

ACER Decision on System Operation Regions: Annex II
(for information only)

Evaluation of responses to the public consultation on System Operation Regions in accordance with Article 36 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity

1 Introduction

On 6 January 2020, ENTSO-E submitted to ACER a proposal for system operation regions in accordance with Article 36 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (hereafter referred to as the ‘Proposal’).

In accordance with Article 36 (3) of the Electricity Regulation and Article 14 (6) of the Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019, the Agency launched a public consultation on 6 January 2020 inviting all interested stakeholders, including ENTSO for Electricity, National Regulatory Authorities, and Transmission System Operators to provide comments on the Proposal. The closing date for comments was 19 January 2020.

More specifically, the public consultation invited stakeholders to comment on the following aspects of the Proposal:

- (i) The ‘Whereas’ section;
- (ii) Proposal for System Operation Regions;
- (iii) Coordination of the bidding zone borders adjacent to SOR;
- (iv) Consultation with the NRAs and relevant stakeholders; and
- (v) Any other views.

2 Responses

By the end of the consultation period, the Agency received responses from five respondents.

This evaluation paper includes all received comments by respondents and presents the Agency’s views on them. The table below is organised according to the public consultation questions and each of the respondents’ answers; it also includes a response from the Agency clarifying the extent to which their comments were taken into account in the ACER Decision on System Operation Regions.

Respondents' views	ACER views
<p>Topic 1</p> <p>1</p> <p>In Recital 5 of the ‘Whereas’ section of the Proposal, ENTSO-E’s states that:</p> <p><i>The SOR Proposal should clarify Article 36(2) requirement on the coordination between regional coordination centres for the borders adjacent to SOR without prejudice of the creation of Regional Coordination Centres (hereafter referred to as “RCC(s)”) in line with Article 35(1) of the Electricity Regulation. The SOR Proposal cannot be interpreted as direct or indirect TSOs’ intention to create a specific RCC. Consequently, when establishing RCCs, TSOs should be allowed the flexibility needed in that regard to ensure a suitable level of coordination of technical processes within the geographical scope of the SOR and with the borders adjacent to the SOR.</i></p> <p>The Agency understands that Article 35 of Regulation 2019/943 is out of scope of the Proposal and considers that any references to it should be removed.</p> <p>2</p> <p>Recital 8 states that</p> <p><i>the SOR proposal provides that all TSOs of those SOR involving third country TSOs should endeavour where necessary to enter into agreements setting the basis for their technical cooperation and compliance with the relevant EU legislation. The scope of this cooperation is included in the informative Annexes to this proposal.</i></p> <p>The Agency emphasises that the Proposal under review concerns EU Member States, as RCCs will encompass Union TSOs only and as it is foreseen by Regulation 2019/943.</p> <p>3</p> <p>In line with its mandate, the Agency wishes to stress that it has to consider only the submitted Proposal, i.e., exclusive of its informative Annexes. In view of the Agency, Article 2 of the Proposal falls short of all acronyms necessary for the understanding of the Proposal.</p> <p><u>Replies sought:</u></p> <p><u>1.1 Please comment on the Whereas of the Proposal and on the Agency’s views elaborated above.</u></p>	
<p>Five respondents provided an answer to this question.</p>	
<p>ElCom: <i>The SOR proposal must provide room for technical cooperation with 3rd countries’ TSOs. In order to execute the tasks foreseen in art. 37</i></p>	

