

Capacity Calculation Region Hansa TSOs'
Common Redispatching and Countertrading
Cost Sharing Methodology in accordance with
Article 74 of Commission Regulation (EU)
2015/1222 of 24 July 2015 establishing a
Guideline on Capacity Allocation and
Congestion Management

16 March 2018

All TSOs of the Capacity Calculation Region Hansa, taking into account the following:

Whereas

- (1) This document is a common methodology of the TSOs of Capacity Calculation Region (hereafter referred to as “CCR”) Hansa as described in the ACER decision¹.
- (2) This Methodology is a common methodology for redispatching and countertrading cost sharing (hereafter referred to as “**RCCS Methodology**”) in accordance with Article 74 of Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”).
- (3) This RCCS Methodology takes into account the general principles, goals and other methodologies set in the CACM Regulation, Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as “SO Regulation”), Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Regulation (EC) No 714/2009”). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and capacity allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders. The SO Regulation defines rules and requirements for methodology development for the purpose of safeguarding operational security, frequency quality and the efficient use of the interconnected system and resources.
- (4) In accordance with Article 9(9) of the CACM Regulation, the proposed RCCS Methodology across CCR Hansa contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. The RCCS Methodology ensures operational security and fair and non-discriminatory treatment of TSOs (Article 3(c) and Article 3(e) of the CACM Regulation and Article 74(4)(i)). It ensures operational security by specifying the cost sharing principles for the process of coordinated countertrading and redispatching (hereafter referred to as “RD and CT”) thus enabling the use of RD and CT in a regionally coordinated way. This ensures equal treatment of TSOs. Further, the RCCS Methodology ensures transparency in the measures taken by TSOs by obliging them to record all measures taken and the subsequent cost of these measures and allowing for CCR Hansa NRAs to request the information recorded.
- (5) The RCCS Methodology identifies the cost sharing principles between relevant TSOs for RD and CT actions of cross-border relevance, according to the requirements from CACM Regulation Article 74(2), and follows the principles of the CCR Hansa Coordinated Redispatching and Countertrading Methodology according to CACM Article 35 (hereafter referred to as “CRC Methodology”).
- (6) Following the proposed Capacity Calculation Methodology for CCR Hansa according to CACM Regulation Articles 20 and 21, the use of RD and CT to increase cross-border capacities is not included in the capacity calculation and is therefore not included in this RCCS Methodology and no cost is thus incurred in relation to this.

¹ ACER’s definition of the Capacity Calculation Regions (CCRs) of 17 November 2016 (Annex I to CCR decision)
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/ANNEXES_CCR_DECISION/Annex%20I.pdf

This RCCS Methodology only defines costs and income and sets rules for region-wide cost sharing from using RD and CT in the situations defined in Article 3 and Article 6 of the CRC Methodology.

- (7) The eligible costs are determined in a transparent and auditable manner, as required by CACM Article 74(3) as it is clearly defined which costs can be included in the cost sharing and that, to the extent possible, existing markets mechanisms and appropriate mechanisms and agreements are used as stated in the CRC Methodology Article 4(1)(a). Further, as the CCR Hansa RSC – following Article 78(2)(a) of the SO Regulation – is obliged to recommend to the relevant TSOs the most effective and economically efficient remedial actions, following the updated list of possible remedial actions and their anticipated costs, which each TSO – following SO Regulation Article 78(1)(b) – is obliged to submit to the RSC. Ex post the activation of RD and CT, the eligible realised costs will be documented by the TSOs as part of the requirements in this RCCS Methodology Article 4.
- (8) The RCCS Methodology follows the requirements by CACM Regulation Articles 74(6)(a), (b), (c) and (f) as it provides incentives for TSOs to manage congestions. This includes using RD and CT and thereby incentivises TSOs to invest effectively, as this RCCS Methodology states that costs and benefits are, depending on the situation, either:
 - a. fairly distributed to the owners of the CCR Hansa interconnectors
 - b. to be covered by the TSO in whose control area the physical congestion took place
 - c. split between TSOs of neighbouring CCR, according to the cost sharing methodology of that CCR in case RD and CT is proposed based on the operational security analysis carried out by the RSC of a neighbouring CCR.

This is also consistent with the responsibilities and liabilities of the TSOs involved. In the situations where RD and CT is used to maintain minimum technical limits for stable operation, or due to fault, failure or unplanned outage on CCR Hansa interconnectors, the owners of the relevant interconnector split the costs for RD and CT according to the ownership share, as specified in Article 3(1), which secures a fair distribution of costs to the TSOs who also benefit from the cross-border trade. In situations where RD and CT is proposed relating to the CCR Hansa bidding zone borders based on the operational security analysis carried out by the CCR Hansa RSC and agreed to by CCR Hansa TSOs, the costs are covered by the TSO in whose control area the physical congestion took place, as specified in Article 3(2); or covered by TSOs of the relevant CCR according to the cost sharing methodology of that CCR in case RD and CT is proposed based on the operational security analysis carried out by the RSC of a neighbouring CCR as specified in Article 3(3). In case that RD and CT is coordinated between neighbouring TSOs of CCR Hansa in situations with unexpected events, other than unplanned outage on CCR Hansa interconnectors, causing a physical congestion after the last relevant coordinated operational security analysis carried out by the CCR Hansa RSC, the cost is shared according to Article 3(2).

