
Explanatory document for the Nordic synchronous area Proposal for the methodology to determine limits on the amount of exchange of FRR/RR between synchronous areas defined in accordance with Article 176(1)/178(1) and the methodology to determine limits on the amount of sharing of FRR/ RR between synchronous areas defined in accordance with Article 177(1)/179(1) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation

1. Introduction

The Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereinafter “**SO Regulation**”) sets out rules on relevant subjects that should be coordinated between Transmission System Operators, as well as between TSOs and Distribution System Operators and with significant grid users, where applicable. The goal of SO Regulation is to ensure provision of an efficient functioning of the interconnected transmission systems to support all market activities. In order to deliver these objectives, a number of steps are required.

One of these steps is to determine the limits for the exchange of FRR between synchronous area. Pursuant to Article 118(1)(z) of the SO Regulation, all Transmission System Operators in the Nordic Synchronous Area shall jointly develop common proposals for the methodology to determine limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and the methodology to determine limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1). Furthermore, Pursuant to Article 118(1)(aa) of the SO Regulation, all Transmission System Operators in the Nordic Synchronous Area shall jointly develop common proposals for: [...] the methodology to determine limits on the amount of exchange of RR between synchronous areas defined in accordance with Article 178(1) and the methodology to determine limits on the amount of sharing of RR between synchronous areas defined in accordance with Article 179(1)”.

According to Articles 6(3)(d)(ix) and 6(3)(d)(x) of the SO Regulation the proposals for limits on the amounts of exchange/sharing of FRR/RR between synchronous areas in accordance with Articles 176(1), 177(1), 178(1) and 179(1) (hereafter referred to as “**Proposal**”) shall be submitted for approval by the relevant national regulatory authorities (hereinafter “**NRAs**”) no later than 14 September, 2018. The Proposal is submitted for regulatory approval to all NRAs in the Nordic synchronous area. According to Article 6(6) of the SO Regulation the Proposal needs to be submitted to ACER as well, who may issue an opinion on the Proposal if requested by the NRAs.

This document contains an explanation of the Proposal from all TSOs of the Nordic synchronous area (hereinafter “**TSOs**”). It is structured as follows. The legal requirements for the Proposal and the interpretation of the scope are presented in Chapter 2. Chapter 3 describes the objective of the limits on the amount of exchange/sharing of FRR/RR between synchronous areas. Chapter 4 provides an overview of the existing situation. The proposed limits are described in Chapter 5. Chapter 6 provides an outlook and chapter 7 describes the expected impact on the relevant objectives of the SO Regulation. Finally, Chapter 8 provides the timeline for implementation and Chapter 9 describes the public consultation.

2. Legal requirements and interpretation

2.1 Legal references and requirements

Several articles in the SO Regulation set out requirements which the Proposal must take into account. These are cited below.

- (1) Article 118(1)(z), 118(1)(aa) and (2) of the SO Regulation constitutes the legal basis that the Proposal should take into account. Article 118 has the following content:

“1. By 12 months after entry into force of this Regulation, all TSOs of each synchronous area shall jointly develop common proposals for:[...]”

(z) the methodology to determine limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and the methodology to determine limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1); and

(aa) the methodology to determine limits on the amount of exchange of RR between synchronous areas defined in accordance with Article 178(1) and the methodology to determine limits on the

amount of sharing of RR between synchronous areas defined in accordance with Article 179(1).; [...]

2. All TSOs of each synchronous area shall submit the methodologies and conditions listed in Article 6(3)(d) for approval by all the regulatory authorities of the concerned synchronous area. Within 1 month after the approval of these methodologies and conditions, all TSOs of each synchronous area shall conclude a synchronous area operational agreement which shall enter into force within 3 months after the approval of the methodologies and conditions.”

(2) Article 176(1) of the SO Regulation has the following content:

”1. All TSOs of each synchronous area shall specify in the synchronous area operational agreement a method to determine the limits for the exchange of FRR with other synchronous areas. That method shall take into account:

(a) the operational impact between the synchronous areas;

(b) the stability of the FRP of the synchronous area;

(c) the ability of TSOs of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and

(d) the operational security.”

(3) Article 177(1) of the SO Regulation has the following content:

” 1. All TSOs of each synchronous area shall specify in the synchronous area operational agreement a methodology to determine limits for the sharing of FRR with other synchronous areas. That methodology shall take into account:

(a) the operational impact between the synchronous areas;

(b) the stability of the FRP of the synchronous area;

(c) the maximum reduction of FRR that can be taken into account in the FRR dimensioning in accordance with Article 157 as a result of the FRR sharing;

(d) the ability of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and

(e) the operational security.”

(4) Article 178(1) of the SO Regulation has the following content:

”1. All TSOs of each synchronous area shall define in the synchronous area operational agreement a method to determine limits for the exchange of RR with other synchronous areas. That method shall take into account:

(a) the operational impact between the synchronous areas;

(b) the stability of the RRP of the synchronous area;

(c) the ability of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and

(d) the operational security.”

