



European Union Agency for the Cooperation  
of Energy Regulators

# 09/03 MESC

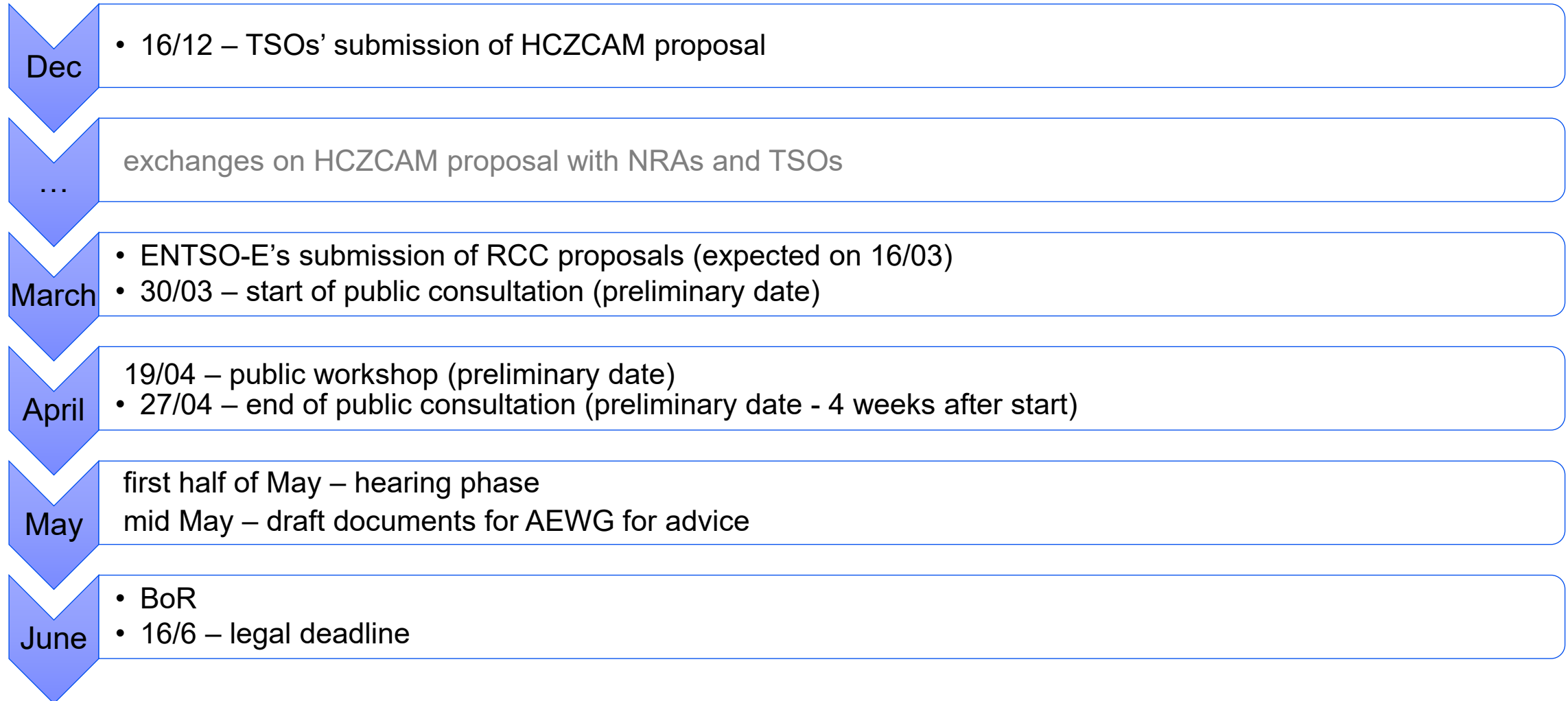
Update on forthcoming decisions (HCZCA, regional  
procurement and sizing of reserves)

# **5.2. Update on forthcoming decisions (HCZCAM; RCC tasks of regional procurement and sizing of reserves)**

---

- All TSOs submitted on 16 December 2022 their proposal for a methodology for harmonised cross-zonal capacity allocation processes for the exchange of balancing capacity or sharing of reserves (**'HCZCA'**) in accordance with Article 38(3) of the EB Regulation.
- ENTSO-E will submit proposals (in accordance with Article 37(5) of the Electricity Regulation) for the RCC tasks of:
  - regional sizing of reserve capacity (Article 37(1)(j) of the Electricity Regulation); and
  - facilitating the regional procurement of balancing capacity (Article 37(1)(k) of the Electricity Regulation);
- Due to interdependencies between the HCZCA methodology and the RCC tasks of sizing and procurement:
  - ACER's EB TF+ and ENTSO-E agreed that the submission of the 2 proposals for RCC tasks will be aligned with the decision process for the HCZCA methodology.
  - Since the RCC tasks proposals have decision deadlines of 3 months, the submission is expected for mid March 2023

# ACER Decisions on HCZCAM and RCC tasks: foreseen process



The TSOs' proposal for a HCZCA methodology aims to replace/harmonise:

- The co-optimisation methodology (ACER Decision 12-2020)
  - has already a pan-European applicability (no regional specificities)
  - does not need a forecast
  - Implementation is required by EB Regulation
  - limited changes in the HCZCA proposal compared to the co-optimisation methodology
- Regional market-based methodologies for:
  - Nordic CCR (ACER Decision 22-2020 *+amendment*)
  - Core CCR (ACER Decision 11-2021)
  - Baltic CCR (ACER Decision 10-2021 *+amendment*)
  - GRIT CCR
  - Italy North CCR
  - The TSOs' proposal would allow approved regional market-based processes for a transition period between the implementation of the HCZCA market-based process and the end of this transition period
- *Economic efficiency process (Article 42 of EB Regulation) is not included in TSOs' proposal*

- ACER especially sees the need for several revisions of provisions for the harmonised market-based allocation process in the TSOs' proposal for a HCZCA methodology. E.g.:
  - Pricing principle;
  - Provisions regarding governance;
  - Implementation requirements;
  - Clarification and harmonisation of forecasting provisions (e.g. forecast error consideration);
  - ...
  
- Market participants will be invited to provide feedback on any provisions of the HCZCAM and RCC task proposals to the public consultation in April

# 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](mailto:info@acer.europa.eu)  
🖱 [acer.europa.eu](http://acer.europa.eu)

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