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PUBLIC
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NATIONAL
ENERGY
REGULATORY
COUNCIL

AS "Augstsprieguma tīkls"
86 Darzciema str., LV-1073, Riga, Latvia

Elering AS
Kadaka tee 42, 12915 Tallinn, Estonia

LITGRID AB
A. Juozapavičiaus g. 13, LT-09311, Vilnius, Lithuania

Request for amendments by all Baltic NRAs on all Baltic TSOs' proposal for common settlement rules for all unintended exchanges of energy in accordance with the Article 51(1) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

Baltic national regulatory authorities – the Public Utilities Commission of Latvia, the National Energy Regulatory Council of Lithuania, Estonian Competition Authority (hereinafter – Baltic NRAs) have received Baltic transmission system operators – AS "Augstsprieguma tīkls", LITGRID AB and Elering AS (hereinafter – Baltic TSOs) letter regarding approval of *all Baltic TSOs' proposal for common settlement rules for all unintended exchanges of energy in accordance with the Article 51(1) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing* (hereinafter – Proposal). Last relevant NRA concerned received the Proposal on 18 June 2019.

The Proposal coherently provides measures for the implementation of the Article 51(1) of EBGL. Baltic NRAs, having assessed the Proposal, note that the Proposal should be amended with the following:

1) The Article 1(2) should be deleted as the Article 1(1) defines the scope of the proposal and by default the Proposal cannot apply to anything else.

2) The definition 'Baltic coordinated balancing area'(Article 2(2)(d)) needs to be clarified as the area is a distinct territory and not a cooperation between transmission system operators. Baltic NRAs propose the following wording:

"(d) 'Baltic coordinated balancing area' (hereafter referred to as "Baltic CoBA") means **areas of license** for Baltic TSOs that have agreed to cooperate with respect to the exchange of balancing services, sharing of reserves, operating the imbalance netting process and imbalance settlement;"

3) Definition of unintended exchange of energy is not completed, therefore, the Article 2(2)(a) of the Proposal should be amended as follows:

"'unintended exchange of energy' ~~is defined as~~ equals the integral of the area control error (ACE) according to the Article 3 of the SOGL over TSP;"

4) The Proposal does not foresee situation when 15 minutes imbalance settlement period would be implemented regarding the Article 53(1) of EBGL, therefore the Article 2(2)(b) of the Proposal should be amended in a more flexible way as follows:

"(b) 'TSO-TSO settlement period' (hereafter referred to as "TSP") means time period for which unintended exchange settlement is calculated. The TSP shall be set at 60 minutes.

When 15 minutes imbalance settlement period is implemented regarding the Article 53 (1), TSP shall be set to 15 minutes.”

5) It is unclear how the data information mentioned in the Article 4 of the Proposal is used for calculating the volumes according to the Article 5 and prices according to the Article 6 of the Proposal. For example, it is unclear where the balance area imbalance data is used in calculations. Therefore, Baltic NRAs propose to describe the calculations in the Article 5 of the Proposal more clearly, adding equations and using the same definitions about input data that are given in the Article 4 of the Proposal when describing the calculations in the Article 5 or establishing a general principle addressing this issue.


6) In the Article 6 of the Proposal it is stated that settlement coordinator (SC) shall calculate the price for unintended and intended exchanges for each Baltic TSO taking into account the prices submitted by open balance provider (OBP), activated balancing prices and imbalance prices. However, it is not clear how the calculations are done. For clarity Baltic NRAs propose to add the equation how the price for unintended and intended exchanges for each Baltic TSO shall be calculated or establish a general principle addressing this issue.


7) Baltic NRAs propose to amend the Article 7(2) of the Proposal considering that agreement between NRAs may not be reached. The Proposal published by All continental European TSOs¹ could be used as an example and the amendment could be as follows:

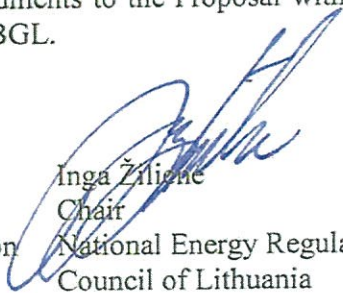
“(1) All Baltic TSOs shall implement and publish the SRUE without undue delay after all Baltic NRAs have approved the document or a decision has been taken by ACER in accordance with the Article 5(7), 6(1) and 6(2) of the EBGL.”

The Baltic NRAs are looking forward receiving the amendments to the Proposal within two months timeframe in accordance with the Article 6(1) of EBGL.

Kind regards,


Märt Ots
Director General
Estonian Competition
Authority


Rolands Irklis
Chair of the
Public Utilities Commission
of Latvia


Inga Žilionė
Chair
National Energy Regulatory
Council of Lithuania

¹<https://www.ery.cz/documents/10540/5395407/AJ+%C4%8CEPS+GLEB+%C4%8DI.+51%281%29.pdf/d64b2c2a-d43d-4830-9213-49fd8ddeb431>