
Determination of capacity calculation regions

All TSOs' proposal for amendment of Determination of capacity calculation regions methodology in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

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Whereas

- (1) This document sets out the determination of capacity calculation regions (hereafter referred to as “CCRs”) in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “Determination of CCRs”).
- (2) On 17 November 2015, all Transmission System Operators (hereafter referred to as “all TSOs”) submitted the “All TSOs’ proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management” (hereafter referred to as the “CACM Regulation”), together with an explanatory note to all regulatory authorities.
- (3) On 17 November 2016 the Agency for the Cooperation of Energy Regulators (hereafter referred to as “ACER”) issued its Decision 06/2016 on the “Electricity Transmission System Operators’ Proposal for the Determination of Capacity Calculation Regions” which adopted the Determination of CCRs.
- (4) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs submitted to all regulatory authorities the first proposal for amendment of the Determination of CCRs. On 18 September 2017, all regulatory authorities approved the first proposal for amendment of the Determination of CCRs.
- (5) On 23 May 2018, all TSOs submitted to all regulatory authorities the second proposal for amendment of the Determination of CCRs. All regulatory authorities did not reach an agreement to approve the proposal and requested ACER to adopt a decision on the proposal, pursuant to Article 9(11) of the CACM Regulation. On 1 April 2019 ACER issued its Decision 04/2019 on the “Electricity Transmission System Operators’ Proposal for the Determination of Capacity Calculation”.
- (6) By its judgments of 24 October 2019 in the cases T-332/17 and T-333/17, the General Court annulled ACER Board of Appeal’s (hereafter referred to as “ACER BoA”) Decision A-001-2017 (consolidated) of 17 March 2017 dismissing the appeal against ACER Decision 06/2016. The ACER BoA has relaunched the procedure to review ACER Decision 06/2016 and issued a new decision on 22 May 2020. With the latter, ACER BoA remitted the case to the Director of ACER and specified that *“the competent party or parties – based on the rules of competence provided for by regulations currently in force – should review the Contested Decision, i.e. ACER Decision 06/2016, and amend it, replace it or confirm it, as they see relevant, and based on current circumstances. Hence the Agency should refer the decision to such party or parties. The Contested Decision will remain in force until such amendment, replacement or confirmation, if any”*.

- (7) On 5 June 2020, ACER's Director sent a letter to all TSOs inviting them to prepare an updated proposal for the Determination of CCRs and submit it to ACER for approval in the shortest time possible; drawing TSOs' attention on:
 - (i) The changes since the initial all TSOs' proposal for the Determination of CCRs of 29 October 2015. In particular, there have been two amendments to the Determination of CCRs adopted since then, and,
 - (ii) Article 5(2) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (hereafter referred to as the "Regulation (EU) 2019/942") introduced a new procedure for the approval of proposals for common terms and conditions or methodologies where an all TSOs' proposal is now to be submitted directly to ACER.
- (8) On 5 June 2020, ACER's Board of Regulators sent a letter to the TSOs expressing full support and endorsement on the views and process set out by the ACER Director in his letter of 5 June.
- (9) On 9 November 2020 all TSOs submitted to ACER the third proposal for amendment of the Determination of CCRs. On 7 May 2021 ACER issued its Decision 04/2021 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation".
- (10) Following the approval of the CACM Regulation by the Norwegian Parliament in June 2021, the CACM Regulation is made part of the Agreement on the European Economic Area (EEA) and the CACM Regulation is made binding in the internal legal order in Norway with entry into force 1 August 2021. Consequentially, this amended methodology allocates the Norwegian bidding zone borders to the relevant CCRs, namely CCR Nordic and CCR Hansa.
- (11) While there is currently no operational interconnector between the Single Electricity Market (SEM) of Ireland and Northern Ireland, and a European Union bidding zone, the proposed Celtic interconnector between Ireland and France is due to be completed in 2026. In due time, before the proposed Celtic interconnector is operational, all TSOs will submit a proposal for amendment of the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation to include the most appropriate incorporation of this bidding zone border and the concerned TSOs.
- (12) This Determination of CCRs takes into account the general principles and goals set out in the CACM Regulation as well as in Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market for electricity (hereafter referred to as the "Electricity Regulation"). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.