(5) Article 179(1) of the SO Regulation has the following content:

”1. All TSOs of each synchronous area shall define in the synchronous area operational agreement a method for determining the limits for sharing of RR with other synchronous areas. That method shall take into account:

- (a) the operational impact between the synchronous areas;*
- (b) the stability of the RRP of the synchronous area;*
- (c) the maximum reduction of RR that can be taken into account in the RR dimensioning rules in accordance with Article 160 as a result of the RR sharing;*
- (d) the ability of the TSOs of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the ability of the LFC blocks to comply with the FRCE error target parameters defined in accordance with Article 128; and*
- (e) the operational security.*

(6) Article 6(3)(d)(ix) and 6(3)(d)(x) of the SO Regulation states:

“The proposals for the following terms and conditions or methodologies shall be subject to approval by all regulatory authorities of the concerned region, on which a Member State may provide an opinion to the concerned regulatory authority: [...]

(d) methodologies, conditions and values included in the synchronous area operational agreements in Article 118 concerning: [...]

(ix) limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1);

(x) limits on the amount of exchange of RR between synchronous areas defined in accordance with Article 178(1) and limits on the amount of sharing of RR between synchronous areas defined in accordance with Article 179(1);

2.2 Interpretation and scope of the Proposal

The Nordic TSOs apply two types of Frequency Restoration Reserves (FRR), manual FRR (mFRR) and automatic FRR (aFRR). This proposal applies to both mFRR and aFRR. The TSOs currently do not apply Replacement Reserves (RR). Consequently, this proposal does not include limits on the amount of exchange and sharing of RR between synchronous areas.

The dimensioning rules for FRR in accordance with Article 157 of the SO Regulation result in the required FRR capacity to be guaranteed by each TSO. Part of this FRR capacity requirement can be fulfilled by exchanging or sharing FRR with other synchronous systems. The limits on the amount of this exchange and sharing are the scope of this Proposal.

3. Objective of limits for the exchange and sharing of FRR

FRR exchange and sharing contributes to the efficient operation of the electricity system by allocating FRR more efficiently. However, in order to maintain operational security, FRR exchange and sharing cannot be done unlimitly. The objective of the limits on the amount of exchange and sharing of FRR is to guarantee that operational security is maintained.

4. The existing situation

Currently, the Nordic FRR requirements are specified per control area, and each TSO has the obligation to meet their required amount of FRR (in accordance with article 157 of the SO Regulation). For fulfilling part

of their obligation each TSO may exchange or share FRR capacity with one or more TSOs in one or more other synchronous area(s). Since situations may be different for the different HVDC interconnectors, the TSOs do not apply generic rules on limits of the amount of FRR that can be exchanged or shared with TSOs in other synchronous area. The Nordic TSO involved in the exchange or sharing is responsible for assessing and monitoring the impact of the exchange and/or sharing on the available FRR in its own area and the possible impact on other control areas in the synchronous area. Currently the following exchange and sharing arrangements with other synchronous areas exist as shown in Table 1.

Table 1: Existing FRR exchange and sharing arrangements with other synchronous areas (Arrows illustrate the direction of the exchanges).

Involved control areas	Exchange/sharing of	Volumes
Finland ↔ Estonia	mFRR exchange	no limits specified
Finland – Estonia	mFRR sharing	140MW
Finland ← Estonia	aFRR exchange	35 MW
West Denmark – East Denmark ¹	mFRR sharing	300MW
Norway → West Denmark	aFRR exchange	100MW
West Denmark → East Denmark	aFRR exchange	12MW

5. Proposal for limits for the exchange of FRR/RR

The TSOs currently do not apply Replacement Reserves (RR). For this reason, this proposal only specifies rules for exchange of FRR.

The Nordic TSOs are responsible for fulfilling the FRR capacity requirements for their own control area. For fulfilling their obligation each TSO may exchange or share FRR capacity with one or more TSOs in one or more other synchronous area(s). Exchange or sharing shall be physically possible through one or more direct HVDC interconnectors connected to this TSO’s control area. Article 157(2)(j and k) of the SO Regulation set limitations to the sharing of aFRR and mFRR which the reserve receiving TSO shall take into account when entering a FRR sharing agreement. The Nordic TSO involved in the exchange or sharing is responsible for assessing and monitoring the impact of the exchange and/or sharing, taking into account the topics listed under paragraph 1(a) to (d) of article 176 or paragraph 1(a) to (e) of Article 177 of the SO Regulation. The FRR exchange/sharing with other synchronous areas shall be approved by all (Nordic) TSOs, which shall not be unreasonably withheld or delayed.

5.1 Summary

The arguments above result in the limits for the exchange of FRR as included in Article 3 and Article 4 of the Proposal:

Article 3 – Limits for the exchange of aFRR and mFRR

1. The Nordic TSO involved in exchange of FRR is responsible for complying with article 176 of the SO Regulation;
2. The FRR exchange arrangements with other synchronous areas shall be agreed by all Nordic TSOs based on a proposal of the exchanging TSO, which shall not be unreasonably withheld or delayed.

