

DECISION No 13/2022
OF THE EUROPEAN UNION AGENCY
FOR THE COOPERATION OF ENERGY REGULATORS
of 27 September 2022

**on the Methodology for the Optimisation of Inter-Transmission System
Operators Settlements related to Redispatching and Countertrading**

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 ('ACER'), and, in particular, Article 6(1) thereof,

Having regard to Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity², and, in particular, Article 27(3) and Article 37(5) thereof,

Having regard to the outcome of the consultation with the European Network of Transmission System Operators for Electricity ('ENTSO-E'),

Having regard to the outcome of the consultation with the Agency's Electricity Working Group ('AEWG'),

Having regard to the favourable opinion of the Board of Regulators of 21 September 2022, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

1. INTRODUCTION

(1) Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity provided a legal framework to strengthen

¹ OJ L158, 14.6.2019, p. 22.

² OJ L158, 14.6.2019, p. 54.

regional coordination between transmission system operators ('TSOs') via the introduction of regional coordination centres ('RCCs') and assigning them with tasks of regional relevance. These tasks include supporting TSOs, at their request, in the optimisation of inter-transmission system operators settlements in accordance with Article 37(1)(l) of Regulation (EU) 2019/943 with further details outlined in Annex I of Regulation (EU) 2019/943.

- (2) Pursuant to Article 37(5) of Regulation (EU) 2019/943, ENTSO-E shall develop, in accordance with the procedure set out in Article 27 of Regulation (EU) 2019/943, for the relevant tasks not covered by the applicable network codes or guidelines a proposal and submit it to ACER for approval.
- (3) The present Decision follows from ENTSO-E's submission of the Proposal on the Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to Redispatching and Countertrading in accordance with Article 37(1)(l) of Regulation (EU) 2019/943 (hereinafter referred to as the 'Proposal') seeking approval by ACER; Annex I of this Decision sets out the methodology as decided by ACER.

2. PROCEDURE

- (4) On 1 March 2022, ENTSO-E published for a public consultation the draft 'ENTSO-E Proposal for a Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to redispatching and countertrading in accordance with Article 37(1)(l) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market'. The consultation lasted from 1 March 2022 until 1 April 2022.
- (5) On 31 March 2022, ACER submitted a shadow opinion on the draft Proposal to ENTSO-E.
- (6) On 1 July 2022, ENTSO-E submitted the Proposal to ACER for approval.
- (7) On 5 July 2022, ACER published a public notice together with ENTSO-E's proposal on its website, inviting interested third parties to submit their observations by 10 August 2022 in order to inform its assessment.
- (8) ACER cooperated with ENTSO-E and regulatory authorities and further consulted on the possible amendments to the Proposal through conference calls and electronic exchanges of documents. In particular, the following steps were taken:
 - *8 August 2022: ACER's preliminary views being shared with ENTSO-E and regulatory authorities for consideration;*
 - *11 August 2022: Oral hearing meeting with ENTSO-E and regulatory authorities;*
 - *23 August 2022: ACER's preliminary views being shared with the AEWG for consideration;*

- *The AEWG provided its advice on 31 August 2022, endorsing the draft ACER Decision.*

3. ACER'S COMPETENCE TO DECIDE ON THE PROPOSAL

- (9) Pursuant to Article 6(1) of Regulation (EU) 2019/942, ACER should adopt individual decisions on technical issues where those decisions are provided for in Regulation (EU) 2019/943.
- (10) Pursuant to Article 37(5) of Regulation (EU) 2019/943, for the tasks set out in this Article and not already covered by the relevant network codes or guidelines, ENTSO-E should develop a proposal, in accordance with the procedure under Article 27 of the same Regulation, for the tasks set out in Article 37 of that Regulation and not already covered by the relevant network codes or guidelines, and this proposal is subject to approval by ACER.
- (11) Pursuant to Article 27(3) of Regulation (EU) 2019/943, ACER should either approve or amend the proposal for the methodology for optimisation of inter-TSO settlements related to redispatching and countertrading, within three months after receiving it from ENTSO-E.
- (12) ENTSO-E submitted the Proposal in accordance with Article 37(5) of Regulation (EU) 2019/943 to ACER for approval. The Proposal concerns the RCC tasks of optimisation of inter-TSO settlements under Article 37(1)(1) of Regulation (EU) 2019/943. Those tasks concern technical issues and are not yet covered by any network code or guideline.
- (13) Therefore, ACER is competent to decide on this Proposal under Article 6(1) of Regulation (EU) 2019/942 and Articles 27(3) and Article 37(5) of Regulation (EU) 2019/943.

4. SUMMARY OF THE PROPOSAL

- (14) The Proposal consists of the following elements:
 - (a) The recitals and Articles 1 and 2, which contain provisions on definitions and interpretation and the subject matter and scope;
 - (b) Articles 3 to 6, which provide the procedure for the calculation of costs: input data, cost sharing calculation, validation and data communication;
 - (c) Articles 7 and 8, which lay down the provisions for monitoring and implementation;
 - (d) Article 9, which contain the requirements the reference language.

5. OBSERVATIONS RECEIVED BY ACER

- (15) No observations were received by ACER in response to the public notice published together with ENTSO-E's proposal on ACER's website, inviting interested third parties to submit their observations.

