

MESC | CZCA Harmonised Methodology

13 June 2024



Outline

1. **Background and recent developments**
2. **Public Consultation feedback to HCZCAM proposals**
3. **All TSOs proposed changes to the amendments of the CZCA Harmonised Methodology**
4. **Next steps**

1. Background and recent developments

- The ACER decision was received on 19 July 2023 and is now available on the ENTSO-E website under Art. 38(3) of EB Regulation.
- Following All TSOs approval of CZCA Harmonised Methodology amendments materials, All TSOs launched the [Public Consultation](#) on 22 March. The Public Consultation ended on 23 May. A public webinar was organised on 11 April.
- During the public consultation on HCZCAM materials, **four responses were received** from stakeholders, apart from the preliminary shadow opinion feedback by ACER. The responses to the public consultation were submitted by Energy Traders Europe, Eurelectric, EDF, and Green Power Denmark.
- Since January 2024, the 13 Blueprint TSOs started to self-organise and to set up a contractual framework as well as a project structure to comply with the development deadline. All TSOs submitted the Market Based Set of Requirements (SOR) on 22 March to the Blueprint TSOs.

2. Public Consultation feedback to HCZCAM proposals

Stakeholders provided feedback to specific points in the proposals in their Shadow Opinion:

- **Provisions on forecasting of Day-ahead energy bids (Article 16)**
 - Stakeholders shared their concerns and opposition when it comes to TSOs forecasting market prices and volumes being for the Balancing Capacity or the Day-Ahead market, and noted that a detailed implementation of the forecasting methodology should be created and consulted.
- **Time for consultation on the choice of gate closure time (Article 16)**
 - Stakeholders suggested more time for consultation on the choice of gate closure time, a longer consultation time and a longer announcement time in advance.
- **Amount and interdependencies of balancing capacity platforms (Article 2 and Article 16)**
 - Stakeholders supported the use of a reduced number of different platforms and for the harmonisation between platforms. They enquired on why All TSOs don't consider interdependencies more generally when applications belong to the same CCRs.
- **Maximum limit per CNEC (Article 17)**
 - A stakeholder strongly opposed the possible increase beyond 10% other than allowing TSOs to meet their Balancing Capacity demand. Other stakeholders invited All TSOs to justify such a proposal restricting the perimeter of this process definition to the TSOs of the corresponding application while it can have impacts on several other areas.
- **Congestion Income Distribution (Article 24)**
 - Stakeholders highlighted that there may be second order impacts that they would like to avoid (e.g. if TSOs consider such redistribution in the definition of the CZC allocated to the exchange of BC).
- **Derogation for operational applications (Article 27)**
 - Stakeholders expressed a position against the possible derogation as they welcome harmonisation as soon as possible.

3. All TSOs proposed changes to the amendments of the CZCA Harmonised Methodology

- Following the public consultation, and the comments received from the ACER Shadow Opinion, PT HCZCAM has modified the below points to HCZCAM materials:

Documents	Proposed modifications
CZCA Harmonised Methodology (& PfA)	<ul style="list-style-type: none">• Modification on Interdependency definition• Addition of a Set of Requirements definition under Article 2 (h)• Congestion Income distribution<ul style="list-style-type: none">• Clarification of the definition of $S_{b,t}^{BC}$ and adjustment factor• Changes to the Maximum Volume provisions – change “shall” to “may” and implementation timeline provisions
Explanatory Document	<ul style="list-style-type: none">• Addition of Set of Requirements definition• Congestion Income distribution<ul style="list-style-type: none">• Modification to the formula for calculation of BECs (following 16 May Dedicated Call), and further explanation of calculations.• Minor cosmetic changes, such as the removal of “virtual” (bidding zone) on page 38

4. Next steps

- Following the end of the Public Consultation on CZCA Harmonised Methodology amendments on 23 May 2024, All TSOs are finalising the materials ahead of final submission to ACER.
- The table below provides high-level summary of the next steps:

Date	Activity/Milestone
By 31 July 2024	Submission to ACER
30 January 2025	ACER's decisions on the amended methodology
By 31 July 2025	Finalisation of CZCAOF Software