Respondents' views	ACER views
<p><i>and Annex I of recast Electricity Regulation (2019/943) without putting regional and national supply security at risk, RCCs must be able (in terms of organization, administration, technology and communication) to take into account the grid topology, including the degree of interconnection and of interdependency of the electricity system in terms of flows today and in the near future. This includes taking into account third countries' grid constraints and flows from and toward third countries.</i></p>	<p>Regarding Topic 1.1, the Agency agrees with two respondents that Article 35 is out of scope of this Proposal. Accordingly, the Agency made changes to remove any references to it in the Annex I.</p>
<p>Energie-Nederland: 1: <i>Energie-Nederland agrees with the Agency that Article 35 of Regulation is out of scope for the SOR proposal.</i></p> <p>2: <i>Energie-Nederland sees the difficulties in including third country in the SOR proposal. However, the technical reality is that most of these countries are an indivisible part of the system. Energie-Nederland believes that operational cooperation between EU-TSOs should be open to non-EU TSOs to better ensure the security of the EU network/system, and thereby contribute to operational security and enhancing cross-border trades within EU. All EU TSOs and borders between EU Member States must indeed be included in the SOR. Energie-Nederland sees no reason to exclude borders with adjacent non-EU countries, where the EU legislation does not apply, to ensure the possibility of an efficient coordination with the same tools and mechanisms.</i></p> <p>3: <i>Energie-Nederland agrees with the Agency regarding the remark that informative Annexes are not part of the proposal and therefore the proposal is not understandable and incomplete for several aspects.</i></p>	<p>Regarding Topic 1.2, the Agency understands the respondents' concerns, and wishes to clarify that the definition of SOR does not preclude the future participation of third countries in RCCs. The Agency underlines that this participation must follow specific third country agreements with RCCs, and that this lies outside the Agency's competences. In this regard, the Agency welcomes that the Proposal includes reference to third country agreements and made changes to Article 5 to add a timeline in this regard. The Agency also included Recital 7 in the Whereas section to highlight the importance of third countries for secure system operation inside all synchronous areas across the Union.</p>
<p>Eurelectric: 1: <i>Eurelectric agrees with ACER that Article 35 of Regulation is out of scope for the SOR proposal.</i></p> <p>3: <i>We agree with ACER regarding the remark that informative Annexes are not part of the proposal and therefore the proposal is not understandable and incomplete for several aspects.</i></p>	<p>Regarding Topic 1.3, the Agency agrees with two respondents that the informative annexes are not part of the Proposal. The Agency therefore did not include them in the Annex I defining the SOR. For clarity and completion, the Agency added missing acronyms to the list of acronyms in Article 2 of the Annex I. Also, a list of third countries is included in Annex III (for information only) to the Decision.</p> <p>Furthermore, the Agency wishes to highlight that respondents understand the legal difficulties regarding the inclusion of third countries. As said above, TSOs shall have the opportunity to consider third countries when establishing RCCs; however, it is not in the Agency's remit to analyse or evaluate how the third country participation is to take place.</p>

Respondents' views	ACER views
<p><i>EDF: For both topics 1 and 3, on provisions relating to the inclusion in the SOR of borders with adjacent non EU-countries and of constraints in non-EU countries that may affect the operational security of the interconnected region, EDF believes that operational cooperation between EU-TSOs should be open to non-EU TSOs to better ensure the security of the EU network/system, and thereby contribute to enhancing cross-border trades within EU. All EU TSOs and borders between EU Member States must indeed be included in the SOR. But EDF sees no reason to exclude borders with adjacent non EU-countries, where the EU legislation does not apply, to ensure the possibility of an efficient coordination with the same tools and mechanisms. Instead of ad-hoc bilateral agreements between a non-EU TSO and each EU TSO of the SOR, the inclusion of a non-EU country could be subject to a single commitment by the non-EU TSO to comply with terms and conditions defined by the EU-TSOs of the SOR and validated by all respective NRAs.</i></p> <p><i>For the case of Switzerland, the comments are all the more consistent as in terms of existing perimeters, Switzerland is already covered by TSCNET.</i></p> <p><i>Although acknowledging legal matters, EDF would also like to point out that simpler processes avoiding unnecessary complexities or more inclusive approaches could lead to more efficient and harmonized approaches from the start. An example can be provided with the forward capacity allocation rules which originally included Switzerland. The adoption of the FCA Regulation led to exclude Switzerland from these EU rules and but then in the end to develop a separate set of almost identical rules.</i></p>	<p>Moreover, the Agency understands that the inclusion of third countries' TSOs in cooperation and coordination activities has been implemented in accordance with Article 13 of the SO Regulation by way of different agreements, such as for example the Continental Europe synchronous area operational agreement: https://www.entsoe.eu/Documents/nc-tasks/SOGL/SOGL_A118.1_180808_CE%20SAOA%20part%20B_fina1_180914.pdf?Web=0.</p>

