

DECISION No 04/2025
OF THE EUROPEAN UNION AGENCY
FOR THE COOPERATION OF ENERGY REGULATORS

of 23 June 2025

**on the request of the regulatory authorities of the Baltic capacity
calculation region to extend the period for reaching an agreement on the
proposal for the cross-zonal capacity calculation methodology for the long-
term timeframe**

THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators¹, and, in particular, Articles 5(3) and 6(10) thereof,

Having regard to Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation² and, in particular, Articles 4(5), 4(7)(a), 4(11) and 10(1) thereof,

Having regard to the outcome of the consultation with ACER's Electricity Working Group,

Having regard to the favourable opinion of the Board of Regulators of 20 June 2025, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

1. INTRODUCTION

- (1) Commission Regulation (EU) 2016/1719 (the 'FCA Regulation') sets out requirements for cross-zonal capacity allocation and congestion management in the long-term ('LT') time frame in electricity. These requirements include the development of a common

¹ [OJ L 158, 14.6.2019, p. 22.](#)

² [OJ L 259, 27.9.2016, p. 42.](#)

capacity calculation methodology ('CCM') in each of the capacity calculation regions ('CCR') in accordance with Article 10 of this Regulation.

- (2) The present Decision follows from the request of the regulatory authorities of the Baltic CCR, which includes Estonia, Finland, Latvia, Lithuania, Poland and Sweden, to extend the period for reaching an agreement on the amended proposal for the methodology for cross-zonal capacity calculation for the long term timeframes in accordance with Article 10(1) of the FCA Regulation which the transmission system operators (the 'TSOs') of the Baltic CCR submitted. The requested extension is for three months, pursuant to Article 6(10), subparagraph three, of Regulation (EU) 2019/942.

2. PROCEDURE

2.1. Proceedings in the period 2019-2023

- (3) By 17 July 2019, the Baltic regulatory authorities received an 'All Baltic CCR TSOs' Common Capacity Calculation Methodology for Long-term Time Frames in Accordance with Article 10(1) of the Commission Regulation (EU) 2016/1719 of 26 September 2016 Establishing a Guideline on Forward Capacity Allocation' (the 'initial Proposal').
- (4) On 17 January 2020, the Baltic regulatory authorities issued a request for amendment of the TSOs' initial Proposal.
- (5) By 18 March 2020, the Baltic regulatory authorities received the amended 'All Baltic CCR TSOs' Common Capacity Calculation Methodology for Long-term Time Frames in Accordance with Article 10(1) of the Commission Regulation (EU) 2016/1719 of 26 September 2016 Establishing a Guideline on Forward Capacity Allocation' (the 'amended initial Proposal').
- (6) In a letter dated 18 May 2020, the Baltic regulatory authorities, informed ACER that they jointly agreed to request ACER to adopt a decision on the amended initial Proposal pursuant to Article 4(11) of the FCA Regulation due to their diverging views.
- (7) In its Decision No 27/2020 of 17 November 2020³, ACER found the amended initial Proposal not compliant with EU law in numerous areas which needed to be addressed in order to approve the amended initial Proposal. Further, the amendments aiming to address incompliance with the FCA Regulation and Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the 'CACM Regulation') would inevitably make the Baltic LT CCM incompliant with the existing agreement among the TSOs of Estonia, Latvia, Lithuania, Belarus and Russia (the 'BRELL agreement'). ACER understood that the BRELL agreement could not be amended or abolished before the desynchronization of

³ [ACER Decision No 27/2020 of 17 November 2020 rejecting the Baltic CCR TSOs' proposal for the long-term capacity](#)

the Baltic networks from Russia and Belarus as this would endanger operational security of the Baltic networks. For this reason, the amended initial Proposal could only be made compliant with the FCA Regulation and the CACM Regulation for the period after desynchronization of the Baltic networks from Russia and Belarus.

- (8) Accordingly, ACER rejected the amended initial Proposal and asked the Baltic TSOs to revise and resubmit it no later than 24 months after Decision No 27/2020. As the Decision was issued on 17 November 2020, the deadline was set to 17 November 2022.
- (9) In a letter received by ACER on 16 February 2023, the Baltic TSOs explained that they would intend to provide a proposal for the day-ahead and intraday capacity calculation methodology ('DA/ID CCM') for the Baltic CCR by the second quarter of 2023. As the Baltic LT CCM needed to be compatible with the corresponding DA/ID CCM, they planned to submit the LT CCM after the approval of the DA/ID CCM.

