

**REQUEST FOR AMENDMENT BY
REGIONAL REGULATORY AUTHORITIES AGREED AT
THE (NORDIC) ENERGY REGIONAL REGULATORS'
FORUM**

ON

**NORDIC TSOS' PROPOSAL IN ACCORDANCE WITH
ARTICLE 50(3) AND ARTICLE 51(1) OF THE
COMMISSION REGULATION (EU) 2017/2195 OF 23
NOVEMBER 2017 ESTABLISHING A GUIDELINE ON
ELECTRICITY BALANCING**

18 December 2019

I. Introduction and legal context

This document elaborates an agreement between the Regulatory Authorities of Denmark, Finland, Norway and Sweden (hereafter referred to as “the Regulatory Authorities”) on a proposal (hereafter referred to as “the Proposal”, submitted by Energinet, Fingrid, Statnett, and Svenska Kraftnät (hereafter to as “the TSOs”) in accordance with Article 50(3) and Article 51(1) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter referred to as “EBGL”).

The Proposal was received by the last Regulatory Authority on 18 June 2019. EBGL Article 5(6) requires the Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and make decisions within six months following receipt of submissions of the last relevant Regulatory Authority concerned, i.e. by 18 December 2019.

II. The TSOs’ Proposal

The Proposal concerns TSO-to-TSO settlement on intended and unintended energy exchanges within the Nordic synchronous area, submitted by the TSOs in accordance with EBGL Article 50(3) and Article 51(1).

The TSOs are under no obligation under the EBGL to make a public consultation on the proposal since it solely concerns interactions between the TSOs. Consequently, the TSOs have not made such a consultation.

The Regulatory Authorities provided informal inputs to the TSOs, i.a. by sending comments to the TSOs on their draft proposal on 6 June 2019, i.e. prior to the formal submission by the TSOs.

III. Agreed Regulatory Authorities’ Position

The Regulatory Authorities have reached an agreement that the Proposal cannot be subject for approval. Thus, the Regulatory Authorities request the TSOs to amend the Proposal, in accordance with EBGL Article 6(1), taking into consideration the comments by the Regulatory Authorities, as presented below.

IV. Requests for changes to the Proposal

Clarifications for more precise provisions on the carrying-out of the TSO-to-TSO settlement

The Regulatory Authorities acknowledge that the proposal as such contains the method to calculate the settlement amount.

However, the Regulatory Authorities consider that proposal for the method does not contain precise provisions on the execution of the TSO-to-TSO settlement, i.e. the money flows and any deadlines and timelines in this respect between TSOs.

Requests for amendments to Article 4 (2)(a)

The Regulatory Authorities request more precise references, i.e. to the specific relevant Articles within the Regulation 2015/1222 (hereafter referred to as “the CACM Regulation”) and the Regulation 2016/1719 (hereafter referred to as “the FCA Regulation”), rather than sole references to those regulations as such.

Requests for amendments to Article 4 (2)(b)

The Regulatory Authorities assess that the reference to “RR” does not seem to be relevant, as the TSOs do not take part in the TERRE cooperation.

Requests for amendments to Article 5(1)

The Regulatory Authorities request the TSOs to add a formula with the view to provide for more clarity.

Requests for amendments to Article 6(2) and Article 7(1)

The Regulatory authorities also request the TSOs to clarify the definition of the term “dominating direction”.

Requests for amendments to Article 6(3) and Article 7(2)

The Regulatory Authorities point to the general framework that the settlement price calculation will be amended, when prices for aFRR are available. Such amendments will be subject to regulatory approval.

The Regulatory Authorities request the TSOs to specify the above general framework.

Alternatively, the TSOs may consider deleting the proposed paragraphs, as it already follows directly from the EBGL Article 6(3) that TSOs can submit amendments for approved terms and conditions for regulatory approval.

V. Conclusion

The Regulatory Authorities have assessed, closely cooperated and coordinated to reach the agreement that they cannot approve the Proposal pursuant to EBGL Article 50(3) and 51(1).

According to EBGL Article 6(1), 1st subparagraph, the Regulatory Authorities therefore request an amendment to the Proposal. The amendments shall take into account the Regulatory Authorities’ assessment stated above and shall be submitted by all TSOs no later than two months after receiving the request by the last Regulatory Authority for amendment in accordance with EBGL Article 6(1), 1st subparagraph.

The Regulatory Authorities have agreed to issue their respective national decisions to request an amendment to the amended Proposal on the basis of this agreement by 18 December 2019.