
South West Europe TSOs proposal for the methodology for Coordinated Redispatching and Countertrading in accordance with Article 35(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

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Table of Contents

Whereas	3
Article 1 Subject matter and scope	4
Article 2 Definitions and interpretation	4
Article 3 Application of this proposal	5
Article 4 General principles for Countertrading	6
Article 5 Timeframes for Countertrading	6
Article 6 Volume information availability and exchange of data	7
Article 7 Price information exchange	7
Article 8 Detection	8
Article 9 Coordination	8
Article 10 Activation of Countertrading	9
Article 11 Total cost calculation	10
Article 12 Fast activation process	10
Article 13 Publication of the SWE RDCT Methodology Proposal	11
Article 14 Implementation of SWE RDCT Methodology	11
Article 15 Language	11
Article 16 Amendment of this proposal	12
Article 17 Confidential treatment of information	12

RTE, REE and REN are taking into account the following,

Whereas

- (1) Commission Regulation (EU) 2015/1222 establishes a guideline on capacity allocation and congestion management (hereinafter referred to as the “**CACM Regulation**”), which entered into force on 14 August 2015.
- (2) This document is the common proposal developed by RTE, REE and REN as the Transmission System Operators (hereafter referred to as “**TSOs**”) of the SWE Capacity Calculation Region (hereafter referred to as “**SWE Region**”) regarding the proposal for the methodology for coordinated redispatching and countertrading (hereafter referred to as “**RDCT Methodology Proposal**”) in accordance with the CACM Regulation. This proposal is required by Article 35 of the CACM Regulation.
- (3) The RDCT Methodology Proposal shall also meet the requirements of Commission Regulation (EU) 2017/1485 establishing a guideline on System Operation (“ hereinafter referred to as “**SO Regulation**”)
- (4) Coordinated Countertrading is by definition limited to relieve physical congestions by means of a cross zonal exchange initiated by system operators between two bidding zones. TSOs may also agree on other cross-zonal exchange procedure for reasons other than relieving physical congestions. Such arrangements are not within the scope of this RDCT Methodology Proposal.

RTE, REE and REN are therefore hereby agree as follows:

General Provisions

Article 1

Subject matter and scope

The methodology as determined in this SWE Coordinated Redispatching and Countertrading Methodology Proposal is the common proposal of all Transmission System Operators of the SWE Region in accordance with Article 35 of the CACM Regulation.

It is agreed between SWE TSOs that the RDCT Methodology is focused only on a Coordinated Countertrading Process.

Article 2

Definitions and interpretation

1. For the purposes of the SWE RDCT Methodology Proposal, the terms used shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 543/2013, Article 2 of the CACM Regulation and Article 3 of SO Regulation.
2. In addition, the following definitions and acronyms shall apply:
 - a. 'DA MC' or 'Day-ahead Market Coupling' means the Single Day Ahead Market Coupling as defined in the CACM Regulation.
 - b. 'Requesting TSO' means the TSO responsible for the real time operation of its Control Area and directly involved in Coordinated Countertrading Processes and which initiates the Coordinated Countertrading process
 - c. 'Assisting TSO' means the TSO responsible for the real time operation of its Control Area and directly involved in Coordinated Countertrading Processes and which participates with the Requesting TSO in the Coordinated Countertrading process.
 - d. 'Participating TSOs' means the Requesting and the Assisting TSO.
 - e. 'SWE RSC' means the Regional Security Coordinator as defined in the SO Regulation and operating in the SWE CCR.
3. In this SWE RDCT Methodology Proposal, unless the context requires otherwise:
 - a. the singular indicates the plural and vice versa;
 - b. headings are inserted for convenience only and do not affect the interpretation of this RDCT Methodology Proposal; and

- c. any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.

Article 3

Application of this proposal

1. This SWE RDCT Methodology Proposal applies solely to the coordinated countertrading procedures for the bidding zone borders in the SWE Region in accordance with Article 35 of CACM Regulation.
2. Coordinated Countertrading operational procedures will be established for each bidding zone border in the SWE Region between relevant TSOs.
3. The SWE RSC of the SWE Region must apply the common provisions for regional operational security coordination in accordance with the Article 76 of SO Regulation which has to take into account this proposal.

Coordinated countertrading process

Article 4

General principles for Countertrading

1. Countertrading is by definition coordinated, at least between the two TSOs involved into the cross-zonal exchange. In this RDCT Methodology Proposal, this coordination when relevant is reinforced by the collaboration between SWE RSC in the countertrading process, in accordance with Article 76 of the SO Regulation.
2. The general principles of countertrading consist of the following aspects:
 - a. exchange of available countertrading volume and associated estimated pricing;
 - b. detection;
 - c. coordination;
 - d. activation of the countertrading;
 - e. reporting;
 - f. total cost calculation;
 - g. cost sharing & Settlement.

