

Request for amendment on the all TSOs' of the Nordic Capacity Calculation Region proposal for fallback procedures in accordance with Article 44 of the Commission Regulation (EU) 2015/1222

Between May 17th and May 18th 2017, the Regulatory Authorities (NRAs) of the Capacity Calculation Region Nordic¹ (CCR Nordic) and the Norwegian Regulatory Authority² (together the Nordic NRAs) received by the Transmission System Operators (TSOs) of the CCR Nordic³ and the Norwegian TSO (together the Nordic TSOs) a proposal for fallback procedures in accordance with Article 44 of the Commission Regulation (EU) 2015/1222 establishing a guideline on capacity calculation and congestions management (Regulation 2015/1222).

According to Article 9 (7) (e) of Regulation (EU) 2015/1222 the proposal is subject to approval by all the NRAs of CCR Nordic⁴.

The Nordic NRAs have in cooperation analysed the proposal and come to a common conclusion that the proposed fallback procedures need to be amended before it can be approved on 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 considers the comments presented in this document.

Comments on the proposed fallback procedures

The Nordic NRAs ask the Nordic TSOs to better clarify or adjust following issues in the proposed fallback proposal.

- Article 2 (b) defines "Reference day". The Nordic NRAs believe the definition is ambiguous and propose that the definition is explained more in detail, and that a table is included in the proposal defining reference day for various scenarios.

The proposal also mentions "... with at least 67% of the consumption the previous...". The Nordic NRAs propose that also this is explained more in detail.

¹ The Swedish Energy Markets Inspectorate (Ei), The Danish Energy Regulatory Authority (DERA) and The Finnish Energy Authority (EV)

² The Norwegian Water Resources and Energy Directorate (NVE)

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

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

- Article 2 (c) of the proposal states *“No-price situation” means that the Fallback Coordinator is not able to determine the prices per bidding zone in the CCR Nordic before 20:00 on the day prior to the day of delivery*” and Article 4 (2) (a) states *“Activation of the fallback procedures results in a two-step approach, applying the following principles: a) Step 1 – calculation until 20:00 CET”*.

The NRAs find it unclear whether the calculation must be done *before* or *until* 20:00. The Nordic NRAs request the Nordic TSOs to clarify on whether the calculation needs to end before 20:00 or can continue until 20:00. And subsequently make sure that the wording is consistent throughout the proposal and explanatory note.

- Article 4 (b) (iv) of the proposal states *“...b) any imbalances on interconnections from/to the CCR Nordic shall be handled by the relevant TSO.”*

The Nordic NRAs request the Nordic TSOs to be more precise on what they mean by *“handled by the relevant TSOs”*.

- Article 5 (4) of the proposal states *“By 6 months after the approval by the NRAs of this Proposal, the NEMOs meeting the requirements to act as Fallback Coordinator in the CCR Nordic set in Article 6 shall develop common detailed procedures in coordination with the TSOs including, but not limited to:”*

The Nordic NRAs question if six months are needed to develop common detailed procedures and therefore request the Nordic TSOs to justify the choice of six months.

- Article 8 of the proposal states *“The TSOs shall implement the fallback procedures on all bidding zone borders within the CCR Nordic within three months after approval of this Proposal and within three months after the market coupling operator function developed in accordance with Article 7(3)) of the CACM Regulation has been implemented on the bidding zone borders within the CCR Nordic”*.

The Nordic NRAs request the Nordic TSOs to clarify the wording of Article 8. It is not apparent from current wording when the fallback procedures are applicable.

Other comments

The Nordic NRAs would also like to bring forward the following comments.

- It can be read in the supporting document that *“The Fallback Coordinator shall in cooperation with TSOs send relevant NRAs an incident report following an incident of partial coupling or full decoupling affecting the CCR Nordic evaluating used procedures.”*

The Nordic NRAs request the Nordic TSO to add an Article in the proposal that oblige concerned parties to always send, after a partial- or full decoupling has occurred, for information an incident report to concerned NRAs. The incident report must at least explain what caused the decoupling, what impact the fallback procedures have had on NEMOs, TSOs and market participants and what measures that will be taken to secure that decoupling will not occur in the future.

- Article 3 (2) in the proposed Fallback procedures for the Capacity Calculation Region Baltic states *"In the event of full decoupling or a partial decoupling before the 20:00 (CET), the relevant NEMO (or NEMOs) shall use the single day-ahead coupling system in a regional setup to calculate net positions and prices for each bidding zone of Baltic countries with the goal to keep Nordic and Baltic bidding zones coupled, unless it being impossible at the time."*

The Nordic NRAs have no objections of keeping the Nordic and Baltic bidding zones coupled. We believe that this would be of great value for the market. However, if the Nordic and Baltic bidding zones are to be kept coupled, it must also be a requirement in the fallback procedures for the Nordic and it must be very clear in the proposals how this should be done. The Nordic NRA therefore ask the Nordic TSOs to discuss this topic with the TSOs in CCR Baltic to see whether this is feasible and how this could be done and amend the proposals accordingly.

- Situations triggering the fallback procedures are described in the explanatory document and some examples are listed. However, those are not dealt with in the proposal itself.

The Nordic NRAs request the Nordic TSOs to evaluate if it is feasible to describe in the proposal itself when the fallback procedures are triggered (for instance a declaration from the PCR Incident Committee). If it is not feasible, the Nordic NRAs believe it would be reasonable to clarify in the proposal who takes the decision on triggering the fallback procedures.