



NVE
The Norwegian Energy
Regulatory Authority – RME

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Forsyningstilsynet



Bundesnetzagentur



**REQUEST FOR AMENDMENT (RfA)
BY ALL RELEVANT REGULATORY AUTHORITIES OF
THE HANSA CAPACITY CALCULATION REGION**

ON

**THE CCR HANSA COORDINATED
REDISPATCHING & COUNTERTRADING
METHODOLOGY IN ACCORDANCE WITH
ARTICLE 35 OF COMMISSION REGULATION
(EU) 2015/1222 OF 24 JULY 2015
ESTABLISHING A GUIDELINE ON CAPACITY
ALLOCATION AND CONGESTION MANAGEMENT**

4 September 2020

I. Introduction and legal context

This document elaborates an agreement of all relevant Capacity Calculation Region (“CCR”) Hansa Regulatory Authorities, reached on 4 September 2020, on the present CCR Hansa Coordinated Redispatching & Countertrading Methodology, hereafter referred to as “the RD&CT Methodology”.

ACER decision 04-2019 of 1 April 2019 did allocate the bidding zone border, Western Denmark (DK1) - Netherlands (NL), to CCR Hansa.

The all CCR Hansa TSOs (“Hansa TSOs”) are therefore the German TSOs, TenneT TSO GmbH and 50Hertz Transmission GmbH, the Dutch TSO, TenneT TSO NL BV, the Danish TSO, Energinet, the Swedish TSO, Svenska kraftnät, and the Polish TSO, Polskie Sieci Elektroenergetyczne S.A. The Hansa TSOs cooperate with the Norwegian TSO, Statnett, on the development of the regional terms, conditions, and methodologies, which the Hansa TSOs are obliged to submit for regulatory approval.

The all CCR Hansa Regulatory Authorities (“Hansa NRAs”) are therefore Bundesnetzagentur (“BNetzA”), Autoriteit Consument & Markt (“ACM”), Danish Utility Regulator (“DUR”), Energimarknadsinspektionen (“Ei”), and Urząd Regulacji Energetyki (“URE”). However, the views of Reguleringsmyndigheten for energi (“NVE-RME”) have been acknowledged in the process.

The Hansa TSOs had originally developed a proposal on the RD&CT Methodology pursuant to Article 35 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (“CACM GL”).

On 28 January 2019, the Hansa NRAs did reach an agreement to approve the Hansa TSOs’ proposal on the RD&CT Methodology in an amended version.

On 6 September 2019, the Dutch TSO, TenneT TSO NL BV, did submit a proposal for ACM on an approval of the present RD&CT Methodology in the respect of the Netherlands.

The concerned Danish and German Ministries did on 30 June 2020 submit an application for the European Commission (“EC”) on a derogation for Kriegers Flak Common Grid Solution (“KF CGS”) in the respect of available cross-zonal transmission capacity for the benefit of priority access for wind power generated electricity.

On 6 March 2020, ACM on behalf of the Hansa NRAs requested ACER for a 6-month extension pursuant to Article 6(10) of the Regulation (EU) 2019/942. In the request for extension, the Hansa NRAs stated that within 6 months following the extension, if granted by ACER, the Hansa NRAs would strive to reach a unanimous agreement to approve the RD&CT Methodology or to request an amendment of the RD&CT Methodology.

By ACER decision 14-2020 of 14 July 2020, ACER granted the requested 6-month extension, thereby postponing the deadline for the Hansa NRAs’ decision-making on the RD&CT Methodology to 6 September 2020.

Article 9(12) of CACM GL provides for NRAs to request of amendments of a proposal for terms, conditions, and methodologies.

Article 9(13) of CACM GL provides for TSOs, NEMOs, and or NRAs, to request for amendments of terms, conditions, and methodologies having been previously adopted.

On 4 September 2020, the Hansa NRAs reached an agreement to request for an amendment of the RD&CT Methodology

- pursuant to Article 9(12) of CACM GL, in the respect of TenneT's proposal of 6 September 2019 on ACM's approval of the present Hansa RD&CT Methodology, and
- pursuant to Article 9(13) of CACM GL, in the respect of the present Hansa RD&CT Methodology having been previously approved on 28 January 2019 by all of the other Hansa NRAs, but ACM.

This agreement of the Hansa NRAs shall provide evidence that a decision on the present Hansa RD&CT Methodology does not need to be adopted by ACER pursuant to Article 9(11) of CACM GL. Therefore, this agreement is intended to constitute the basis on which the Hansa NRAs will each subsequently request the Hansa TSOs for amendments of the present Hansa RD&CT Methodology.