Respondents' views	ACER views
<p><i>According to the subjects and, here, given the importance of network/system security and the fact that in these matters the EU cannot ignore what is at its borders, it should incentivize to try and create from the start a geographically broader set of rules or processes (associated tools, etc.) complemented whenever necessary by regional specifics.</i></p>	
<p>ENTSO-E: o <i>SOR decoupled from RCCs</i></p> <p><i>Answer to Q 1.1:</i></p> <p><i>SOR does not strictly equal RCC geographical scope:</i></p> <p><i>Legal requirements in Art. 36 are decouple from the subsequent SOR TSO's RCC proposal (Art. 35): Art 36 requires at least one RCC to be appointed for each SOR (because 2 are possible for large SOR in Continental Europe). There is no specific requirement with regards to RCC geographical scope, neither a prohibition for RCC to provide coordination tasks to more than one SOR.</i></p> <p><i>As detailed in recital 5 and in Explanatory note, ENTSOE understanding for System Operation Regions is that SOR equals the geographical scope for which there is a technical need for TSOs to harmonise operational procedures. The TSOs of SOR will clarify in the subsequent proposal for establishing RCCs in accordance with Article 35(1) of the Regulation 2019/943, the specific details of the cooperation at SOR level.</i></p> <p><i>o RCCs as entities providing technical services to TSOs in line with methodologies, agreements and NRA's approved operational procedures</i></p> <p><i>Answer to Q1.2 and Q3.1:</i></p> <p><i>Implementation of TSOs and RCCs requirements as a result of SOR establishment has a technical character. The secure operation of the interconnected system requires coordination with all relevant</i></p>	<p>Regarding ENTSO-E's comments, the Agency disagrees. Article 36(2) first sentence states that the TSOs of a SOR shall participate in the RCC established in that region. In addition, the second sentence of the same article provides, as a rule, that a TSO can only be into one RCC except "In exceptional circumstances, where the control area of a transmission system operator is part of various synchronous areas, the transmission system operator may participate in two regional coordination centres."</p> <p>Therefore, where the exceptional circumstances are not met, the TSOs of a SOR must participate in the RCC established in that region. This participation of the TSOs in the RCC of the SOR they integrate is a requirement of Article 36(2). In effect, this means that a TSO cannot be placed in two SORs.</p> <p>The Agency underlines that the legal requirements of Article 36 are not decoupled from those contained in Article 35; indeed, Article 35 specifically refers to Article 36 as well as to the requirements in Chapter V of the Electricity Regulation.</p> <p>Furthermore, the Agency stresses that RCCs, as per Article 35(5), "shall complement the role of transmission system operators by performing tasks of regional relevance assigned to them in accordance with Article 37" and "shall act independently of individual national interests and independently of the interests of transmission system operators".</p>

Respondents' views	ACER views
<p><i>interconnected TSOs. Besides, by implementing the technical coordination at SOR level, the terms, conditions and methodologies applicable per CCR as well as other relevant agreements, will be respected, therefore the governance of the Internal Electricity Market will not be at stake.</i></p>	
<p>Topic 2</p> <p>1</p> <p>Article 3 of the Proposal details the composition of the proposed SOR and specifies that <i>only TSOs that have obligations that are relevant for system operations, such as, but not limited to: calculation of capacity, assessment of needed remedial actions to ensure security of the whole system, coordination of all the outages to ensure security and efficiency, adequacy assessment and tasks related to the provision of balancing, shall be included in the relevant SOR.</i></p> <p>However, given that the SORs act as the basis for the establishment of the RCCs, the entire range of tasks listed in ANNEX I of the recast Regulation could be considered in the Agency's view.</p> <p>2</p> <p>The Agency is not fully convinced that, in accordance with Article 36(1) of Regulation 2019/943, the Proposal adequately takes into account the grid topology, including the degree of interconnection and of interdependency of the electricity system in terms of flows today and in the near future.</p> <p><u>Replies sought:</u></p> <p><u>2.1 Please comment on the proposal for System Operation Regions as laid out in Article 3 of the Proposal and on the Agency's view elaborated above.</u></p>	
<p>Three respondents provided an answer to this question.</p>	
<p>Energie-Nederland: <i>1: Energie-Nederland agrees with the Agency that the entire range of tasks listed in ANNEX I of the recast Regulation should be considered in the proposal</i></p>	<p>The Agency agrees that the entire range of tasks listed in ANNEX I of the Electricity Regulation should be considered. Also, the Agency understands that it was not the intention of the Proposal to restrict the</p>