- (13) According to Article 9 (9) of the CACM Regulation, the expected impact of the Determination of CCRs on the objectives of the CACM Regulation has to be described. The impact is presented below taking into account that the CACM Regulation places the definition of these CCRs as well as the methodologies to be applied in these regions within a framework of continuous harmonisation, applying the most efficient capacity calculation methodology within each CCR.
- (14) This Determination of CCRs contributes to the achievement of the objectives of Article 3 of CACM Regulation. In particular, this Determination of CCRs contributes to ensuring optimal use of transmission infrastructure by linking bidding zone borders, where coordination needs in capacity calculation are high. Within the CCR, the interdependencies between the cross-zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross-zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. This Determination of CCRs aims to strike a balance between both aspects ('larger where currently possible, smaller where currently necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation.
- (15) This Determination of CCRs also contributes to operational security in accordance with Article 3(c) of the CACM Regulation. If interdependency between bidding zone borders is not correctly taken into account in capacity calculation, cross-zonal capacity given to the market might be too high, potentially causing overloads on transmission lines and thus, endangering the operational security of the transmission system. Usually in these cases, less cross-zonal capacity would be given to the market to ensure operational security at the expense of optimal use of transmission infrastructure. To the extent currently possible, this Determination of CCRs allows for a proper coordination between bidding zone borders and for modelling of regional features based on a common grid model, which give a high level of cross-zonal capacity to the market without endangering operational security.
- (16) The Determination of CCRs lays the ground for the development and implementation of regional common capacity calculation methodologies, which ensures coordination within the CCRs and thereby contributes to the objective of optimising the calculation and allocation of cross-zonal capacity in accordance with Article 3(d) of the CACM Regulation. The number and size of CCRs as defined in this Determination of CCRs constitutes the most feasible approach for optimising capacity calculation. While for interdependent bidding zone borders capacity calculation and allocation is generally most efficiently performed within one CCR, coordination and compatibility across the regions is also explicitly required by Article 21(1)(b)(vii) and Article 29(9) of the CACM Regulation. By appropriate standardisation and coordination, TSOs should ensure both compatible capacity calculation methodologies across CCRs and a coordinated application of the methodologies across the CCRs.
- (17) The current assignment of the bidding zone border DK1-NL and DK1-DE/LU to the Hansa CCR might be debatable in the light of the objectives to ensure the optimal use of the transmission infrastructure

(Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation). However, any alternative CCR configuration at the time of this Determination of CCRs might have negative impacts on important existing implementation projects and initiatives in the current CCRs, and therefore might hamper the objective of efficient long-term operation and development of the electricity transmission system (Article 3(g) of the CACM Regulation). To ensure that the objectives of Article 3(b), (d) and (g) of the CACM Regulation are respected, this Determination of CCRs foresees a reassessment of the CCR Determination in the future, as prescribed in Article 12, once the objectives of efficiency and optimal use of cross-zonal capacity can be better assessed.

- (18) The coordinated capacity calculation within a CCR could reveal constraining elements in the transmission network, which contributes to the long-term operation and development of the electricity transmission system and electricity sector in the Union. Therefore, the Determination of CCRs contributes to the objective of Article 3(g) of the CACM Regulation.
- (19) As a long-term target, the CACM Regulation aims to harmonise the regional capacity calculation methodologies of CCRs and merge CCRs when efficiency reasons justify doing so. This Determination of CCRs is an important step on the roadmap towards this long-term target. It is crucial that this roadmap is efficient and does not jeopardise progress towards the long-term target. The Determination of CCRs builds, thus, on current practice and existing projects, and represents a progressive and pragmatic harmonisation of capacity calculation.
- (20) The Determination of CCRs contributes to the objective of promoting effective competition in generation, trading and supply of electricity (Article 3(a) of the CACM Regulation), because it takes into account market specificities on bidding zone borders by allowing optimally configured CCRs to be established.
- (21) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), this Determination of CCRs will be the basis for further work towards market integration in a transparent way. It shows where bidding zone borders are fully coordinated in capacity calculation and where all TSOs of each CCR will develop common methodologies as defined in CACM Regulation. These methodologies will be consulted upon, approved by regulatory authorities when applicable and published by TSOs, thus, increasing transparency and reliability of information.
- (22) This Determination of CCRs does not have any material impacts on the other objectives referred to in Article 3 (e), (h), (i) and (j) of the CACM Regulation.
- (23) In conclusion, this Determination of CCRs contributes to the objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