The legal provisions that lie at the basis of the present Hansa RD&CT Methodology, and this agreement by the Hansa NRAs on a request for amendment, can notably be found in Articles 3, 9, 12, and 35, of CACM GL. Relevant extracts of those provisions are quoted here for reference:

Article 3 of CACM GL

This Regulation aims at:

- (a) *Promoting effective competition in the generation, trading and supply of electricity;*
- (b) *Ensuring optimal use of the transmission infrastructure;*
- (c) *Ensuring operational security;*
- (d) *Optimising the calculation and allocation of cross-zonal capacity;*
- (e) *Ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants;*
- (f) *Ensuring and enhancing the transparency and reliability of information;*
- (g) *Contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union;*
- (h) *Respecting the need for a fair and orderly market and fair and orderly price formation;*
- (i) *Creating a level playing field for NEMOs;*
- (j) *Providing non-discriminatory access to cross-zonal capacity*

Article 9 of CACM GL

1. *TSOs and NEMOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the competent regulatory authorities within the respective deadlines set out in this Regulation. Where a proposal for terms and conditions or methodologies pursuant to this Regulation needs to be developed and agreed by more than one TSO or NEMO, the participating TSOs and NEMOs shall closely cooperate. TSOs,*

with the assistance of ENTSO for Electricity, and all NEMOs shall regularly inform the competent regulatory authorities and the Agency about the progress of developing these terms and conditions or methodologies.

[...]

5. *Each regulatory authority shall approve the terms and conditions or methodologies used to calculate or set out the single day-ahead and intraday coupling developed by TSOs and NEMOs. They shall be responsible for approving the terms and conditions or methodologies referred to in paragraphs 6, 7 and 8.*

[...]

7. *The proposals for the following terms and conditions or methodologies shall be subject to approval by all regulatory authorities of the concerned region:*
 - (a) *the common capacity calculation methodology in accordance with Article 20(2);*

[...]

9. *The proposal for terms and conditions or methodologies shall include a proposed timescale for their implementation and a description of their expected impact on the objectives of this Regulation. Proposals on terms and conditions or methodologies subject to the approval by several or all regulatory authorities shall be submitted to the Agency at the same time that they are submitted to regulatory authorities. Upon request by the competent regulatory authorities, the Agency shall issue an opinion within three months on the proposals for terms and conditions or methodologies.*

10. *Where the approval of the terms and conditions or methodologies requires a decision by more than one regulatory authority, the competent regulatory authorities shall consult and closely cooperate and coordinate with each other in order reach an agreement. Where applicable, the competent regulatory authorities shall take into account the opinion of the Agency. Regulatory authorities shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs 6, 7 and 8, within six months following the receipt of the terms and conditions or methodologies by the regulatory authority or, where applicable, by the last regulatory authority concerned.*

[...]

12. *In the event that one or several regulatory authorities request an amendment to approve the terms and conditions or methodologies submitted in accordance with paragraphs 6, 7 and 8, the relevant TSOs or NEMOs shall submit a proposal for amended terms and conditions or methodologies for approval within two months following the requirement from the regulatory authorities. The competent regulatory authorities shall decide on the amended terms and conditions or methodologies within two months following their submission. Where the competent regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies pursuant to paragraphs (6) and (7) within the two-month deadline, or upon their joint request, the Agency shall adopt a decision concerning the amended terms and conditions or methodologies within six months, in accordance with Article 8(1) of Regulation (EC) No 719/2009. If the relevant TSOs or NEMOs fail to submit a proposal for amended terms and conditions or methodologies, the procedure provided for in paragraph 4 of this Article shall apply.*

13. *TSOs or NEMOs responsible for developing a proposal for terms and conditions or methodologies or regulatory authorities responsible for their adoption in accordance with paragraphs 6, 7 and 8, may request amendments of these terms and conditions or methodologies. The proposals for amendment to the terms and conditions or methodologies*

shall be submitted to consultation in accordance with the procedure set out in Article 12 and approved in accordance with the procedure set out in this Article.

[...]