Details of the aspects as set out in point (a), (b), (c) and (d) above are detailed in Articles 6, 7, 8, 9, 10, 11 and 12. The Cost Sharing & Settlement aspect as set out in point (e) to (g) above is detailed in the separated methodology in accordance with Article 74 of CACM Regulation

3. Countertrading is a Remedial Action that shall be activated following the criteria defined in the Article 21 of SO Regulation, Countertrading is a cross-border relevant remedial action as it is implemented to solve efficiently a congestion on critical network elements as defined in the methodology of the Articles 20 and 21 of CACM Regulation.
4. The SWE RSC shall assess when relevant the impact of countertrading in other CCR's considered by the Requesting TSO on the control areas of all SWE TSOs.
5. The Requesting TSO shall always provide the justification of requiring the application of Countertrading.

Article 5

Timeframes for Countertrading

1. The countertrading process can be initiated by a Requesting TSO after the detection of a physical congestion, as described in Article 8 and after both the publication of available volumes as specified

in Article 7 and of Day-ahead Market Coupling results or its fallback and until one hour before real-time.

2. After one hour before real-time, a fast activation process for sudden critical situation as described in Article 13 shall be followed.

Article 6

Volume information availability and exchange of data

1. Each of the Participating TSOs shall inform the other Participating TSO on indicative and non-firm volumes available for countertrading, in each direction after the publication of the results of the DA MC and within the coordinated security analysis performed in accordance with the methodology of the Article 76 of SO GL. This exchange of information will also be made available to the SWE RSC.
2. The exchanged information on volumes shall account for legal obligation of each TSO regarding the Balancing Reserves and ensuring to stay in a normal state and not endangering the security of supply..
3. This shared volume is not binding. This is an indication, on best effort basis, that represents a view of the available volume that could be countertraded in case of a need for activation of the Countertrading Process, in order to solve physical congestion only.
4. Each of the Participating TSOs shall inform the other Participating TSO how the volume is calculated and updated.
5. Volume information exchange procedures are border-specific and will be described bilaterally between the two Participating TSOs in the Countertrading procedures as specified in Article 3.2.

Article 7

Price information exchange

1. Each of the Participating TSOs shall inform the other Participating TSO indicative and non-firm prices associated to the volumes available for countertrading, after the publication of the results of the DA MC and within the coordinated security analysis performed in accordance with the methodology of the Article 76 of SO Regulation. This exchange of information will also be made available to the SWE RSC.
2. Each of the Participating TSOs shall inform the other how the price is updated. This exchange of information will also be made available to the SWE RSC.
In accordance with art 35(5) of CACM Regulation, the actual prices of the volumes activated for countertrading shall be based on the incurred cost of countertrading resources available to the Participating TSOs at that moment in time, including imbalancing costs where relevant;

3. The price information exchange procedures are border specific and will be described bilaterally between the two Participating TSOs in the Coordinated Countertrading procedures as specified Article 3.2.

Article 8 Detection

1. The physical congestion can be detected by either a SWE TSO or the SWE RSC on its behalf during a local or a coordinated operational security analysis.
2. All involved parties at this stage must contact and provide each other with all the information needed to have a common view on the physical congestion to be solved.
3. The SWE RSC shall, accordingly to Art 78 of SO Regulation, recommend to the relevant SWE TSO the most effective and economically efficient remedial actions identified in accordance with Art 76 of SO Regulation. This recommendation for remedial actions shall be accompanied by explanations, taking into account the availability of non-costly remedial actions.
4. At this stage, the Requesting TSO and the Assisting TSO shall be identified.
5. Where there is sufficient time between the detection of the constraint and the deadline for activation of countertrading, the Participating TSOs and the SWE RSC shall update regularly the security assessment in order to confirm the constraint and the estimated needed volume of countertrading.

Article 9 Coordination

1. The coordination process will be initiated by the Requesting TSO.
2. When initiating the process, the Requesting TSO will contact the Assisting TSO and the SWE RSC and will specify the countertrading request characteristics.
3. Countertrading characteristics should at least contain the following elements:
 - a. The congested network element,
 - b. The direction of the countertrading,
 - c. The countertrading Period,
 - d. The estimated needed countertrading volume information for the Countertrading Period based on the current market situation
4. Simultaneously
 - a. The Assisting TSO must confirm the feasibility of the required countertrading within the duration for the Countertrading Period;

- b. SWE RSCs must perform a Security Assessment to analyse the impact on the Countertrading Action on the control area of all TSOs.
5. Any relevant impact of a Countertrading actions between Participating TSOs on a third TSO's control area (from SWE or another CCR) must be communicated to all impacted TSOs and followed-up by the SWE RSC.
6. If a relevant impact is detected on other TSO's control areas, the SWE RSC shall collect the feedback from those TSO and share them with the Participating TSO's.
7. If the Assisting TSO confirms the availability of all / a part of the volume, the Participating TSOs jointly decide to effectively perform the Countertrading Action, based on the analysis from the SWE RSC.
8. In case of rejection of the request, the Assisting TSO must provide a justification to the Requesting TSO and the SWE RSC. The SWE RSC could recommend another effective and economically efficient remedial action as long as the timeframe allows it. If the RSC Coordination Deadline is reached, the TSOs shall go through fast activation process.
9. In case of two Countertrading requests with overlapping Countertrading Period between two Participating TSOs, the RSC should analyse and advice on the volume and the direction of the countertrading. Final decision will always be taken jointly by Participating TSOs.