2.2. Baltic DA/ID CCM and synchronisation with Continental Europe

- (10) The Baltic DA/ID CCM was approved by the Baltic regulatory authorities in January 2025. Its implementation was scheduled for the date of the synchronisation of Estonia, Latvia and Lithuania with Continental Europe.
- (11) On 8 February 2025, the networks of Estonia, Latvia and Lithuania were desynchronised from Russia and Belarus, which also ended the BRELL agreement. On 9 February 2025, those networks were successfully synchronised with Continental Europe.

2.3. Proceedings during 2024 and 2025

- (12) On 21 May 2024, the Baltic TSOs submitted the LT CCM proposal to the Baltic regulatory authorities.
- (13) On 20 November 2024, the Baltic regulatory authorities issued a request for amendment to the Baltic TSOs.
- (14) By 22 January 2025, the Baltic TSOs had submitted their amended proposal on (the 'Proposal') to the last of the Baltic regulatory authorities.
- (15) By letter dated 19 March 2025, Urząd Regulacji Energetyki ('URE'), the regulatory authority of Poland, submitted, also on behalf of all regulatory authorities of the Baltic CCR, to ACER a joint request to grant a three-month extension according to Article 6(10), subparagraph three, of Regulation (EU) 2019/942, to decide upon the Proposal.
- (16) According to the letter, as the regulatory authorities of the Baltic CCR received the TSOs' Proposal on 22 January 2025, and accordingly the two-month deadline for the approval is bound to expire on 23 March 2025.
- (17) In support of the request for extension, the letter explains that:

'Article 10(3) FCA Regulation requires that the capacity calculation methodology shall be compatible with the capacity calculation methodology established for the day-ahead

and intraday time frames pursuant to Article 21(1) of Regulation (EU) 2015/1222 (DA/ID CCM). To fully assess all relevant compatibility aspects, the NRAs require additional time for the assessment and coordination. Furthermore, the NRAs need to further assess the proposed allocation constraint (the allocation constraint is described in annex 1). The annex has been addressed in CCR Hansa and the Hansa NRAs expect to receive, in light of the balancing market reform in Poland, an updated annex for the DA/ID CCM in CCR Hansa in April. Consequently, the NRAs view this information as necessary for assessing the CCR Baltic LT CCM.

The NRAs are thus of the view that they would need to revise the proposal according to Article 4(5) of the FCA regulation and Article 5(6) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing an Agency for the Corporation of Energy Regulators ("the Regulation 2019/942") and within 3 months following the extension, if granted by ACER, the NRAs will strive to reach a unanimous agreement on the CCR Baltic amended LT CCM proposal.⁴

- (18) The regulatory authorities of the Baltic CCR consider that these issues merit a three-month extension of the deadline to adopt a decision. The letter also states that within three months following the extension, if granted by ACER, the regulatory authorities of the Baltic CCR will strive to reach a unanimous agreement on the Proposal.
- (19) On 20 May 2025, a proposed draft of the present decision was submitted to ACER's Electricity Working Group for consultation in accordance with Article 24(2) of Regulation (EU) 2019/942.
- (20) By email of 22 May 2025, URE, on behalf of all regulatory authorities of the Baltic CCR, confirmed that the present request is meant to extend the deadline for reaching an agreement on the TSOs' Proposal until 24 June 2025.
- (21) On 4 June 2025, ACER's Electricity Working Group endorsed the draft ACER Decision on the request of the regulatory authorities of the Baltic CCR to extend the period for reaching an agreement on the Proposal until 24 June 2025.
- (22) On 20 June 2025, ACER's Board of Regulators issued a favourable opinion pursuant to Article 22(5)(a) of Regulation (EU) 2019/942.

3. ASSESSMENT OF THE REQUEST

3.1. Legal framework

- (23) According to point (b) of the first subparagraph of Article 5(3) of Regulation (EU) 2019/942, all regulatory authorities of the region concerned shall unanimously agree on proposals for terms and condition or methodologies for the implementation of those

⁴ CCR Hansa includes the bidding zones of Denmark 1, Denmark 2, Germany/Luxembourg, Sweden 4, Poland, the Netherlands and Norway 2.

network codes or guidelines that were adopted before 4 July 2019 and, where no unanimous agreement has been reached, shall refer the relevant proposal to ACER for approval in accordance with point (a) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.

