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**Proposal for common methodology for redispatching and countertrading cost-sharing for the SWE CCR in accordance with Article 74 of Commission Regulation (EU) 2015/1222 of 24 July 2015**

March 2018

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RTE, REE and REN are taking into account the following,

### **Whereas**

- (1) This document is a common proposal developed by RTE, REE and REN as the Transmission System Operators of the SWE region (hereafter referred to as “**TSOs**”) for a common methodology for redispatching and countertrading cost sharing (hereafter referred to as the “**Cost Sharing Proposal**”) 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**”).
- (2) The cost sharing Proposal shall also meet the requirements of Commission Regulation (EU) 2017/1485 establishing a guideline on System Operation (“System Operation regulation”)

### **General provisions**

#### **Article 1**

#### **Subject matter and scope**

The methodology as determined in this SWE redispatching and countertrading cost sharing methodology is the common proposal of all Transmission System Operators of the SWE Region in accordance with Article 74 of the CACM Regulation.

Since coordinated redispatching is not currently applied in the SWE Region, it was agreed between SWE TSOs that the **Cost Sharing Proposal** is focused only on countertrading costs sharing.

#### **Article 2**

#### **Definitions and interpretation**

1. For the purposes of the Cost Sharing Proposal, the terms used shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 543/2013, Article 2 of the CACM Regulation and Article 3 of SO GL.
2. In this SWE Cost Sharing Proposal, 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 Cost Sharing Proposal ; 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.

## **Eligible costs for cost-sharing**

### **Article 3 Cross-border relevancy of remedial actions**

1. For the SWE region, the remedial actions to be considered shall be limited to countertrading measures. Eligible costs for cost-sharing arrangements defined in Article 8 of this proposal are only those of countertrading measures implemented to solve a constraint on critical network elements as defined in the capacity calculation methodology of the SWE Region required by Articles 20 & 21 of CACM regulation.

### **Article 4 Real-time operation**

The costs of countertrading measures implemented close to real-time, where the regional security coordinator of the SWE Region is not involved, shall be eligible for cost-sharing arrangements defined in Article 8 of this proposal if they meet the requirements defined in the Article 3 of this proposal.

### **Article 5 Countertrading costs**

Costs of countertrading shall be the incurred costs to solve a constraint, including imbalancing costs where relevant. Costs of countertrading shall be auditable and transparent.

### **Article 6 Description of the activation of costly remedial actions**

For matter of clarification, countertrading measures can be decided either as preventive or curative remedial action based on indicative costs at the time of the coordinated decision. However, only actual costs incurred as defined by Article 5 shall be shared among concerned TSOs in accordance with the provisions of the Article 8 of this proposal.

## **Cost-sharing methodology**

### **Article 7 Socialization principle**

Total costs of countertrading measures as defined in Article 3 shall be shared among TSOs of the relevant bidding zone border in accordance with the sharing key defined in Article 8 of this proposal

## **Article 8**

### **Cost-sharing arrangements**

For countertrading measures activated on the France-Spain border, eligible costs shall be shared as following:

- 50% of the eligible costs borne by RTE
- 50% of the eligible costs borne by REE

For countertrading measures activated on the Portugal-Spain border, eligible costs shall be shared as following:

- 50% of the eligible costs borne by REN
- 50% of the eligible costs borne by REE

Where it is included a costly remedial action in the capacity calculation performed in accordance with Article 20 and 21 of CACM Regulation, the eligible costs of these costly remedial actions shall be borne by each TSO of the relevant bidding zone border.

## **Monitoring and Implementation**

### **Article 9**

#### **Monitoring of the activation**

1. All activation of countertrading measures shall be monitored with the support when relevant of the regional security coordinator (SWE RSC).
2. Each countertrading measures activated shall be documented by both TSOs of the bidding zone border to ensure transparency and reporting obligations toward NRAs of the bidding zone border.
3. The monitoring shall be ex-post and shall include the following elements but not limited to:
  - Requesting party
  - Network elements with a constraint
  - Reasons for countertrading
  - Date and time of the activation
  - Requested period and duration of the activation
  - Energy volume activated by each TSO in MWh for each hour of activation
  - List of non-costly measures implemented to solve the congestion
  - The forecasted volume in A or MW of the overload before the activation of the countertrading measures
  - The forecasted volume in A or MW of the overload after the activation of the countertrading measures
  - The actual volume in A or MW of the overload before the activation of the countertrading measures

- The actual volume in A or MW of the overload after the activation of the countertrading measures

### **Article 10 Monitoring of the costs incurred**

1. All activation of countertrading measures shall be monitored with the support, when relevant, of the SWE RSC.
2. Each countertrading measures activated shall be documented by both TSOs of the bidding zone border to ensure transparency and reporting obligations toward NRAs of the bidding zone border.
3. Costs of countertrading measures shall be transparent and compliant with provisions of the Article 35 of CACM Regulation.
4. If costs of countertrading measures incurred increase significantly, TSOs or NRAs can ask for further investigation on these costs. When relevant, concerned NRAs or TSOs of the bidding zone border can request a review of the methodologies defined in accordance with Articles 35 and 74 of CACM Regulation and/or the capacity calculation methodology defined in accordance with Articles 20 and 21 of CACM Regulation.

### **Article 11 Regular Reporting to NRAs**

1. In addition to transparency obligations required by Article 13 of Regulation 543/2013 (EU), TSOs of the SWE Region with the support, when relevant, of the SWE RSC shall provide NRAs of the SWE Region with a yearly report on countertrading activations based on their monitoring as defined in Articles 13 and 14 of this proposal.
2. Additional report on countertrading activations can be prepared upon common request from NRAs of the bidding zone border.

### **Article 12 Biennial review for improvement**

1. All TSOs of the SWE region, with the support, when relevant, of the regional security coordinator, shall review this methodology every two years and suggest recommendations for improvement to NRAs. Where these improvements affect other methodologies, these amendments shall be consulted upon where required by the relevant regulation.

### **Article 13 Implementation**

1. The TSOs shall implement the methodology defined in this proposal on all bidding zone borders of the SWE Region once:
  - the Day-head and Intraday capacity calculation methodology for the SWE Region under Articles 20 and 21 of the CACM Regulation has been approved by NRAs and implemented by TSOs,
  - the methodology for regional operational security coordination on the SWE Region under Article 76 of the SO Regulation have been approved by NRAs as well as implemented by TSOs.

## **Miscellaneous**

### **Article 14 Amendment of this proposal**

1. Any change in methodologies affecting this proposal, such as the methodology defined in accordance with Article 35 of CACM Regulation, shall lead to an amendment of the present Proposal.
2. These amendments should be requested through the process described in Article 9(13) of the CACM Regulation, but, for the sake of clarity, in case a request for amendment only concerns one border of the SWE region, only the concerned NRAs will have to explicitly approve this amendment, the remaining NRA being only informed of the amendment.

### **Article 15 Language**

1. The reference language for this common methodology for redispatching and countertrading cost sharing Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this Proposal 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 Methodology Proposal to their relevant national regulatory authorities.