Article 12 of CACM GL

1. *TSOs and NEMOs responsible for submitting proposals for terms and conditions or methodologies or their amendments in accordance with this Regulation shall consult stakeholders, including the relevant authorities of each Member State, on the draft proposals for terms and conditions or methodologies where explicitly set out in this Regulation. The consultation shall last for a period of not less than one month.*
2. *[...] Proposals submitted by the TSOs and NEMOs at regional level shall be submitted to consultation at least at regional level. [...]*
3. *The entities responsible for the proposal for terms and conditions or methodologies shall duly consider the views of stakeholders resulting from the consultations undertaken in accordance with paragraph 1, prior to its submission for regulatory approval if required in accordance with Article 9 or prior to publication in all other cases. In all cases, a clear and robust justification for including or not the views resulting from the consultation shall be developed in the submission and published in a timely manner before or simultaneously with the publication of the proposal for terms and conditions or methodologies.*

Article 35 of CACM GL

1. *Within 16 months after the regulatory approval on capacity calculation regions referred to in Article 15, all the TSOs in each capacity calculation region shall develop a proposal for a common methodology for coordinated redispatching and countertrading. The proposal shall be subject to consultation in accordance with Article 12.*
2. *The methodology for coordinated redispatching and countertrading shall include actions of cross-border relevance and shall enable all TSOs in each capacity calculation region to effectively relieve physical congestion irrespective of whether the reasons for the physical congestion fall mainly outside their control area or not. The methodology for coordinated redispatching and countertrading shall address the fact that its application may significantly influence flows outside the TSO's control area.*
3. *Each TSO may redispatch all available generation units and loads in accordance with the appropriate mechanisms and agreements applicable to its control area, including interconnectors. By 26 months after the regulatory approval of capacity calculation regions, all TSOs in each capacity calculation region shall develop a report, subject to consultation in accordance with Article 12, assessing the progressive coordination and harmonisation of those mechanisms and agreements and including proposals. The report shall be submitted to their respective regulatory authorities for their assessment. The proposals in the report shall prevent these mechanisms and agreements from distorting the market.*
4. *Each TSO shall abstain from unilateral or uncoordinated redispatching and countertrading measures of cross- border relevance. Each TSO shall coordinate the use of redispatching and countertrading resources taking into account their impact on operational security and economic efficiency.*

5. *The relevant generation units and loads shall give TSOs the prices of redispatching and countertrading before redispatching and countertrading resources are committed. Pricing of redispatching and countertrading shall be based on:
 - (a) *prices in the relevant electricity markets for the relevant time-frame; or*
 - (b) *the cost of redispatching and countertrading resources calculated transparently on the basis of incurred costs.**
6. *Generation units and loads shall ex-ante provide all information necessary for calculating the redispatching and countertrading cost to the relevant TSOs. This information shall be shared between the relevant TSOs for redispatching and countertrading purposes only.*

II. The present RD&CT Methodology

Ref. to Recital (5) of the present Hansa RD&CT Methodology, the RD&CT Methodology formalizes coordinated RD&CT measurements on interconnectors, located in CCR Hansa. Including facilitating the alleviation of physical congestion in the adjacent AC grids with cross-border relevance for Hansa bidding-zone borders.

As such, a physical congestion in the adjacent AC grid on the one side of an interconnector, which can be effectively alleviated by coordinated RD&CT measurements on the Hansa interconnectors, may impact the flow conditions in the adjacent AC grid on the other side of that interconnector.

Furthermore, the present Hansa RD&CT Methodology is based on a Coordinated Net Transmission Capacity (“CNTC”) approach with a strong link to the adjacent CCRs, i.e. CCR Nordic and CCR Core.

Article 3 of the present RD&CT Methodology contains, “General provisions for redispatching and countertrading measures within CCR Hansa”.

Hereunder, Article 3(1)(c) of the RD&CT Methodology states that RD&CT measurements in CCR Hansa, being based on appropriate mechanisms and agreements in accordance with Article 35(3) of CACM GL, are applied on, “In order to maintain the capacity on the interconnector made available to the market in case a congestion occurs on an interconnector to which a number of windfarms are directly connected, and that congestion is due to a wind forecast error for one of the windfarms”.

KF CGS, a hybrid interconnector and offshore wind farms grid connection on the Hansa bidding zone border, DK2-DE/LU, is not mentioned specifically in Article 3(1)(c). However, it is obvious from the wording of Article 3(1)(c), notably, “an interconnector to which a number of windfarms are directly connected”, that Article 3(1)(c) provides for KF CGS to fall within the scope of the present Hansa RD&CT Methodology.

Subsequently, Article 3(1)(d), Article 3(1)(e), and Article 3(2), refers to Article 3(1)(c) of the RD&CT Methodology.