(24) Article 15 of the CACM Regulation requires all TSOs to develop the Determination of CCR methodology. The list of TSOs responsible for the development of the proposal under the relevant legislation and for submitting the respective proposal is the following: APG - Austrian Power Grid AG, VÜEN-Vorarlberger Übertragungsnetz GmbH, Elia - Elia System Operator S.A., ESO – Electroenergien Systemen Operator EAD, HOPS - Croatian Transmission System Operator Ltd, ČEPS - ČEPS, a.s., Energinet - Energinet, Elering - Elering AS, Fingrid - Fingrid OyJ, Kraftnät Åland Ab, RTE - Réseau de Transport d'Electricité, S.A, Amprion - Amprion GmbH, Baltic Cable AB, TransnetBW -TransnetBW GmbH, TenneT GER - TenneT TSO GmbH, 50Hertz - 50Hertz Transmission GmbH, IPTO - Independent Power Transmission Operator S.A., MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt., EirGrid - EirGrid plc, Terna - Terna SpA, Augstsprieguma tīkls - AS Augstsprieguma tīkls, LITGRID - LITGRID AB, CREOS Luxembourg - CREOS Luxembourg S.A., TenneT TSO - TenneT TSO B.V., Statnett SF, PSE - PSE S.A., REN - Rede Eléctrica Nacional, S.A., Tranelectrica - C.N. Tranelectrica S.A., SEPS - Slovenská elektrizačná prenosová sústava, a.s., ELES - ELES,d.o.o, REE - Red Eléctrica de España S.A.U, Svenska Kraftnät - Affärsverket Svenska Kraftnät and SONI System Operator for Northern Ireland Ltd.

TITLE 1 Amendments

Article 1 Amendments to the Capacity Calculation Regions

1. All TSOs propose to amend the following CCRs as defined by Annex I of the CCR Decision in accordance with Article 15(1) of the CACM Regulation in the following way:

a) For Nordic CCR:

- i. Norway 1 - Norway 2 (NO1 - NO2), Statnett SF;
- ii. Norway 1 - Norway 3 (NO1 - NO3), Statnett SF;
- iii. Norway 1 - Norway 5 (NO1 - NO5), Statnett SF;
- iv. Norway 2 - Norway 5 (NO2 - NO5), Statnett SF;
- v. Norway 3 - Norway 5 (NO3 - NO5), Statnett SF;
- vi. Norway 3 - Norway 4 (NO3 - NO4), Statnett SF;
- vii. Norway 1 - Sweden 3 (NO1 - SE3), Statnett SF and Svenska kraftnät;
- viii. Norway 3 - Sweden 2 (NO3 - SE2), Statnett SF and Svenska kraftnät;
- ix. Norway 4 - Sweden 2 (NO4 - SE2), Statnett SF and Svenska kraftnät;
- x. Norway 4 - Sweden 1 (NO4 - SE1), Statnett SF and Svenska kraftnät;
- xi. Norway 4 - Finland (NO4 - FI), Statnett SF and Fingrid Oyj; and
- xii. Norway 2 - Denmark 1 (NO2 - DK1), Statnett SF and Energinet.

In addition, the following new paragraph should be included:

The NO4-FI bidding zone border shall be included in the market coupling and capacity calculation process from the go-live of flow-based capacity calculation in CCR Nordic onwards.

b) For Hansa CCR:

- i. Norway 2 - Netherlands (NO2 - NL), Statnett SF and TenneT TSO B.V.; and
- ii. Norway 2 - Germany/Luxembourg (NO2 - DE/LU), Statnett SF and TenneT TSO GmbH.