- (24) According to point (a) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942, ACER shall decide on regulatory issues having effects on cross-border trade or cross-border system security, which require a joint decision by at least two regulatory authorities, where such competences have been conferred on the regulatory authorities under network codes and guidelines adopted before 4 July 2019 and subsequent revisions of those network codes and guidelines and where the competent national regulatory authorities have not been able to reach an agreement within a period of six months from the referral of the case to the last of those regulatory authorities.
- (25) According to the third subparagraph of Article 6(10) of Regulation (EU) 2019/942, the competent national regulatory authorities may jointly request that the six-month period is extended by a period of up to six months.
- (26) According to Article 4(7)(a) of the FCA Regulation (which has been adopted as a guideline before 4 July 2019), the regulatory authorities of the capacity calculation region shall review and approve the TSOs' proposal for the methodology for cross-zonal capacity calculation for long-term timeframes.
- (27) According to Article 4(9) of the FCA Regulation, where the approval of the terms and conditions or methodologies requires a decision by more than one regulatory authority, the competent regulatory authorities shall consult and closely cooperate and coordinate with each other in order to reach an agreement, and they shall take decisions concerning the submitted terms and conditions or methodologies in accordance with Article 4(7), within six months following the receipt of the terms and conditions or methodologies by the last regulatory authority concerned.
- (28) According to Article 4(11) of the FCA Regulation, where, following a request from the relevant regulatory authorities, the submitted proposal for the methodology have been resubmitted with amendments, the relevant regulatory authorities shall decide on that amended methodology within two months following the resubmission.
- (29) According to Article 4(11) of the FCA Regulation, where the relevant regulatory authorities have not been able to reach an agreement on the amended methodology within the two-month deadline, ACER shall adopt a decision concerning the amended methodology within six months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.

3.2. Admissibility

- (30) Article 4(11) of the FCA Regulation stipulates that ACER shall take its decision in accordance with Articles 5(3) and 6(10) of Regulation (EU) 2019/942 when the regulatory authorities did not reach an agreement within the two-month deadline. Thus,

ACER's competence is made contingent upon the expiry of the two-month period referred to in Article 4(11) of the FCA Regulation.

- (31) Therefore, the transfer of the decision-making competence from the regulatory authorities to ACER under Article 4(11) of the FCA Regulation may also be subject to an extension of the regulatory authorities' deadline to reach an agreement, in accordance with Article 6(10), subparagraph three, of Regulation (EU) 2019/942.
- (32) For an extension of this two-month period, the joint request by the competent regulatory authorities should be submitted before the end of the period for reaching an agreement, and the maximum requested extension should not exceed the period of six months in accordance with Article 6(10), third subparagraph, of Regulation (EU) 2019/942.
- (33) The Proposal to which the request for extension is related falls under the competence of the requesting regulatory authorities pursuant to Articles 4(7)(a) of the FCA Regulation. Accordingly, they are also the competent regulatory authorities that may request an extension of the two-month period for reaching an agreement under Article 4(11) of the FCA Regulation.
- (34) In that regard it is to note that the request for extension was submitted by URE, the regulatory authority of Poland, on behalf of all regulatory authorities of the Baltic CCR.
- (35) It follows from the above, that the relevant competent regulatory authorities to raise the present request with ACER are the regulatory authorities of the Baltic CCR.
- (36) Since the last competent regulatory authority of the Baltic CCR received the Proposal on 22 January 2025, the competent regulatory authorities were required to agree on it by Monday, 24 March 2025 (given that 22 and 23 March 2025 fell on Saturday and Sunday respectively), in accordance with the two-month period of Article 4(11) of the FCA Regulation. The request for extension was received by ACER on 19 March 2025, hence before the expiry of the two-month deadline.
- (37) In their initial request, the regulatory authorities of the Baltic CCR asked for an extension of three months, which, given their understanding of the initial deadline ending on 23 March 2025, led to a requested deadline of 23 June 2025. In ACER's view, however, the initial deadline ended on 24 March 2025 so that an extension by three months results in a new deadline of 24 June 2025. As confirmed by the regulatory authorities of the Baltic CCR in the email of 22 May 2025, the requested extension is indeed until 24 June 2025. As such, the requested extension does not exceed the maximum limit of six months as provided for in Article 6(10), subparagraph three, of Regulation (EU) 2019/942.
- (38) In light of the above, ACER considers the request for extension admissible.