III. Agreed Hansa NRAs' position

The Hansa NRAs are not in support of the present RD&CT Methodology for the reasons, which are detailed below, and request the Hansa TSOs to amend the present RD&CT Methodology, and to incorporate the following assessments of the Hansa NRAs, pursuant to Article 9(12) and Article 9(13) of CACM GL.

IV. Requests for amendments of the present RD&CT Methodology

Amending references to Regulation (EU) no 714/2009 and Directive 2009/72/EC, into references to Regulation (EU) 2019/943 and Directive (EU) 2019/944 respectively

The Hansa NRAs request the Hansa TSOs to amend within the present Hansa RD&CT Methodology,

- the references to Regulation (EU) no 714/2009 into references to Regulation (EU) 2019/943, in Recital (3), and in Article 2(1), and
- the reference to Directive 2009/72/EC into a reference to Directive (EU) 2019/944, in Article 2(1).

Article 3(1)(c) to (d), and Article 3(2), in conjunction with the European Commission's pending decision on KF CGS

The current provisions in the present Hansa RD&CT Methodology, which are covering or referring to KF CGS, do not find unanimous support among Hansa NRAs because of uncertainties concerning the legal basis for KF CGS.

The concerned Danish and German Ministries have on 30 June 2020 submitted an application for the European Commission ("EC") on a derogation for KF CGS in the respect of available cross-zonal transmission capacity for the benefit of priority access for wind power generated electricity.

The EC's pending decision will provide for clarity, whether a derogation may be granted for KF CGS in respect of available cross-zonal transmission capacity for the benefit of priority access for wind power generated electricity, and thus constitute the necessary legal basis for KF CGS in terms of the present Hansa RD&CT Methodology.

Thus, Hansa NRAs require the following amendments of the present Hansa RD&CT Methodology, in the respect of KF CGS:

A) In the case that the EC's decision, granting a derogation for KF CGS, is published officially prior to the consultation of the Hansa TSOs' draft amendment proposal on the RD&CT Methodology pursuant to Article 12, cf. to Article 9(13), 2nd subparagraph, of CACM GL, the Hansa TSOs are requested,

- 1) to maintain, and if needed to adjust to EC's decision, within the amendment proposal, the provisions covering or referring to KF CGS,
 - a) Article 3(1)(c)
 - b) Article 3(1)(d)
 - c) Article 3(1)(e)

- d) Article 3(2)
- 2) within the amendment proposal, to insert references to EC`s decision as the legal basis for the CCR Hansa RD&CT Methodology on KF CGS, in
 - a) Recital (3), and
 - b) Article 2(1)
- 3) to include explanations, in the recitals and in an explanatory document to the amendment proposal on the RD&CT Methodology, on the implications of EC`s decision for the chosen approach on KF CGS in the RD&CT Methodology.

B) In the case that the EC`s decision, granting a derogation for KF CGS, is not published officially prior to the consultation of the Hansa TSOs` draft amendment proposal on the RD&CT Methodology pursuant to Article 12, cf. Article 9(13), 2nd subparagraph, of CACM GL, the Hansa TSOs are requested, within the amended proposal

- 1) to remove from the present Hansa RD&CT Methodolgy, Article 3(1)(c)
- 2) to make the consequent adjustments,
 - a) Article 3(1)(d),
 - i) shall be Article 3(1)(c), and
 - ii) the wording within, "Articles 3(1)(a), 3(1)(b) and 3(1)(c)", shall be, "Articles 3(1)(a), and 3(1)(b)"
 - b) Article 3(1)(e),
 - i) shall be Article 3(1)(d), and
 - ii) the wording within, "Articles 3(1)(a), 3(1)(b), 3(1)(c) and 3(1)(d)", shall be, "Articles 3(1)(a), 3(1)(b), and 3(1)(c)"
 - c) In Article 3(2), the wordings,
 - i) "Article 3(1)(a) to (d)", shall be, "Article 3(1)(a) to (c)", and
 - ii) "Article 3(1)(e)", shall be, "Article 3(1)(d)"
- 3) to add a provision that the Hansa TSOs (provided EC`s decision grants a derogation for KF CGS, and that decision is published officially within or after the consultation period pursuant to Article 12 of CACM GL, but prior to the Hansa TSOs` submission of an amendment proposal on the RD&CT Methodology) will resubmit an amendment proposal on the RD&CT Methodology for consultation pursuant to Article 12 of CACM GL, and will
 - a) reinsert within that new amended proposal, and if needed to adjust to EC`s decision, the former emplacements and wordings of these provisions from the present Hansa RD&CT Methodology, ref. to the Hansa TSOs` amendment proposal of 4 December 2018, approved by Hansa NRAs on 28 January 2019,
 - i) Article 3(1)(c),
 - ii) Article 3(1)(d),
 - iii) Article 3(1)(e), and
 - iv) Article 3(2)

- b) insert within that new amendment proposal, references to EC`s decision as the legal basis for the CCR Hansa RD&CT Methodology, in the respect of KF CGS, in
 - i) Recital (3), and
 - ii) Article 2(1)
- c) to include explanations, in the recitals and in an explanatory document to the new amendment proposal, on the implications of EC`s decision for the chosen approach on KF CGS in the RD&CT Methodology.

