

First amendment of the Methodology for the regional procurement of balancing ca- pacity

in accordance with Article 37(1)(k) of the Regulation (EU) 2019/943
of the European Parliament and of the Council of 5 June 2019
on the internal market for electricity

01 July 2025

Purpose:	☒ methodology draft ☐ for ACER approval	☒ for public consultation ☐ for final publication
Status:	☒ draft	☐ final
TSO approval:	☐ for approval	☐ approved
NRA approval:	☐ outstanding	☐ approved

ENTSO-E, taking into account the following:

Whereas

- (1) This amendment proposal provides an amendment to Annex I ACER decision 13-2023 of 19 July 2023 on the Regional Coordination Centre Regional Procurement of Reserve Capacity Methodology (hereafter referred to as the “RCC Procurement Methodology”) in line with Article 3(2) of the RCC Procurement Methodology.
- (2) Following Article 3(7) of the RCC Procurement Methodology, the relevant TSOs (TSOs of the SOR), supported by relevant RCC(s), shall determine in a coordinated manner the parameters referred to in the RCC Procurement Methodology. Following this coordination ENTSO-E shall develop and submit an amendment to the RCC Procurement Methodology in accordance with Article 27 of the Electricity Regulation, proposing the parameters’ values included in an Annex. Therefore, this proposal for amendment includes per SOR the definition of
 - a. the initial reliability levels X and Y for the cross-zonal capacity statistically available per direction after cross-zonal intraday market timeframe and after consideration of such cross-zonal capacity available after cross-zonal intraday market timeframe for sharing of reserves as referred to in Article 4(3)(a) of the RCC Procurement Methodology.
 - b. the reliability levels X and Y for the volume of non-contracted platform bids available as referred to in Article 4(3)(b) of the RCC Procurement Methodology.
- (3) In the proceedings to prepare this amendment, all SORs were able to align on common parameters to be proposed following the RCC Procurement Methodology. Therefore, and deviating from the provisions of Article 3(7) of the RCC Procurement Methodology, ENTSO-E proposes to define the relevant parameters in the RCC Procurement Methodology instead of defining them in an Annex.
- (4) Article 32(1) of the EB Regulation sets out the various options for the provision of reserve capacity, from which TSOs can choose in accordance with their relevant NRA. As a result of the individual rules for dimensioning reserve capacity at the LFC block level, as specified in the SO Regulation, a TSO may consider non-contracted balancing energy bids expected to be available on European platforms, considering the available cross-zonal capacity. This aims to minimise the costs associated with providing reserve capacity. The granularity steps resulting from the definition of $Y = 0.1\%$ are considered accurate enough to allow TSOs to modulate the procurement of reserves to mitigate price spikes and manage possible scarcity scenarios taking advantage of reliable estimations and allowing TSOs to calibrate their risk aversion in practice, depending on the prevailing conditions. TSOs expect that small variations of risk level in the X% to 100% set of values may lead to large variations in volume of non-contracted balancing energy bids, especially during the consolidation of TSOs participation to the European Platforms. On top of that, higher granularity can help LFC Blocks to stay consistent with their individual risk management procedures. Therefore, the parameters determined by this amendment provide the relevant TSOs with a sufficient range of volumes of non-contracted balancing energy bids expected to be available on

the European platforms, which they can consider individually for the optimal provision of reserve capacity.

- (5) Assuming independence of both X parameters regarding volumes of non-contracted balancing energy bids expected to be available on the European platforms, and available cross-zonal capacity, the combination of both parameters may result in a value below 99%. Resulting, ENTSO-E emphasises that the X parameter represents only a minimum reliability level. A TSO is not obliged to apply it. The final decision on the considered volume of non-contracted balancing energy bids expected to be available on the European platforms is on each individual TSO in line with the established national rules for the provision of reserve capacity to comply with above mentioned SO Regulation requirement. As most European TSOs today do not rely strongly on non-contracted balancing energy bids, experience has to be gained first. Therefore, the resulting range of volumes of non-contracted balancing energy bids expected to be available on the European platforms, considering the available cross-zonal capacity, provides sufficient basis to develop the necessary experience and sensitivity. The chosen reliability levels let LFC Blocks explore a wider set of values in order to assess the sensitive relationship between the expected liquidity of non-contracted balancing energy bids and the corresponding level of risk, with the aim of providing qualifying elements for the decision-making process behind the optimal provision of reserve capacity. Additionally, the chosen reliability levels are assumed to prevent overestimation of non-contracted balancing energy bids, therefore decrease the risk of scarcity situations and support the integrity of the RCC's assessments.
- (6) In any case, system operational security must be ensured. LFC Blocks will remain free to adopt individual reliability levels according to Article 4(9) of the RCC Procurement Methodology, gaining experience over time and reflecting individual specificities. Additionally, requirements and the limits for the exchange of FRR according to Annex VII of the SO Regulation apply.
- (7) This amendment of the RCC Procurement Methodology continues to set rules in line with the principles regarding the operation of electricity markets listed in Article 3 of the Electricity Regulation. In particular, the chosen range of parameters
 - a. decreases barriers to cross-border electricity flows between bidding zones or Member States and cross-border transactions on electricity markets and related services markets pursuant to point (h) of Article 3 of the Electricity Regulation by providing a reliable basis for TSOs for an optimal provision of reserve capacity by reserves from outside the LFC block; and
 - b. provides for and fosters effective and efficient cooperation of TSOs at the regional level, pursuant to point (i) of Article 3 of the Electricity Regulation, allowing TSOs to calibrate their risk aversion in practice, depending on the prevailing conditions and thus supporting an optimal provision of reserve capacity aiming at minimisation of costs associated with the provision of reserve capacity; and
 - c. supports an efficient dispatch pursuant to point (i) of Article 3 of the Electricity Regulation as it supports TSOs to rely on volumes of non-contracted balancing energy bids available on the European platforms when determining their optimal provision of reserve capacity and thus reducing the procurement of balancing capacity which leads to a D-1 obligation for provision of reserves and

thus may not result in the most efficient dispatch of units due to uncertainties materialising intraday.

SUBMITS THE FOLLOWING PROPOSAL FOR AMENDMENT OF THE METHODOLOGY FOR THE REGIONAL PROCUREMENT OF RESERVE CAPACITY TO ACER

Article 1

Introduction of common parameters

Article 3 - General principles - of the RCC Procurement Methodology is amended as follows:

- a) Article 3(7) of the RCC Procurement Methodology shall be amended and read accordingly:

« To apply the methodology to the SOR, the levels X and Y, as referred to in Article 4, shall be applied as follows: X = 90% and Y = 0.1%.

If the relevant TSOs deem it necessary to apply different parameters per SOR, they shall determine the parameters referred to in this methodology in a coordinated manner, supported by relevant RCC(s). Following this coordination, ENTSO-E shall develop and submit an amendment to this methodology in accordance with Article 27 of the Electricity Regulation, proposing values for the parameters included in an Annex. This amended proposal shall include the X and Y levels referred to in Article 4. »

Article 2

Implementation Timeline

TSOs of each SOR in cooperation with relevant RCC(s) shall implement this amendment to the RCC Procurement Methodology from 20 January 2026, but no later than 15 days after publication of the decision by the Agency for the Cooperation of Energy Regulators.

Article 3

Language

1. The reference language for this amendment to the RCC Procurement Methodology shall be English.
2. For the avoidance of doubt, where TSOs need to translate this amendment to RCC Procurement Methodology into their national language(s), in the event of inconsistencies between the English version published by ACER and any version in another language, the relevant TSOs or RCCs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of this methodology.