- (9) As specified in whereas (8), the costs are fairly distributed to the CCR Hansa TSOs whose control areas is the source of the physical congestion, or covered by the TSOs of the relevant CCR according to the cost sharing methodology of that CCR in case RD and CT is proposed based on the operational security analysis carried out by RSC of the neighbouring CCR. This transparent and closely coordinated procedure allows the TSOs to have a reasonable financial planning as required by CACM Regulation Article 74(6)(g).
- (10) The RCCS Methodology is consistent with the relevant methodologies, as the cost sharing principles ensure that the cost of the RD and CT is distributed to the TSOs who benefit from

the methodology for sharing congestion income as set out in Article 73 of the CACM Regulation, and the inter-TSO compensation mechanism as set out in Article 13 of Regulation (EC) No 714/2009 and Commission Regulation (EU) No 838/2010. Thus it complies with CACM Regulation 74(6)(d).

(11) The RCCS Methodology follows the requirements by CACM Regulation Articles 74(5)(a) and (c) as the need to utilise RD and CT is analysed and verified through the operational security analysis carried out by the RSC and in real-time by the TSOs. If RD and CT has been recommended, following Article 4(1)(b) in the CCR Hansa CRC Methodology and SO Regulation 78(2)(a), the CCR Hansa RSC has verified the RD and CT of cross-border relevance to have been the most effective and economically efficient solution to violations of the operational security limits in the operational security analysis. In the CCR Hansa CRC Methodology Article 7, the TSOs oblige the CCR Hansa RSC to document the use of RD and CT and the costs in order to monitor the use of RD and CT with costs ex post following the requirements by CACM Regulation Article 74(5)(b).

(12) The RCCS Methodology follows the requirements by CACM Regulation Article 74(5)(d) as planning the use of remedial actions, including RD and CT, will take place from the moment the market participants' schedules are known in day-ahead and throughout the day of operation, while the activation of measures will be done as close to the time of operation as possible. The time slot for activation of measures should be coordinated between TSOs as this will allow for the planning to be updated with the latest information, as specified in Article 3(5) of the RCCS Methodology. This allows for improvement of the selection of RD and CT measures, and has been specified in the CCR Hansa CRC Methodology and also in the requirements by the SO Regulation Article 76(1)(b). The time frame for the proposed process for CCR Hansa is compatible across the day-ahead and intraday market time frames as the RD and CT identified in one process step are also taken into account in the following process steps and coordinated as close to operation as possible, thus complying with CACM Regulation Article 74(6)(h).

(13) Article 4(3) of this RCCS Methodology specifies a process to allow the monitoring of the CCR Hansa by the competent regulatory authorities, as the CCR Hansa TSOs are obliged to provide a complete record of the items stated in Article 4(1) of this RCCS Methodology. The similar process is specified in Article 7(8) in the CCR Hansa CRC Methodology.

(14) The RCCS Methodology facilitates the efficient long-term development and operation of the pan-European interconnected system and the efficient operation of the pan-European electricity market as required by CACM Regulation Article 74(6)(e), as specified in whereas (4) and (8), the methodology provides the incentives to invest effectively, to coordinate the use of RD and CT to allow improvements in the use of remedial actions to ensure efficient utilisation of the transmission grid. Whereas (12) also specifies why the methodology helps ensuring an efficient operation of the pan-European electricity market, as it allows for further coordination and improved use of RD and CT.

SUBMIT THE FOLLOWING RCCS METHODOLOGY TO ALL REGULATORY AUTHORITIES OF THE CCR HANSA:

Article 1
Subject, matter and scope

1. This RCCS Methodology shall be considered the common methodology of the CCR Hansa TSOs in accordance with Article 74 of CACM Regulation and covers the sharing of costs of coordinated RD and CT actions realised in line with the CRC Methodology developed in accordance with Article 35 of the CACM Regulation on bidding zone borders included in CCR Hansa.