C) In the case that the EC decides negatively on a derogation for KF CGS, prior to the consultation of the Hansa TSOs` draft amendment proposal on the RD&CT Methodology pursuant to Article 12, cf. to Article 9(13), 2nd subparagraph, of CACM GL, the Hansa TSOs are requested within the amended proposal,

- 1) to remove from the present Hansa RD&CT Methodolgy, Article 3(1)(c)
- 2) to make the consequent adjustments,
 - a) Article 3(1)(d),
 - i) shall be Article 3(1)(c), and
 - ii) the wording within, "Articles 3(1)(a), 3(1)(b) and 3(1)(c)", shall be, "Articles 3(1)(a), and 3(1)(b)"
 - b) Article 3(1)(e),
 - i) shall be Article 3(1)(d), and
 - ii) the wording within, "Articles 3(1)(a), 3(1)(b), 3(1)(c) and 3(1)(d)", shall be, "Articles 3(1)(a), 3(1)(b), and 3(1)(c)"
 - c) In Article 3(2), the wordings,
 - i) "Article 3(1)(a) to (d)", shall be, "Article 3(1)(a) to (c)", and
 - ii) "Article 3(1)(e)", shall be, "Article 3(1)(d)"

V. Conclusion

The Hansa NRAs have assessed, consulted, closely cooperated and coordinated to reach the agreement that the Hansa NRAs will request the Hansa TSO to amend the present Hansa RD&CT Methodology, cf. Hansa TSOs` amendment proposal of 4 December 2018, as approved by Hansa NRAs on 28 January 2019, pursuant to Article 9(12), and Article 9(13), 1st subparagraph, of CACM GL.

In follow-up of the actual request for amendment, the Hansa TSOs` shall for the development of an amendment proposal on the present Hansa RD&CT Methodology take into account the Hansa NRAs` assessments on the substance of the requested amendment proposal, being stated above.

In terms of procedures and timeline, the Hansa NRAs formally request the Hansa TSOs to develop and submit for the Hansa NRAs an amendment proposal within the timeline of two months pursuant to Article 9(12), 1st subparagraph, of CACM GL. And within those very same two months, the Hansa TSOs are to submit a draft amendment proposal for consultation, lasting a period of not

less than one month, pursuant to Article 9(13), 2nd subparagraph, and Article 35(1), 2nd subparagraph, in conjunction with Article 12(1), 3rd subparagraph, of CACM GL.

This is because, the most strict requirements for procedures and timeline, following from Article 9(12), in conjunction with Article 9(13), of CACM GL, formally apply for the actual request for amendment.

In the respect of the development of an amendment proposal, the Hansa NRAs request the Hansa TSOs to submit an amendment proposal on the RD&CT Methodology in two versions,

- a version, showing track-changes in the respect of the actual requests for amendments, and
- a “clean” version, not showing track-changes in the respect of the actual requests for amendments.

In the respect of a draft amendment proposal to be submitted for consultation pursuant to Article 12 of CACM GL, the Hansa NRAs request the Hansa TSOs,

- To provide guidance for consultation parties, stakeholders etc., that solely comment on the requested amendments of the present Hansa RD&CT Methodology, ref. to the track-changes version, shall be taken into account. Thus, any comments on provisions within the present Hansa RD&CT Methodology, not being subject for the actual requests for amendments, are not to be taken into account.
- To submit a consultation on a draft amendment proposal specifically and directly for the certified TSO, Baltic Cable.

Upon the receipt of the Hansa TSOs’ amendment proposal on the present Hansa RD&CT Methodology, Hansa NRAs are to decide, either on an approval of the proposal, or on a request of the amendment of its own of that proposal, within two months pursuant to Article 9(12), 2nd subparagraph, of CACM GL.

The Hansa NRAs have agreed to inform their respective TSOs on the request for amendment of the present Hansa RD&CT Methodology on the basis of this agreement by 4 September 2020.