
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)(I) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market

Contents

Whereas	3
Article 1 Subject matter and scope	3
Article 2 Definitions and interpretation	4
Title 2 Calculation of costs	5
Article 3 Input data	5
Article 4 Cost sharing calculation	5
Article 5 TSOs' Validation of calculation results	5
Article 6 Data Communication	6
Title 3 Monitoring and Implementation	6
Article 7 Monitoring	6
Article 8 Implementation of the methodology	7
Title 4 Miscellaneous	7
Article 9 Language	7

Whereas

1. 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 “Electricity Regulation”) has been developed and adopted as part of the European Union’s Clean Energy Package for All Europeans.
2. Article 35 of the Electricity Regulation provides for the establishment of regional coordination centres (hereafter referred to as “RCCs”) whose tasks and roles are set out in Article 37 and further detailed in Annex I of this Regulation. Article 37(l) of the Electricity Regulation mandates the RCCs to support transmission system operators (hereafter referred to as “TSOs”) at their request in the optimisation of inter-transmission system operators settlements.
Paragraph 11.1 of Annex I of Electricity Regulation states:
“The transmission system operators in the system operation region may jointly decide to receive support from the regional coordination centre in administering the financial flows related to settlements between transmission system operators involving more than two transmission system operators, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.”
Article 37 (5) of the Electricity Regulation establishes that for the tasks set out in Article 37 and not already covered by the relevant network codes and guidelines, ENTSO-E shall develop a proposal in accordance with the approval procedure under Article 27. Accordingly, before submitting a proposal, ENTSO-E shall carry out a consultation involving all relevant stakeholders, including regulatory authorities and other national authorities.
3. This document sets out a methodology for the optimisation of inter-transmission system operators settlements (hereafter referred to as “methodology”) in accordance with the Electricity Regulation, in particular Article 37(1)(l) and (5).
4. Non-European Union countries (third countries), their TSOs and RCCs are not legally obliged to implement the processes under this methodology. It is open to them to implement the processes under this methodology voluntarily.

Title 1 General provisions

Article 1 Subject matter and scope

1. This methodology is the methodology for the optimisation of inter-transmission system operators settlements related to redispatching and countertrading in accordance with Article 37(1)(l) and (5) of the Electricity Regulation.
2. This methodology governs the settlement of redispatching and countertrading costs which have been shared according to Article 74 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (hereafter referred to as “CACM Regulation”).
3. This methodology shall only apply in case the relevant TSOs within one capacity calculation region (“CCR”) jointly request support from RCCs on the optimisation of inter- transmission system operators settlements.

Article 2 Definitions and interpretation

1. For the purpose of this methodology, the terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation and Article 2 of the Electricity Regulation.
2. In addition, the following definitions and abbreviations apply:
 - a) **Calculation of costs: "Technical" part of cost sharing**

“Calculation of costs” means the process of calculating all costs and revenues of redispatching and countertrading actions per bidding zone/TSO which are eligible for the regional cost sharing process under the regional cost sharing methodologies. This process comprises the collection of input data, the calculation of the cost sharing key and the aggregation of the monthly total costs per bidding zone and/or TSO. At the request of TSOs, the calculation of costs and revenues resulting from redispatching and countertrading actions can be delegated to one or several RCC(s).
 - b) **Aggregation**

After the calculation of cost sharing keys by RCCs, various costs and revenues (TSOs’ expenses on the activation of remedial actions) are to be aggregated. Aggregation means the act of aggregating monthly costs and/or revenues from remedial action provision and cost distribution per TSO.
 - c) **Financial Settlement**

Financial Settlement means the act of creating the invoicing documents per bidding zone and/or TSO on redispatching and countertrading costs and revenues. Financial Settlement ends with the completion of invoicing.
 - d) **Settlement Attachment**

Settlement Attachment means the aggregated output data from the calculation of costs defined in Article 2(2)(a). Settlement Attachment shall be sent to:

 - the TSOs as basis for the validation of the cost sharing calculation results and
 - once validated by TSOs as basis for the financial settlement.
 - e) **Clearing**

Clearing means the payment execution between the TSOs or TSOs and other involved parties.
 - f) **Inter-CCR cost sharing**

Inter-CCR cost sharing means financial settlement of cost and revenues resulting from overlapping costly XRAs. An activated overlapping XRA which is fully or partially eligible for cost sharing must first undergo a cross-regional cost sharing process to assign its costs to any of the impacted CCRs. Once the regional cost sharing keys are determined, the corresponding costs and revenues are shared at regional level with a positive sharing key according to the regional cost sharing methodologies. Inter-CCR cost sharing is not subject to the present methodology.
 - g) **Inter-TSO Settlement**

Inter-TSO Settlement means the financial settlement of the costs and revenues of TSOs of the same CCR resulting from non-overlapping XRA according to Article 74 of the CACM Regulation. If eligible for cost-sharing, a non-overlapping XRA must follow the cost sharing process as defined in the regional methodology of its CCR. Inter-TSO cost sharing is subject to the present methodology.
 - h) **Provider costs**

Costs and revenues resulting from costly remedial actions eligible for cost sharing.