3.3. Substance

- (39) Article 6(10), subparagraph three, of Regulation (EU) 2019/942 does not lay down requirements for the justification of an extension.

- (40) The justification provided by the requesting regulatory authorities, as reported at recital (17) above, indicates the need for additional time to properly assess the compatibility of the proposal for Baltic long-term capacity calculation methodology with the relevant Baltic day-ahead and intraday capacity calculation methodology pursuant to Article 21(1) of the CACM Regulation. The justification also indicates the need to await the assessment of the allocation constraints of Poland, which are being addressed within the pending amendment of the day-ahead and intraday capacity calculation methodology in Hansa CCR, intended to be submitted by the Hansa TSOs in April 2025⁵. An extension by three months would allow the regulatory authorities of the Baltic CCR to assess the required consistency with the day-ahead and intraday methodologies, as well as the proposed allocation constraints for Poland in light of the balancing market reform.
- (41) ACER understands from this justification that the additional period of three months is needed to allow sufficient time for the regulatory authorities of the Baltic CCR to properly assess the Proposal's compatibility with the corresponding Baltic day-ahead and intraday capacity calculation methodology, having in mind recent synchronisation of Estonia, Latvia and Lithuania with Continental Europe Synchronous Area from February 2025, when these methodologies were applied for the first time. Furthermore, the additional period enables the relevant regulatory authorities to properly assess Proposal's annex with proposed consideration of Polish allocation constraints.
- (42) ACER considers that continuing and completing the regulatory authorities' ongoing assessment can contribute to the efficient conclusion of the pending approval proceedings. In ACER's view, this continuation and completion would not unduly impact the fulfilment of the objectives of the FCA Regulation. Under those circumstances, ACER deems it reasonable to enable the regulatory authorities to conclude the pending approval proceedings.
- (43) Furthermore, ACER considers that the request for extension until 24 June 2025 is proportionate in light of the activities to be performed by the competent regulatory authorities to adopt a decision on the Proposal in accordance with Article 4(9) and 4(11) of the FCA Regulation.
- (44) Therefore, ACER deems it appropriate and justified to grant an extension until 24 June 2025.

4. CONCLUSION

- (45) For the above reasons, ACER accepts the request for an extension submitted by the regulatory authorities of the Baltic CCR and extends the period for those regulatory authorities to reach an agreement on the Proposal, until 24 June 2025.

⁵ According to the information from the Polish regulatory authority URE, the Hansa TSOs submitted the amendment proposal of Hansa DA/ID CCM on 29 April 2025.

HAS ADOPTED THIS DECISION:

Article 1

The period within which the regulatory authorities of the Baltic Capacity Calculation Region, i.e. of Estonia, Finland, Latvia, Lithuania, Poland and Sweden, shall reach an agreement on the proposal for the methodology for cross-zonal capacity calculation for the long term timeframes in accordance with Article 10(1) of Commission Regulation (EU) 2016/1719 is extended, in accordance with Article 6(10) of Regulation (EU) 2019/942, until 24 June 2025.

Article 2

This Decision is addressed to:

1. Konkurentsiamet (Estonia)
2. Energiavirasto (Finland)
3. Valstybinė energetikos reguliavimo taryba (Lithuania)
4. Sabiedrisko pakalpojumu regulēšanas komisija (Latvia)
5. Urząd Regulacji Energetyki (Poland)
6. Energimarknadsinspektionen (Sweden)

Done at Ljubljana, on 23 June 2025.

- SIGNED -

*For the Agency
The Director*

C. ZINGLERSEN

In accordance with Article 28 of Regulation (EU) 2019/942, the addressees may appeal against this Decision by filing an appeal, together with the statement of grounds, in writing at the Board of Appeal of the Agency within two months of the day of notification of this Decision.

In accordance with Article 29 of Regulation (EU) 2019/942, the addressees may bring an action for the annulment before the Court of Justice only after the exhaustion of the appeal procedure referred to in Article 28 of that Regulation.