
Channel Capacity Calculation Region TSOs' proposal for
redispatching and countertrading cost sharing methodology in
accordance with Article 74(1) of Commission Regulation
(EU) 2015/1222 of 24 July 2015 establishing a guideline on
capacity allocation and congestion management

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All Transmission System Operators of the Channel region taking into account the following,

Whereas

- (1) Commission Regulation (EU) 2015/1222 establishes a guideline on capacity allocation and congestion management (hereinafter referred to as the “CACM Regulation”), which entered into force on 14 August 2015.
- (2) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) of the Channel Capacity Calculation Region as defined in accordance with Art. 15 of CACM Regulation (hereafter referred to as “Channel Region”) regarding the proposal for the Redispatching and Countertrading cost sharing methodology (hereafter referred to as “Channel RD and CT Cost Sharing methodology”) in accordance with the CACM Regulation. This proposal is required by Article 74(1) of the CACM Regulation.
- (3) The TSOs of the Channel Region (hereafter referred to as “Channel TSOs”) aim at ensuring consistency with the Redispatching and Countertrading cost sharing methodologies of other Capacity Calculation Regions in which same bidding zones are concerned whilst acknowledging the specific characteristics of the interconnectors within the Channel Region.
- (4) This proposal takes into account the TSOs' proposal for a day-ahead and intraday capacity calculation methodology (hereinafter referred to as the “Proposed Channel DA and ID CC Methodology”) in accordance with Article 20 of the CACM Regulation and submitted to the NRAs of the Channel Region for approval on 15/9/2017.
- (5) This proposal takes into account the TSOs' proposal for the coordinated Redispatching and Countertrading methodology (hereinafter referred to as the “Proposed Channel RD and CT Methodology”) in accordance with Article 35 of the CACM Regulation and submitted to the NRAs of the Channel Region for approval on 17/03/2018.
- (6) Changing the flow over an HVDC interconnector in the Channel Region for Redispatching and Countertrading purposes results in an imbalanced situation in the control areas to which the interconnector is connected (since the HVDC interconnector is between two different Synchronous Areas). Therefore the TSOs at both ends of the HVDC interconnector need to activate energy in order to restore the balance (locally or cross-border). By doing so the TSOs need nevertheless to consider local physical congestion issues for finding the energy.
- (7) The Channel Region is made of HVDC interconnectors of bidding zone borders between two synchronous areas. Therefore there are no unscheduled flows related to Channel trades because of the controllability of the HVDC. As there are no unscheduled flows from a Channel point of view, there is no “polluter”. Hence the costs related to costly Remedial Action applied in the frame of Channel Region shall be borne to the Requesting TSO.
- (8) The Channel RD and CT Cost Sharing Methodology contributes to and does not in any way hinder the achievement of the objectives of Article 3 of the CACM Regulation. In particular this Channel RD and CT Cost Sharing Methodology:

- a. Establishes a common process for the Redispatching and Countertrading cost sharing by defining a set of harmonised rules for congestion management and as such serves the objective of promoting effective competition in the generation, trading and supply of electricity in accordance with Article 3(a) of the CACM Regulation;
- b. Contributes to the objective of ensuring optimal use of the transmission infrastructure in accordance with Article 3 (b) of the CACM Regulation by ensuring TSOs to solve physical congestion at the least cost using last available inputs based on the best possible forecast of transmission systems and market results at the time of each security analysis, updated in a timely manner, for the detection of coordinated Redispatching and Countertrading needs;
- c. Contributes to the objective of ensuring and enhancing the transparency and reliability of information in accordance with Article 3 (f) of the CACM Regulation by providing mechanism to verify the needs, monitor, assess the impact and allow improvement of Countertrading in the Channel Region in accordance with Article 74 (5) of the CACM Regulation; and
- d. Contributes to the objective of respecting the need for a fair and orderly market and price formation in accordance with Article 3 (h) of the CACM Regulation by developing rules within this methodology that ensure a fair distribution of costs and benefits between the involved TSOs .

SUBMIT THE FOLLOWING PROPOSAL TO ALL NATIONAL REGULATORY AUTHORITIES OF THE CHANNEL REGION:

TITLE 1

General Provisions

Article 1

Subject matter

1. This Channel RD and CT Cost Sharing methodology is the common proposal of all TSOs of the Channel Region in accordance with Article 74(1) of the CACM Regulation.

Article 2

Definitions and interpretation

1. For the purposes of the Channel RD and CT Cost Sharing Methodology, the terms used shall have the meaning given to them in:
 - a. Article 2 of the CACM Regulation;
 - b. Article 3 of the SO GL Regulation; and
 - c. Article 2 of the Proposed Channel RD and CT Methodology
2. In this Channel RD and CT Cost Sharing 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 this RD and CT Cost Sharing Methodology; and
 - c. any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.

Article 3

Scope

1. The scope of this Channel RD and CT Cost Sharing Methodology is limited to the cost sharing of the total cost of coordinated Redispatching and Countertrading within the Channel Region as defined in Article 4(3) of this Proposed Channel RD and CT Cost Sharing Methodology
2. Coordinated Redispatching and Countertrading in the Channel Region consist of the following aspects:
 - a. Volume information and availability exchange and price information exchange;
 - b. detection;
 - c. coordination;
 - d. selection of RD and CT Actions
 - e. activation of RD and CT Actions and update nomination on the Channel Interconnector
 - f. total cost calculation;
 - g. reporting; and
 - h. cost sharing & settlement

Aspects (a) to (e) set out above are detailed in the separate Proposed Channel RD and CT Methodology, The scope of this RD and CT Cost Sharing Methodology refers to aspect (f) to (h).