- i) Cross-border relevant network element (XNE)**
Cross-border relevant network elements (hereafter referred to as “XNEs”) are network elements identified as cross-border relevant and on which operational security violations need to be managed in a coordinated way..
 - j) Calculation results**
Calculation results mean costs and revenues assigned to the TSOs by the regional cost sharing processes under the regional cost sharing methodologies.
 - k) Cross-border relevant remedial action (XRA)**
Cross-border relevant remedial actions (hereafter referred to as ”XRAs”) are remedial actions identified as cross-border relevant and need to be applied in a coordinated way.
3. In this proposal, unless the context requires otherwise:
- a) the singular indicates the plural and vice versa;
 - b) the table of contents and headings are inserted for convenience only and do not affect the interpretation of the proposal; and
 - c) any reference to European legislation shall include any modification, extension or re-enactment thereof then in force.

Title 2 Calculation of costs

Article 3 Input data

1. In case the regional cost sharing calculation process is performed on a regional platform, TSOs shall provide all relevant input data, for example, but not limited to, congested XNEs and provider costs.
2. In case RCCs support TSOs in the input data gathering for the regional cost sharing calculation process, RCCs may provide input data on behalf of the TSOs.
3. At the request of TSOs, RCCs shall supervise the input data gathering for the regional cost sharing calculation process.

Article 4 Cost sharing calculation

1. At the request of TSOs, RCCs shall execute the calculation of costs, as defined in Article 2(2)(a).
2. At the request of TSOs, RCCs shall provide the calculation results as defined in 2(2)(j) to the TSOs in a Settlement Attachment as defined in Article 2(2)(d).

Article 5 TSOs’ Validation of calculation results

1. TSOs are responsible for the validation of the calculation results as defined in 2(2)(j). If the calculation results are provided in a Settlement Attachment as mentioned in Article 4(2) each TSO shall validate the Settlement Attachment.
2. The validation period shall be limited. The deadline applied shall be determined by each CCR corresponding to the complexity of the cost sharing calculation process. After reaching the deadline, deemed acceptance shall apply if no other agreement is in place between the TSOs of the CCR.
3. At the request of TSOs, RCCs shall support TSOs during the validation.

4. Where TSOs decide to reject the calculation results provided by the RCCs according to Article 42(3) of the Electricity Regulation, they shall submit a justification for their decision to RCCs and to the other TSOs of the CCR without undue delay.
5. At the request of TSOs, RCCs shall support the solving of the problem, if the calculation results are rejected by at least one TSO of the CCR:
 - a) RCCs shall investigate the justification of rejection submitted by the rejecting TSO. If the rejection cannot be confirmed, the process shall continue.
 - b) If the rejection is confirmed, the validation period shall be interrupted. RCCs shall inform all affected TSOs and involved parties about the interruption of the validation period and coordinate the solving of the problem.
 - c) If a calculation error leading to false results is detected, RCCs shall repeat all relevant calculation sub-steps and inform all affected TSOs and involved parties.
 - d) If the problem is solved, RCCs shall inform all affected TSOs and involved parties.
 - e) After the problem is solved, the validation period shall be re-started. The validation period can be shortened, if all affected TSOs agree.

Article 6 Data Communication

1. At the request of TSOs, RCCs shall provide the Settlement Attachment as defined in Article 2(2)(d):
 - a) The Settlement Attachment as defined in Article 2(2)(d) shall be the basis for the financial settlement and clearing.
 - b) The amounts included in the Settlement Attachment as defined in Article 2(2)(d) shall be aggregated per TSO.
 - c) In accordance with Article 5, TSOs shall validate the Settlement Attachment as defined in Article 2(2)(d) before it is considered as final.
 - d) The data format for the Settlement Attachment as defined in Article 2(2)(d) shall be harmonised between the different CCRs.

Title 3 Monitoring and Implementation

Article 7 Monitoring

1. At the request of TSOs, RCCs shall monitor the information for each redispatching measure activated (internal or cross-border) in accordance with the provisions of Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (hereafter referred to “Transparency Regulation”). The monitoring shall include the following information:
 - a) The measure taken (i.e. production increase or decrease in MW);
 - b) The duration of the measure (in multiples of the market time unit);
 - c) The identification, location and type of the relevant network elements;
 - d) The cause for the measure taken; and
 - e) The capacity affected by the measures taken (in MW);

2. At the request of TSOs, RCCs shall monitor the information for each countertrading measure activated in accordance with the Transparency Regulation. The monitoring shall include the following information:
 - a) The measure taken (i.e. cross-zonal increase or decrease);
 - b) The duration of the measure (in multiples of the market time unit);
 - c) The bidding zones concerned;
 - d) The cause for the measure taken; and
 - e) The change in cross-zonal exchange schedule (in MW).

Article 8 Implementation of the methodology

1. In case Article 1(3) of this methodology applies, relevant TSOs shall implement this methodology at latest 12 months after the regional cost sharing process has entered into operation.

Title 4 Miscellaneous

Article 9 Language

1. The reference language for this 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 ACER and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the Proposal.

[Annexes: Next to this methodology an explanatory note about the inter-TSO Settlement is also provided to further elaborate on the terms and processes described in this methodology.]