2. The amended Nordic and Hansa CCRs are shown on map 1 and 2 included in the Appendix.

Article 2 **Additional amendments**

1. All TSOs propose the additional amendments to the Annex I of the CCR Decision in accordance with Article 15(1) of the CACM Regulation in the following way:
 - a. Article 1(2): Any changes in the bidding zone border configuration of Member States shall be taken into account in proposals for amendments to this document in accordance with Article 9(13) of the CACM Regulation.
 - b. Article 2(2)(c): any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force; and.
 - c. Article 2(3): This document shall be binding upon and shall ensure to the benefit of the TSOs as referred to herein and their permitted successors and assigns and irrespective of any change in the TSOs' names.
 - d. Article 11: All TSOs shall apply the CCRs as described in Title 2 as soon as the decision has been taken by ACER in accordance with Article 9(6)(b) of the CACM Regulation and Article 5(2)(b) Regulation (EU) 2019/942.
 - e. Article 12(1): No later than three months after the implementation of the first version of the regional operational security coordination in accordance with Article 76(1) of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as the "SO Regulation") in the Core CCR, all TSOs shall submit to ACER an assessment analysing alternative determinations of at least the CCRs Hansa, Nordic and Core in terms of:
 - f. Article 12(2): In case this assessment pursuant to paragraph (1) identifies a more efficient alternative Determination of CCRs, all TSOs shall submit to ACER a proposal for amendment of the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation by the same deadline as for the assessment.

TITLE 2
Final provisions

Article 3
Implementation date of the amendments

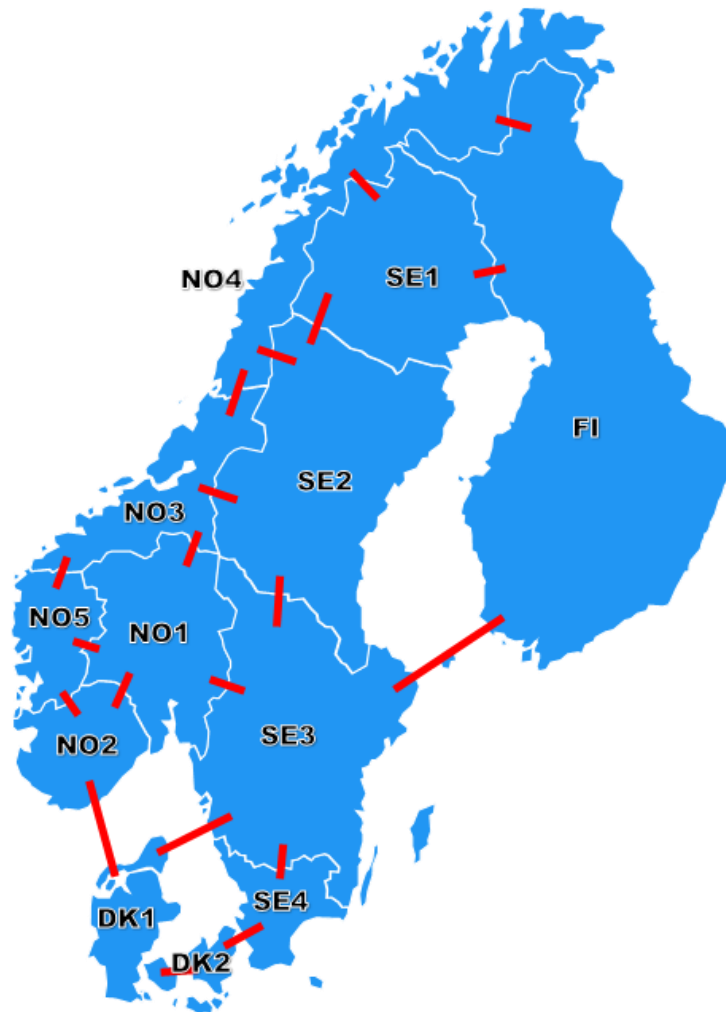
All TSOs shall apply the CCRs as described in the Determination of the Capacity Calculation Regions as soon as the decision has been taken by ACER in accordance with Article 9(6)(b) of the CACM Regulation and Article 5(2)(b) Regulation (EU) 2019/942.

Article 4
Language

The reference language for this Proposal for Amendment shall be English. For the avoidance of doubt, where TSOs need to translate this Proposal for Amendment 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, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of this Proposal for Amendment.

Appendix: Maps of the proposed CCRs

1. Capacity Calculation Region 1: Nordic



2. Capacity Calculation Region 2: Hansa

Note: The DE/LU - PL, NL - DE/LU, NO2 - DK1, DK2 - SE4 and DK1 - DK2 bidding zone borders are not part of this CCR.