Respondents' views	ACER views
<p><i>2: Energie-Nederland agrees with the Agency that the proposal does not fully comply with Article 36(1). The most logical composition of System Operation Regions should be by synchronous system. Creating overlaps in a synchronous system creates operational uncertainties and lead to errors, reduces operational speed and/or to over dimensioned safety margins. Given the growing meshed DC interconnections of the Nordic and Continental synchronous system one could even argue that these should be combined in one SOR.</i></p> <p><i>In any case we believe it is not compliant with Article 36(1) to have the DK-West bidding zone, part of the Continental synchronous area, outside the Central Europe SOR. This is especially strange since the Agency decided on including the BZ borders DK1-NL and DK1-DU/LU in the CORE CCR (DECISION No 04/201, 1 April 2019) based on the strong interdependencies. The explanatory document to the proposal mentions bilateral agreements between TenneT and Energinet.dk, but this is in our view against the principle of System Operation Regions. The SOR should be there to avoid these in-transparent bi- or multilateral agreements.</i></p>	<p>list of these tasks. Nevertheless, upon discussing with ENTSO-E the purpose of the concerned paragraph, the Agency made changes to Article 3 to clarify which TSOs shall be included in the SORs based on assignment by Member States or designation by the regulatory authorities of the responsibilities in accordance with the Electricity Directive.</p> <p>Regarding 2.2, the Agency acknowledges the respondents' views that "the most logical composition of SOR should be by synchronous system". In this regard, the Agency modified the composition of SOR in CE SA to meet the requirement of Article 36 (1) of the Electricity Regulation concerning the coverage of at least one CCR by each SOR, while taking into account the interdependency of the electricity system in terms of flows which is significantly reduced in direct current interconnections. Also, as explained in the Decision, a TSO whose control area is in Continental Europe Synchronous Area cannot participate in two SORs (the Proposal suggested this for the French and Italian TSOs). Therefore, the Agency amended the Proposal and added the SWE SOR - as proposed by ENTSO-E- into the Central Europe SOR and rendered the GRIT CCR as interface instead of a standalone SOR.</p>
<p><i>Eurelectric: 1: Eurelectric agrees with the Agency that the entire range of tasks listed in ANNEX I of the recast Regulation should be considered in the proposal.</i></p> <p><i>2: Eurelectric agrees with ACER that the proposal does not fully comply with Article 36(1). The most logical composition of System Operation Regions should be by synchronous system. Creating overlaps in a synchronous system creates operational uncertainties and lead to errors, reduces operational speed and/or to over dimensioned safety margins. Given the growing meshed DC interconnections of the Nordic and Continental synchronous system one could even argue that these should be combined in one SOR.</i></p>	<p>A couple of stakeholders (Energie-Nederland and Eurelectric) identified a problem regarding DK West and its placement in the SORs. The Agency highlights that Article 36 (2) foresees an exceptional case in this regard. Moreover, the Agency took into consideration the ACER Decision on Hansa CCR, which is under review.</p>

Respondents' views	ACER views
<p>ENTSO-E: <i>ACER consideration to integrate full list of services in art 3: ENTSOE considers the paragraph is written in such a way that captures the essence of TSOs tasks and responsibilities without the intention to exclude relevant RCC tasks.</i></p> <p><i>ENTSOE answering to ACER doubts on ENTSOE proposal fulfilling legal requirements – remain available to clarify doubts.</i></p> <p><i>Answer to Q2.2: ENTSOE remains at ACER disposal to clarify. It is difficult to assess the concerns behind such general statement.</i></p>	<p>In light of the above, the Agency understands that the outcome of the analysis referred to in the CCR decision may result in reorganising HANSA and CORE CCRs, de facto placing DK1-DE/LU and DK1-NL borders from the HANSA into the CORE CCR. This should be reflected in the Proposal. To this end, the Agency introduced a new paragraph (5) in Article 3 of the Annex I to address potential changes to the HANSA and CORE CCRs.</p>
<p>Topic 3</p> <p>1</p> <p>Article 4, paragraph 7.3 of the proposal states that:</p> <p><i>The RCC established by TSOs in Central Europe shall coordinate the FR-BE, FR-DE/LU, FR-CH and ITNORD-FR bidding zone borders in accordance with the applicable terms, conditions and methodologies, covering inter alia: CORE and North Italy Calculation Methodologies pursuant to Articles 20 et 21 of the CACM GL and Article 10 of the FCA GL and applicable agreements with Swissgrid, CORE and North Italy Coordinated Security Analysis Methodology pursuant to Article 76 of the SO GL and applicable agreements with Swissgrid,</i></p> <p>(...)</p>	

