

REQUEST FOR AMENDMENT BY THE REGULATORY AUTHORITIES IN CAPACITY CALCULATION REGION NORDIC

ON

**The Nordic TSOs' proposal for the coordinated
redispatching and countertrading methodology for
Capacity Calculation Region Nordic in accordance
with Article 35 of Commission Regulation (EU)
2015/1222**

16 September 2018

Introduction

- 1) On 16 March 2018, the Regulatory Authorities (NRAs) of the Capacity Calculation Region Nordic¹ (CCR Nordic) and the Norwegian Regulatory Authority² (together the Nordic NRAs) received from the Transmission System Operators (TSOs) of the CCR Nordic³ and the Norwegian TSO (together the Nordic TSOs) a proposal for Coordinated Redispatching and Countertrading Methodology (CRCM) in accordance with Article 35 of the Commission Regulation (EU) 2015/1222 establishing a guideline on capacity calculation and congestion management (CACM GL).
- 2) According to Article 9 (7) (e) of the CACM GL, the proposal is subject to approval by all the NRAs of CCR Nordic⁴.
- 3) The Nordic NRAs have in cooperation analysed the proposal and have reached a common conclusion that the proposed CRC methodology needs to be amended before it can be approved at national level by each NRA. Therefore, according to Article 9 (12) of Regulation 2015/1222 the Nordic NRAs request the Nordic TSOs to submit an amended proposal that takes into account the comments given below.

¹ The Swedish Energy Markets Inspectorate (Ei), The Danish Utility Regulat (DUr) and The Finnish Energy Authority (EV)

² The Norwegian Water Resources and Energy Directorate (NVE)

³ Svenska Kraftnät (SvK), Fingrid, and Energinet (ENDK)

⁴ Until Regulation 2015/1222 applies in Norway, NVE and Statnett are not formally part of the process. However, NVE will closely follow the process. and may approve the proposed CRC from Statnett according to national legislation.

Nordic CCR Regulatory Authorities' Position

General Remarks

- 1) This proposal is highly interlinked with the proposal made in accordance with Article 74 of CACM GL. Nordic NRAs find that many of the requirements in CACM GL Article 74(5-6) have influence on both proposals. Nordic NRAs also find that cohesion between the two proposals would strengthen them. If Nordic TSOs find it appropriate, the two proposals could be merged into one, which would combine the coordination process from this proposal with the requirements of CACM GL Article 74.
- 2) The document assigns tasks to the CCC, but at the same time refers to SO GL in several places. With regard to the Whereas (11), we would like to point out that the SO GL does not assign tasks to the CCC, but to the RSC. We understand that currently, the RSC and the CCC are the same organization in the Nordics. However, it would formally be more correct that references to SO GL use the term "RSC" instead of "CCC". It should be clarified that the CCC is one of the RSC activities, ref. SO GL.
- 3) By 12 months after entry into force of SO GL (September 2018), all TSOs shall jointly develop a proposal for a methodology for coordinating operational security analysis. TSOs should clarify how the regional CACM proposal under article 35 is expected to work together with the SO GL proposal on coordinating operational security analysis.
- 4) The Whereas sections (5), (6), and (7) should be amended to also outline how the coordination of redispatching and countertrading resources of cross-border relevance made by the CCC/RSC (cf. CACM art 35(4)) in the planning time frame relates to the coordination that takes place in the balancing time frame, i.e. the current Nordic mFRR market (cf. CACM art. 35(5a)) The principal economic characteristics of the balancing market within the Nordic CCR should be outlined, (e.g. merit order list reflecting bid prices of all balancing resources within the Nordic CCR that could be activated for the purpose of redispatching and countertrading). Further explanation and justification could be provided in the explanatory document.

Article 1 on subject matter and scope

- 5) The subject matter and scope is inconsistent with the subject matter and scope in the CACM article 74 proposal. This creates unwanted uncertainty. The wording in the proposal should be revised such that subject matter and scope is aligned with the CACM article 74 and 20(2) proposals CRCCSM and CCM respectively.
- 6) CNEs and cuts are not legally included or excluded in CCR Nordic. CCR Nordic is defined as a set of bidding zone borders. TSOs should revisit the wording in article 1(2)(b) to reflect this fact.

Article 2 on definitions and interpretation

- 7) The proposal refers to actions of cross-border relevance. The concept of “cross-border relevance” should be clearly defined, and the distinction between redispatching and countertrading with no cross-zonal relevance should also be made.

Article 3 on coordination of redispatching and countertrading

- 8) Article 3(1) and (2) states that each TSO should provide a list of available redispatching and countertrading resources to the CCC, and that each individual TSO is responsible for the availability of the resources. The amended CRCM proposal should clarify whether each TSO may only list available resources within its own control area.
- 9) Article 3(2) states that the TSO is responsible for the availability of a CRC - resource provided in the list of resources to the CCC. It is unclear, what this responsibility means in practice. The TSOs should elaborate more on the issue, and explain what this responsibility entails. If the responsibility concerns financial payments, the methodology should be concise and clear on what will be paid and to whom in case the resource is not available.
- 10) Article 3(1) and article 3(4) mention remedial actions “such as” redispatch and countertrading. CACM GL art. 35 only mentions redispatch and countertrading. Article 3 (1) only explains what happens if RD&CT is used according to CCM. No new information is provided in that article. “Such as” could be replaced with “including”. Article 3(4) explains the actual methodology and should therefore only be about redispatch and countertrading. The wording “remedial action” and “such as” should therefore be removed from the article.
- 11) It is unclear what is meant by “(...) no longer effective” in Article 3(3). The amended CRCM proposal should explain what is meant by “no longer effective”.
- 12) The proposal seems to concentrate extensively on the TSOs’ possibilities to decline a suggested remedial action by the CCC, while at the same time it describes very little about the actual coordination of redispatching and countertrading. The proposal should elaborate and specifically define how the TSOs interact with the CCC when making decisions on what resources to use in order to ensure that redispatching and countertrading of cross border relevance are carried out in a coordinated manner, what factors these decisions are based on and how it is ensured that the actions effectively relieve congestion. The methodology should also address the fact that its application may influence flows outside the TSO’s control area as well as how it is ensured that the decisions on redispatching and countertrading are not based on unilateral or uncoordinated measures, cf. CACM art 35 (2) and (4).
- 13) As it is the CCC that will make preliminary assessments and suggestions on the use of coordinated countertrading and redispatching of cross-border relevance in the planning frame, and each TSO is responsible for the coordination of the use of these resources in the balancing time frame, the proposal should separately

describe the methodology on how the aspects mentioned above will be conducted by the CCC and TSO individually.

- 14) The wording in Article 3(7)c should be clarified as the current wording is slightly hard to understand and misleading. Article 3(7) should be clarified with respect to timelines, roles and responsibilities.
- 15) Article 3 in the CRCM proposal should be amended to clarify the use of resources in the Nordic balancing market and the reference to the Nordic CCM to ensure compliance with CACM art. 35(4) and CACM art. 35 (5a).
- 16) Article 3(8) states that each TSO can provide all available generation and loads within its own control area as resources for redispatching and countertrading in accordance with appropriate mechanisms and agreements. The amended CRCM proposal or background document should explain what is meant by “appropriate mechanisms and agreements” and justify the compliance with CACM art.35 (4) and CACM art. 35 (5a). Appropriate mechanisms and agreements should be defined in the methodology.

Article 4 on documentation of redispatching and countertrading actions

- 17) Spelling error in headline.

Article 5 on implementation of the CRC Methodology

- 18) Why is implementation dependent on SOGL Articles 75 and 76? This should not delay CACM methods.