

3.5 Update on co- optimisation

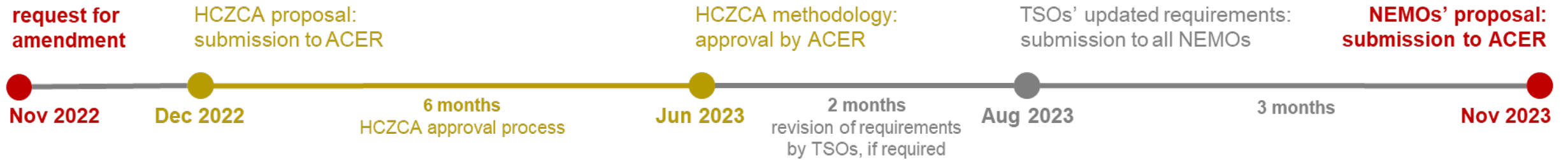
MESC slides

Context:

- Co-optimisation is a requirement from the EB Regulation (Article 40)
- Co-optimisation is considered a target solution for the allocation of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves, which facilitates the integration of the balancing capacity markets and may bring significant welfare benefits through efficient use of available cross-zonal capacity.
- The co-optimisation methodology was approved by ACER with [Decision No 12/2020](#) of 17 June 2020 and required TSOs to:
 - Issue an [Implementation impact assessment \(IIA\) report](#) (by December 2021); and
 - Submit an [updated set of SDAC algorithm requirements](#) to NEMOs (by June 2022)
- A feasibility study complementing the IIA was completed in May 2022
 - TSOs and NEMOs did share the feasibility study with ACER and RAs on 26/10/2022
 - Co-optimisation is feasible
 - R&D should be continued to address some remaining open design aspects and prepare the implementation of co-optimisation

Request of amendment

- ACER’s letter requests NEMOs to submit an amendment of the algorithm methodology **by 25 November 2023**



← **development of the proposal for amendment of the SDAC algorithm: 12 months** →

Next steps:

- The RfA should ensure that the implementation work is continued and provide clarity on the next steps and long-term planning
 - NEMOs should commence the R&D work as soon as possible
 - After the submitted RfA ACER would like to enter into discussions with NEMOs and TSOs and support the development of the algorithm amendment
 - Public consultations will be organised before and after the submission of the algorithm methodology (November 2023)

- The Harmonised cross-zonal capacity allocation methodology will be submitted by TSOs by 17/12/22
 - including the co-optimised allocation process
 - Preliminary planning: ACER's public consultation around April 2023

Thank you. Any questions?

The contents of this document do not necessarily reflect the position or opinion of the Agency.



European Union Agency for the Cooperation
of Energy Regulators

✉ info@acer.europa.eu
🖱 acer.europa.eu

🐦 [@eu_acer](https://twitter.com/eu_acer)
🌐 [linkedin.com/company/EU-ACER/](https://www.linkedin.com/company/EU-ACER/)