Article 10

Activation of Countertrading

1. The Countertrading Volume and period will be matched and verified among both Participating TSOs
2. Activation of countertrading shall be performed as close as possible to the real time in order to limit the impact on the market and for the minimum necessary time.
3. The exact matching process is border-dependant and is described in the Coordinated Countertrading Procedures
4. The Participating TSOs will
 - a. Select the countertrading actions
 - b. Update their Grid Models
5. The Countertrading Volume will be netted with the scheduled exchange program.
6. The selection of the Countertrading Actions in each control area is the responsibility of each Participating TSO, based on operational security and economic efficiency. These Countertrading Actions could be composed of activation of available generation units and loads and/or be

composed of activation of cross-border exchange of energy in accordance with the appropriate mechanisms, markets or agreements applicable to its control area and the other CCRs to which this TSO belongs.

7. The selection process of the countertrading actions in each control area should be described in a transparent way in the Coordinated Countertrading procedure of Participating TSOs.

Article 11

Total cost calculation

1. In accordance with Article 35 (5) of CACM Regulation, the total cost of countertrading will be determined transparently by summing the incomes/costs of each TSO involved in the countertrading action. These incomes or costs shall be based on the incurred cost born by the Participating TSOs when activating Countertrading Actions, including balancing costs where relevant.

Article 12

Fast activation process

1. A sudden physical congestion is a physical congestion that has not been detected during any of the previous coordinated security analysis in accordance with Art 76 of SO Regulation. A fast Countertrading process is defined as a Countertrading process where the detection of the physical congestion occurs after one hour before real time. It is a last resort action as the coordination is limited.
2. The detection of the congestion is based on the IGM of the Requesting TSO as the last coordinated security analysis using the last CGM did not show physical congestion.
3. The Requesting TSO must contact the Assisting TSO and provide it with information on the requested volume and period and, if possible, the reason for the request.
4. The Assisting TSO can refuse the request if the activation of the Countertrading causes a congestion in its control area or if it leads to situations outside the operational security limits.
5. Ex-post, the Requesting TSO must provide the SWE RSC with the last IGM on which the decision was made.
6. Ex-post, the Participating TSO must provide each other with the information on the costs or incomes incurred by the Countertrading Actions

Miscellaneous

Article 13

Publication of the SWE RDCT Methodology Proposal

1. The TSOs shall publish the SWE RDCT Methodology Proposal without undue delay after all national regulatory authorities have approved the SWE RDCT Methodology Proposal or a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 9 (10), Article 9(11) and 9(12) of the CACM Regulation.

Article 14

Implementation of SWE RDCT Methodology

1. The implementation planning of this SWE RDCT methodology is subject to:
 - a. Regulatory approval of this RDCT Proposal by the relevant SWE regulatory authorities
 - b. Regulatory approval of the coordinated redispatching and countertrading cost sharing methodology proposal of the SWE CCR by the SWE regulatory authorities
 - c. Regulatory approval of the SWE Capacity calculation methodology by the SWE regulatory authorities and its implementation
 - d. Regulatory approval of the SWE methodology for regional operational security coordination under Article 76 of the SO Regulation by the SWE regulatory authorities and its implementation
2. In accordance with art 35(3) of CACM Regulation, the TSOs will by 26 months after the regulatory approval of capacity calculation regions develop a report assessing the progressive implementation, coordination and harmonisation of those Countertrading and Coordinated Redispatching process and arrangements.

Article 15

Language

1. The reference language for this common capacity calculation Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this SWE CCC Methodology Proposal 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 be obliged to dispel any inconsistencies by providing a revised translation of this SWE CCC Methodology Proposal to their relevant national regulatory authorities.

Article 16

Amendment of this proposal

1. Any change in methodologies affecting this proposal shall lead to an amendment of the present Proposal.
2. Once relevancy of Coordinated Redispatching has been further investigated in the SWE region, this methodology could be amended to add a Coordinated Redispatching Process.
3. These amendments should be requested through the process described in Article 9(13) of the CACM Regulation, but, for the sake of clarity, in case a request for amendment only concerns one border of the SWE region, only the concerned NRAs will have to explicitly approve this amendment, the remaining NRA being only informed of the amendment.

Article 17 Confidential treatment of information

1. The information and data handled during RDCT process is sensitive, and should on this basis be treated as confidential. As a result all information gathered, analysis performed and other data available to the involved Parties are deemed confidential and shall be managed in accordance with article 13 of CACM and procedure to ensure its protection.
2. The information provided by generation units and loads or any other relevant costs for calculating the countertrading cost shall be shared between the relevant TSOs for countertrading purposes only, including reporting and monitoring obligations defined within the methodology of Article 74 of CACM Regulation
3. The parties will prepare ad hoc non-disclosure agreements.