustment mechanism: if the **single intra-day coupling** harmonised maximum price limit is reached the maximum limit for balancing energy shall be set to **5,000 Euro/MWh higher** than the harmonised maximum clearing price for **single intra-day coupling**.

Thank you!



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of Energy Regulators

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