3. In order to implement this RD and CT Cost Sharing Methodology, border-specific Coordinated Redispatching and Countertrading operational procedures (hereafter referred to as “RD and CT Procedures”) will be established during the implementation phase between relevant TSOs of each

bidding zone border in the Channel Region. These RD and CT Procedures shall comply with the rules and principles laid out in this Channel RD and CT Cost Sharing Methodology.

TITLE 2

Cost Sharing

Article 4

Principles

1. As stated in Articles 4(2) and 4(6) of the Proposed Channel RD and CT Methodology, all coordinated Countertrading and Redispatching in the Channel Region are cross-border relevant.
2. In accordance with Article 35 (5) of CACM Regulation, the total cost of coordinated Redispatching and Countertrading will be determined transparently by summing the costs/incomes of Participating TSOs involved in Countertrading. The details and procedures of this total cost of coordinated Redispatching and Countertrading calculation process will be described in the relevant RD and CT Procedures that will be established during the implementation phase.
3. The costs and incomes considered for Countertrading and Redispatching are:
 - a. Charges for RD & CT Actions, incurred by the Requesting and Assisting TSOs;
 - b. Charges related to the change of flow for Countertrading and Redispatching purposes, incurred by the Facilitating TSO.
4. The Requesting TSO will incur the total cost of coordinated Redispatching and Countertrading.
5. This Channel RD and CT Cost Sharing Methodology, in accordance with Article 74 (6) of the CACM Regulation, provides incentives to manage congestion, including remedial actions and incentives to invest effectively:
 - a. It is consistent with the responsibilities and liabilities of the TSOs involved;
 - b. It ensures a fair distribution of costs and benefits between the TSOs involved as the total cost calculation, as specified in Article 4(3), is cost neutral for Assisting and Facilitating TSOs;
 - c. It does not impact the methodology for sharing congestion income set out in Article 73 of the CACM Regulation;
 - d. It 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 it incentivises the Requesting TSO to invest effectively in order to reduce the number and magnitude of physical congestion caused by Channel bidding zone border exchange because of the cost sharing principle outlined in Article 4(4);
 - e. It facilitates adherence to the general principles of congestion management as set out in Article 16 of Regulation (EC) No 714/2009;
 - f. It allows reasonable financial planning due to the use of the Requestor pays principle and costs being limited to the number of congestions which each individual TSO faces;
 - g. It is compatible across the day-ahead and intraday market time-frames, as explained in Article 5(3) of the Proposed Channel RD and CT Methodology; and
 - h. It complies with the principles of transparency and non-discrimination, as specified in Article 5 of this Proposed Channel RD and CT Cost Sharing Methodology.

Article 5

Monitoring and Reporting

1. All coordinated Redispatching and Countertrading, including costs and volumes, will be reported as described in Regulation (EC) 543/2013 on submission and publication of data in electricity markets (hereinafter referred to as the “Transparency Regulation”) and in Commission Regulation (EC) 1227/2011 for Energy Market Integrity and Transparency (hereinafter referred to as the “REMIT Regulation”).
 - a. In line with the REMIT Regulation, all coordinated Redispatching and Countertrading will be reported within 1 hour from the activation of the coordinated Redispatching and Countertrading.
 - b. Coordinated Redispatching and Countertrading volumes and costs are to be reported according to the Transparency Regulation in order to monitor the use of remedial actions with costs. This mechanism will allow the assessment of impact of the remedial actions based on operational security and economic criteria in accordance with Article 74(5) (c) of CACM Regulation.
2. The Requesting TSO shall record their justification for requesting coordinated Redispatching and Countertrading, or the reason for the rejection of a coordinated Redispatching and Countertrading request, the associated impact and the cost of any related RD and CT Actions taken. Upon NRA request, the Participating TSOs shall provide further justifications, impacts and associated costs in a report for monitoring.
3. Once per year, the Requesting TSO reports will be shared amongst all Channel TSOs who will review the remedial actions and make improvements within the Operational Procedures where required, as required in Article 74 (5) (d) of the CACM Regulation.
4. In accordance with Article 74.5(a) of the CACM Regulation, the mechanism to verify the actual need for coordinated Redispatching or Countertrading between the TSOs involved is included in the detection and the coordination process described in Articles 8 (4, 6), 9 (5) and Article 10 of the Proposed Channel RD and CT Methodology.
5. Pursuant to Article 74.5(e) of the CACM Regulation, process allowing monitoring of Channel Region by the competent regulatory authorities will be effectively done by the monitoring mechanisms described in the Proposed Channel DA and ID CC Methodology and the monitoring report of Article 5(2) of this Channel RD and CT Cost Sharing Methodology.

TITLE 3 Miscellaneous

Article 6 Publication of the Channel RD and CT Cost Sharing Methodology

1. The TSOs shall publish the Channel RD and CT Cost Sharing Methodology without undue delay after all national regulatory authorities have approved the Proposed Channel RD and CT Methodology or a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 9 (10), Article 9(11) and 9(12) of the CACM Regulation.

Article 7 Implementation of Channel RD and CT Cost Sharing Methodology

1. This RD and CT Cost Sharing Methodology will be implemented upon implementation of the Proposed Channel CT and RD Methodology, according to Article 16 of the Proposed Channel RD and CT Methodology.

Article 8 Language

1. The reference language for this common capacity calculation Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this Channel RD and CT Cost Sharing 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 Channel RD and CT Cost Sharing Methodology to their relevant national regulatory authority.