Article 2
Definitions and interpretation

1. For the purposes of the RCCS Methodology, terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation, of Regulation (EC) 714/2009, Directive 2009/72/EC and Commission Regulation (EU) 543/2013.
2. In addition, in this RCCS Methodology, the following terms shall have the meaning below:
 - a. "Costs" are the actual costs and incomes incurred by TSOs according to the appropriate mechanisms and agreements, as stated in CACM Regulation Article 35(3), for the activated RD and CT in accordance with the CRC Methodology, needed to relieve the physical congestion. If applicable, this is limited to:
 - i. Cost and income of increase or decrease generation and/or load pattern;
 - ii. Availability payments for additional upward and downward regulation;
 - iii. Curtailment of renewables;
 - iv. Activation and start-up costs;
 - v. Activation of balancing energy bids according to Commission Regulation (EU) 2017/2195 Article 29 in connection with Title V Articles 44 to 57;
 - b. 'CCR Hansa RSC' means the Regional Security Coordinator(s) (RSC(s)) appointed for CCR Hansa according to Article 77(1)(a) of the SO Regulation that will perform the tasks allocated to this(these) RSC(s) according to Article 77(1)(c)(i) of the SO Regulation;
3. In this RCCS Methodology, unless the context requires otherwise:
 - a. The singular indicates the plural and vice versa;
 - b. Headings are inserted for convenience only and do not affect the interpretation of the RCCS Methodology;
 - c. References to an "Article" are, unless otherwise stated, references to an article of this RCCS Methodology;
 - d. Any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment includes any modification, extension or re-enactment of it when in force.

Article 3

Cost sharing methodology for redispatching and countertrading measures

1. Costs relating to the RD and CT in accordance with the CRC Methodology Articles 3(1)(a), 3(1)(b) and 3(1)(c) shall be split between the owners of the relevant CCR Hansa interconnector according to the sharing key in Annex 1.
2. Costs relating to RD and CT in accordance with CRC Methodology Articles 3(1)(d) and 3(1)(e) shall be covered by the CCR Hansa TSO in whose control area the physical congestion took place.
3. Costs relating to RD and CT in accordance with the CRC Methodology Articles 6(1)(a) and 6(1)(b) shall be covered by TSOs of the relevant CCR, according to the cost sharing methodology of that CCR.
4. Benefits relating to RD and CT in accordance with the CRC Methodology Articles 3 and 6 shall be fairly distributed between the TSOs involved, in accordance with Article 74(6)(c) of the CACM Regulation.
5. The mechanism to verify the actual need for RD and CT as required by CACM Article 74(5)(a) follows the requirements put out by Articles 78(2) and 78(3) of the SO Regulation to the RSC's coordinated regional operational security assessment and the individual TSO's assessment following Article 78(4) of the SO Regulation.
6. The assessment of the impact on operational security and economic criteria of the RD and CT are performed by the CCR Hansa RSC in the coordinated regional operational security assessment as required in Article 74(5)(c) in CACM and Article 78(2)(a) of the SO Regulation specifying that when the CCR Hansa RSC detects a constraint, it shall recommend to the relevant TSOs the most effective and economically efficient remedial actions.

Article 4

Documentation of the costs of activated redispatching and countertrading

1. For the activated RD and CT measures recorded in accordance with Article 7 of the CRC Methodology, developed in line with Article 35 of CACM Regulation, the CCR Hansa RSC is obliged to keep a record for 5 years of the details stated in Article 4(2), of the RD and CT measures.
2. Each TSO has to inform the CCR Hansa RSC of the costs incurred from measures referred to in Article 7(5) and Article 7(6) of the CRC Methodology.
3. Upon request of a NRA, the corresponding CCR Hansa TSO is obliged to provide a complete record of the items stated in Article 4(2) of this RCCS Methodology and in Article 7 of the CRC Methodology for the corresponding control area.

Article 5

Implementation of the RCCS Methodology

The implementation of this RCCS Methodology is subject to the implementation of the CRC Methodology in accordance with Article 35 of the CACM Regulation.

Article 6 Language

The reference language for this RCCS Methodology shall be English. For the avoidance of doubt, where TSOs need to translate this RCCS Methodology into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this RCCS Methodology to their relevant national regulatory authorities.

Annex 1

Current CCR Hansa bidding zone borders

CCR Hansa bidding zone border	Interconnector	Involved TSOs/Parties	Sharing key
Denmark (DK2) – Germany/Luxembourg (DE/LU)	Kontek	Energinet, 50Hertz, Vattenfall AB	Southbound direction (585MW): Energinet: 190/585 50Hertz: 195/585 Vattenfall AB: 200/585 Northbound direction (600MW): Energinet: 1/3 50Hertz: 1/3 Vattenfall AB: 1/3
	Kriegers Flak	Energinet, 50Hertz	For Articles 3(1)(a), 3(1)(b) in the CRC Methodology: 50%/50% For Article 3(1)(c) in the CRC Methodology: The TSO whose wind forecast leads to RD or CT shall cover the cost.
Denmark (DK1) – Germany/Luxembourg (DE/LU)	All	Energinet, TenneT TSO GmbH	50% / 50%
Sweden (SE4) – Poland (PL)	SwePol Link	Svenska Kraftnät, PSE S.A.	50% / 50%