Respondents' views	ACER views
<p>The Agency underlines that, as previously stated, system operation regions concern EU Member States only and therefore consideration of bidding zone borders with Switzerland do not take place in this Proposal; references thereof made in Article 4 (7) (3) must be removed.</p> <p><u>Replies sought</u></p> <p><u>3.1 Please comment on the coordination of the bidding zone borders adjacent to SORs as laid out in Article 4 of the Proposal and on the Agency's view elaborated above.</u></p>	
<p>Five respondents provided an answer to this question.</p>	
<p>Eurelectric: <i>For both topics 1 and 3, on provisions relating to the inclusion in the SOR of borders with adjacent non EU-countries and of constraints in non-EU countries that may affect the operational security of the interconnected region, Eurelectric believes that operational cooperation between EU-TSOs should be open to non-EU TSOs to better ensure the security of the EU network/system, and thereby contribute to enhancing cross-border trades within EU. All EU TSOs and borders between EU Member States must indeed be included in the SOR. Eurelectric sees no reason to exclude borders with adjacent non EU-countries, where the EU legislation does not apply, to ensure the possibility of an efficient coordination with the same tools and mechanisms. Instead of ad-hoc bilateral agreements between a non-EU TSO and each EU TSO of the SOR, the inclusion of a non-EU country could be subject to a single commitment by the non-EU TSO to comply with terms and conditions defined by the EU-TSOs of the SOR and validated by all respective NRAs.</i></p> <p><i>For the case of Switzerland, the comments are all the more consistent as in terms of existing perimeters, Switzerland is already covered by TSCNET.</i></p>	<p>The Agency disagrees with the views of respondents.</p> <p>The Agency understands the respondents' concerns and wishes to clarify that the definition of SOR does not preclude the future participation of third countries in RCCs. The Agency underlines that this participation must follow specific third country agreements with RCCs, and that this lies outside the Agency's competences. In this regard, the Agency welcomes that the Proposal includes reference to third country agreements and made changes to Article 5 to add a timeline in this regard. The Agency also included Recital 7 in the Whereas section to highlight the importance of third countries for secure system operation inside all synchronous areas across the Union and listed third countries mentioned in ENTSO-E's Proposal in Annex III.</p>

Respondents' views	ACER views
<p><i>Although acknowledging legal matters, Eurelectric would also like to point out that simpler processes avoiding unnecessary complexities or more inclusive approaches could lead to more efficient and harmonized approaches from the start. An example can be provided with the forward capacity allocation rules which originally included Switzerland. The adoption of the FCA Regulation led to exclude Switzerland from these EU rules and but then in the end to develop a separate set of almost identical rules.</i></p> <p><i>According to the subjects and, here, given the importance of network/system security and the fact that in these matters the EU cannot ignore what is at its borders, it should incentivize to try and create from the start a geographically broader set of rules or processes (associated tools, etc.) complemented whenever necessary by regional specifics.</i></p> <p><i>Eurelectric, in addition, wonders why the articles 35 and 74 of CACM are not listed within the list of methodologies to be respected/ followed by the RCC. Eurelectric indeed considers that all approved methodologies, including RD&CT ones, should be duly respected by the RCC.</i></p>	
<p><i>Energie-Nederland: See also our input for Topic 1(2). In the case of Switzerland: Swissgrid is already involved in TSCNET and also the current practice with Long Term allocation shows that Switzerland is already partly part of the operational cooperation of TSOs. Furthermore Switzerland is technically in the heart of the electrical system and it would lead to inefficiencies if ignored. Energie-Nederland does see the legal issues, but would urge the Agency to decide in such a manner that the SOR do not lead operational issues in the current situation and foster efficient coordination with third countries.</i></p> <p><i>In addition, Energie-Nederland wonders why the articles 35 and 74 of CACM are not listed within the list of methodologies to be respected/ followed by the RCC. Energie-Nederland indeed considers that</i></p>	<p>Two respondents (Energie-Nederland and Eurelectric) questioned why Articles 35 and 74 of CACM were not listed within the list of methodologies to be respected/ followed by the RCC. The Agency agrees with these respondents' views and introduced changes to Article 4 where necessary to include reference to these methodologies.</p>