6. ASSESSMENT OF THE PROPOSAL

6.1. Legal framework

- (16) Article 37(1)(l) of Regulation (EU) 2019/943 provides that RCC support TSOs, at their request, in the optimisation of inter-transmission system operators settlements.
- (17) Article 37(5) of Regulation (EU) 2019/943 provides that, for the tasks set out in Article 37 which are not already covered by the relevant network codes or guidelines, ENTSO-E must develop a proposal in accordance with the procedure set out in Article 27 of Regulation (EU) 2019/943.
- (18) Article 27(2) of Regulation (EU) 2019/943 requires ENTSO-E to consult on the proposed methodology before submitting the proposal. Article 27(3) provides that ACER must approve or amend the proposal within three months of the date of receipt of the proposal, and consult ENTSO-E before approving the amended proposal. In accordance with the same Article, ACER must publish the approved proposal on its website within three months of the date of receipt of the proposed documents.
- (19) Point 11 of Annex I of Regulation (EU) 2019/943 sets out in more detail the tasks of optimisation of inter-transmission system operator compensation mechanisms, including settlements of inter-TSO financial flows.

6.2. Consultation and submission of the Proposal

- (20) Article 27(2) in conjunction with Article 37(5) of Regulation (EU) 2019/943 requires ENTSO-E to carry out a consultation involving all relevant stakeholders, including regulatory authorities and other national authorities, and take the results of that consultation into consideration in its proposal, before submitting the proposal.
- (21) As indicated in paragraphs (4) and (5), ENTSO-E consulted stakeholders from 1 March 2022 until 1 April 2022, and submitted the Proposal on 1 July 2022.
- (22) Therefore, ENTSO-E fulfilled the requirements of Article 27(2) in conjunction with Article 37(5) of Regulation (EU) 2019/943 regarding the involvement of stakeholders and the submission.

6.3. Required content of the Proposal

- (23) Article 37(1)(l) of Regulation (EU) 2019/943 on the RCC's task (if demanded by the concerned TSOs) on the optimisation of inter-transmission system operators settlements is set out in more detail in point 11 of Annex I of Regulation (EU) 2019/943, which provides that *the TSOs in the system operation region may jointly decide to receive support from the RCC in administering the financial flows related*

to settlements between TSOs involving more than two TSOs, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.

- (24) Paragraph 3 of Article 1 ('Subject matter and scope') of the Proposal states that "*This methodology shall only apply in case the relevant TSOs within one capacity calculation region ("CCR") jointly request support from RCC(s) on the optimisation of inter-TSO settlements.*"
- (25) As ACER's Decision No 05/2022 of 7 April 2022 on the definition of system operation regions³ includes the CCRs that belong to each system operation region, without there being any CCR not being part of any system operation region, ACER considers that the required elements related to the inter-TSO settlements for redispatching and countertrading costs have been included in the Proposal.

6.4. Amendments to the Proposal

- (26) ACER has introduced amendments to the Proposal to improve its structure, wording, clarity and referencing to other legal documents. Further editorial changes, not explicitly mentioned below, have been made to improve the readability and clarity of the wording of the Proposal.
- (27) The changes introduced by ACER have been discussed with ENTSO-E throughout a very good cooperation during the procedure for this Decision. During the discussions, ENTSO-E agreed that the changes improve the clarity of the methodology.

6.4.1. On the Recitals of the Proposal

- (28) Apart from a few editorial changes, ACER did not amend the Recitals of the Proposal.

6.4.2. On the General provisions (Articles 1 and 2)

- (29) ACER amended the definition of 'Inter-CCR cost sharing' in the part describing overlapping cross-border relevant remedial actions ('XRAs') for clarity.

ACER added the definition of 'eligible XRA', i.e. an XRA eligible for cost sharing, to be used further through the amended Proposal. The definition is meant to generalize the type of XRAs which are subject to costs sharing. This avoids mentioning of "activated XRAs" (as initially given in the Proposal), while in different CCRs (such as Core or South-East Europe), not activated XRAs but ordered XRAs are subject to cost sharing. Accordingly, each reference to the XRAs eligible for cost sharing regardless of potentially CCR-specific solution, has been referred to as an 'eligible XRA' throughout the rest of the amended Proposal.

³ [ACER Decision - Definition of system operation regions \(europa.eu\)](https://europa.eu)

- (30) ACER has added the definition of ‘overlapping XRA’ as the term has been used in the Proposal, but the definition has been missing. ACER has also added the definition of ‘overlapping XNE’ to support the definition of overlapping XRA. Both definitions are equal to the ones used in Methodology for coordinating operational security analysis (‘CSAM’) pursuant to Article 75 of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission System Operation (‘SOGL’), however they are repeated in the amended Proposal to avoid the potential situation of referring to the document that might be changed in the future.

6.4.3. On the monitoring (Article 7)

- (31) ACER extended the minimal list of monitoring information related to redispatching and countertrading eligible XRAs, in order to improve the monitoring process.

7. CONCLUSION

- (32) For all the above reasons, ACER considers the Proposal in line with the requirements of Regulation (EU) 2019/943, provided that the amendments described in this Decision are integrated in the Proposal, as presented in Annex I.

- (33) Therefore, ACER approves the Proposal subject to the necessary amendments and editorial changes. To provide clarity, Annex I to this Decision sets out the Proposal as amended and approved by ACER,

HAS ADOPTED THIS DECISION:

Article 1

The Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to Redispatching and Countertrading according to Article 37(1)(l) of Regulation (EU) 2019/943 is adopted as set out in Annex I to this Decision.

Article 2

This Decision is addressed to ENTSO-E.

Done at Ljubljana, on 27 September 2022.

- SIGNED -

*For the Agency
The Director*

C. ZINGLERSEN

Annexes:

- Annex I - Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to Redispatching and Countertrading
- Annex Ia - Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to Redispatching and Countertrading
(with track changes to ENTSO-E proposal - for information only)

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

In accordance with Article 29 of Regulation (EU) 2019/942, the addressee 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.