Respondents' views	ACER views
<p><i>all approved methodologies, including RD&CT ones, should be duly respected by the RCC.</i></p>	
<p><i>EDF: For both topics 1 and 3, on provisions relating to the inclusion in the SOR of borders with adjacent non EU-countries and of constraints in non-EU countries that may affect the operational security of the interconnected region, EDF believes that operational cooperation between EU-TSOs should be open to non-EU TSOs to better ensure the security of the EU network/system, and thereby contribute to enhancing cross-border trades within EU. All EU TSOs and borders between EU Member States must indeed be included in the SOR. But EDF sees no reason to exclude borders with adjacent non EU-countries, where the EU legislation does not apply, to ensure the possibility of an efficient coordination with the same tools and mechanisms. Instead of ad-hoc bilateral agreements between a non-EU TSO and each EU TSO of the SOR, the inclusion of a non-EU country could be subject to a single commitment by the non-EU TSO to comply with terms and conditions defined by the EU-TSOs of the SOR and validated by all respective NRAs. For the case of Switzerland, the comments are all the more consistent as in terms of existing perimeters, Switzerland is already covered by TSCNET. Although acknowledging legal matters, EDF would also like to point out that simpler processes avoiding unnecessary complexities or more inclusive approaches could lead to more efficient and harmonized approaches from the start. An example can be provided with the forward capacity allocation rules which originally included Switzerland. The adoption of the FCA Regulation led to exclude Switzerland from these EU rules and but then in the end to develop a separate set of almost identical rules.</i></p>	

Respondents' views	ACER views
<p><i>According to the subjects and, here, given the importance of network/system security and the fact that in these matters the EU cannot ignore what is at its borders, it should incentivize to try and create from the start a geographically broader set of rules or processes (associated tools, etc.) complemented whenever necessary by regional specifics.</i></p>	
<p><i>ElCom: The SOR proposal must provide room for technical cooperation with 3rd countries' TSOs. In order to execute the tasks foreseen in art. 37 and Annex I of recast Electricity Regulation (2019/943) without putting regional and national supply security at risk, RCCs must be able (in terms of organization, administration, technology and communication) to take into account the grid topology, including the degree of interconnection and of interdependency of the electricity system in terms of flows today and in the near future. This includes taking into account third countries' grid constraints and flows from and toward third countries.</i></p>	
<p><i>ENTSO-E: RCCs as entities providing technical services to TSOs in line with methodologies, agreements and NRA's approved operational procedures</i></p> <p><i>Answer to Q1.2 and Q3.1:</i></p> <p><i>Implementation of TSOs and RCCs requirements as a result of SOR establishment has a technical character. The secure operation of the interconnected system requires coordination with all relevant interconnected TSOs. Besides, by implementing the technical coordination at SOR level, the terms, conditions and methodologies applicable per CCR as well as other relevant agreements, will be respected, therefore the governance of the Internal Electricity Market will not be at stake.</i></p>	
<p>Topic 4</p>	

Respondents' views	ACER views
<p>1</p> <p>Article 5 (1) of the Proposal states that:</p> <p><i>Where the SOR definition includes BZ borders and transmission assets that span into a TSO(s) control area of a different SOR, the TSOs of that SOR shall consult in the development of the applicable cooperative processes with all relevant stakeholders which will include, where required, the NRA(s) established in the other TSOs control area.</i></p> <p>The Agency questions the purpose and rationale of this paragraph. Bearing in mind the specifications made under Article 4, it is unclear why this paragraph is additionally needed and what was the reasoning behind its inclusion. Furthermore, the Agency would consider the term “transmission assets” to be unclear in this context.</p> <p>2</p> <p>The Agency considers paragraph 2 of Article 5 to be out of scope of Article 36 of Regulation 2019/943. Cooperation within and between regional coordination centres, in accordance with Article 38 of Regulation 2019 /943, is to be developed in the context of the Proposal for the establishment of RCCs under Article 35, and will be subject to NRA review and approval.</p> <p><u>Replies sought:</u></p> <p><u>4.1 Please comment on the aspects of consultation with the NRAs and relevant stakeholders as laid out in Article 5 of the SOR proposal and on the Agency’s view elaborated above.</u></p>	
<p>Three respondents provided an answer to this question.</p>	
<p>Eurelectric: 1: <i>Eurelectric agrees with the comment of the Agency. It is unclear what this article tries to achieve.</i> 2: <i>Eurelectric agrees with the Agency.</i></p>	<p>Regarding paragraph 1 of Article 5 of the Proposal, and following the input received from ENTSO-E, the Agency deleted Article 5(1) and, for clarity, added a paragraph in Article 4 for each of the SOR, to describe</p>

Respondents' views	ACER views
<p>Energie-Nederland: 1: <i>Energie-Nederland agrees with the comment of the Agency. It is unclear what this article tries to achieve. 2: Energie-Nederland agrees with the Agency.</i></p>	<p>how the coordination for bidding zone borders adjacent to Baltic SOR and Central Europe SOR should take place.</p>
<p>ENTSO-E: - <i>Lack of understanding of requirements in art. 5.1 regarding consultation of cooperative processes with TSOs on the interface but not in the SOR:</i></p> <p><i>The assignation to one SOR of borders shared with TSOs not in that SOR drives the requirements for art 5(1), clearly establishing the need for review by TSOs and NRAs directly concerned by the operational procedures of the SOR. Maybe a better redaction “Where the SOR definition includes BZ borders and transmission assets that span into a TSO(s) control area of a different SOR, the TSOs of that SOR shall consult in the development of the applicable co-operative processes with all relevant stakeholders which will include, where required, the NRA(s) established in the concerned TSO’s control area” could help to clarify the meaning.</i></p> <p><i>Transmission asset or transmission network asset (network asset being formally defined in Directive 944/2019), in this context, is typically a line or a cable.</i></p> <p><i>- ACER considering art. 5.2 out of scope – not critical (simple answer)</i></p> <p><i>ENTSOE intention is for the SOR proposal to fulfil legal requirement in article 36 of Regulation 943/2019, for the existent and foreseen grid scenarios. The inserted article 5.2 tries to provide robustness to the SOR definition by stating ACER considerations in comment under topic 4.2.</i></p>	<p>The Agency agrees that paragraph 2 is out of scope and did not include it in the Annex I.</p>
<p>Topic 5</p> <p><u>1 Replies sought</u></p>	

Respondents' views	ACER views
5.1 Please add any other comments you may have on the Proposal, namely on issues not previously addressed in response to other questions.	
Two respondents provided an answer to this question.	
<p>Energie-Nederland: <i>Energie-Nederland would like to encourage ACER and TSOs to take future network and market developments into account when defining SORs. The current proposal for SORs seems to be the reflection of the current situation without taking future network and market developments nor the required closer system operation cooperation into account. In that perspective Energie-Nederland has doubts whether this proposal complies fully with Article 36 of the Regulation.</i></p>	<p>The Agency agrees with the received comments to some extent and made changes to the proposed SORs accordingly. Namely, the Agency understands that the outcome of the analysis referred to in the CCR decision may result in reorganising HANSA and CORE CCRs, de facto placing DK1-DE/LU and DK1-NL borders from the HANSA into the CORE CCR. This should be reflected in the SORs. To this end, the Agency introduced a new paragraph (5) in Article 3 of the Annex I to address potential changes to the HANSA and CORE CCRs.</p>
<p>Eurelectric: <i>Eurelectric would like to encourage ACER and TSOs to take future network and market developments into account when defining SORs. The current proposal for SORs seems to be the reflection of the current situation without taking future network and market developments nor the required closer system operation cooperation into account.</i></p>	<p>Nevertheless, the Agency stresses that certain future developments that are not yet well defined or cannot be anticipated at the time of this Decision have not been accounted for; these will need to be addressed at a later stage by means of amendments to the definition of SORs once these future developments materialise, become certain or foreseeable, depending on an assessment made on a 'case- by- case' basis.</p>

3 List of respondents

Organisation	Type
EDF	Energy company
Eurelectric	European Association
Energie-Nederland	Dutch Trade Association for producers, suppliers and traders of electricity, gas and/or heat
ElCom	Switzerland's independent regulatory authority in the electricity sector
ENTSO-E	Association of Transmission System Operators