¹ Another sharing agreement exist between Sweden (bidding zone SE4) and Denmark East.

Article 4 – Limits for sharing of aFRR and mFRR

1. When entering FRR sharing agreements, the TSO shall take into account the limitations set in Article 157(2)(j and k) of the SO Regulation on the sharing of aFRR and mFRR;
2. The Nordic TSO involved in sharing of FRR is responsible for complying with Article 177 of the SO Regulation;
3. The FRR sharing arrangements with other synchronous areas shall be agreed by all Nordic TSOs based on a proposal of the sharing TSO, which shall not be unreasonably withheld or delayed.

6. Outlook

The Nordic TSOs are planning to increase sharing and exchanging FRR between control areas within the Nordic synchronous area. Consequently, the dependency on each other will increase. This may have impact on sharing of FRR between synchronous areas, which will be clarified in the Nordic Balancing Model development process.

7. Expected impact of the Proposal on the relevant objectives of the SO Regulation

The Proposal generally contributes to and does not in any way hamper the achievement of the objectives of Article 4 of the SO Regulation. In particular, the Proposal serves the objectives to:

- Article 4(1)(d) ensuring the conditions for maintaining operational security throughout the Union; and
- Article 4(1)(h) contributing to the efficient operation and development of the electricity transmission system and electricity sector in the Union.

Where the objective of maintaining operational security (article 4(1)(d)) may require stricter limits, operational efficiency may increase with limits that are less strict. The Proposal balances the objectives of ensuring the conditions for maintaining operational security and efficient operation of the electricity system.

8. Timescale for the implementation

The proposed limits for the exchange and sharing of FRR are similar to the rules that are currently applied in the Nordic synchronous area. Therefore, the TSOs shall implement the Proposal not later than when Nordic synchronous area operational agreement enters into force in accordance with Article 118 of the SO Regulation.

9. Public consultation

Article 11 of the SO Regulation states that: *“TSOs 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 listed in Article 6(2) and (3). The consultation shall last for a period of not less than one month.”*

This Proposal has been consulted in the period 1 July to 15 August 2018. The appendix to this document includes the views of stakeholders resulting from the consultations and explains if and how these views have been taken into account in the proposal.

Appendix: Results of Public Consultation

Article 11(3) of the SO Regulation states that: *“The TSOs responsible for developing the proposal for terms and conditions or methodologies shall duly take into account the views of stakeholders resulting from the consultations prior to its submission for regulatory approval. In all cases, a sound justification for including or not including the views resulting from the consultation shall be provided together with the submission of the proposal and published in a timely manner before, or simultaneously with the publication of the proposal for terms and conditions or methodologies.”*. Table 2 lists the views of stakeholders on this proposal resulting from the consultations and explains if and how these views have been taken into account in the Proposal.

Table 2: Views of stakeholders resulting from the consultations and explains if and how these views have been taken into account in the Proposal.

no.	organisation	comment	response TSOs
2	Danish Energy	<p>Overall, we are disappointed with the lack of detail and the absence of actual methodologies across all four proposals. We remind TSOs that, according to Article 6(3)(d-e) of the SO Regulation, the four proposals consulted upon are supposed to contain the actual methodologies and conditions to be included in the Synchronous Area and LFC block operational agreements when submitted for regulatory approval. We find these methodologies and conditions fundamentally lacking in the current proposals.</p> <p>We are also disappointed that these methodologies haven't been prepared in cooperation with the stakeholders and underline that stakeholders must be included in the preparatory process from an early phase.</p> <p>Nordic TSOs, operating one of the most closely integrated regional power systems in the world, should lead the way in European integration through much more ambitious and detailed proposals. The current proposals will delay the Nordic integration by postponing important decisions to the future implementation of a new Nordic balancing model. Furthermore, the proposals will render the Nordic countries non-compliant with the SO Regulation, which the TSOs explicitly recognize in the Explanatory Document on FRR dimensioning rules, by stating that “The proposal presented in section 6 of this document does not comply to the requirements in Article 157 of the SO Regulation in all aspects. [...] The TSOs have agreed on an approach for a new Nordic balancing model. Within the implementation process, the TSOs are developing a FRR dimensioning process which will comply with the requirements in Article 157 of the SO Regulation. Once defined, the TSOs will start an amendment process to this proposal.”</p> <p>We can only conclude that the Nordic TSOs are fully aware of the insufficiencies of the current proposals and find it odd they have nonetheless decided to consult upon them. Our major concern is that that Nordic TSOs may de facto shift decision-making on the relevant methodologies to their parallel initiative on new Nordic balancing - with weakly defined and non-legally binding implementation timelines – instead of complying to the</p>	<p>Comment acknowledged and did not result in a change of the proposals. As referred to by the respondent, the TSOs are in a process of changing their balancing model to fulfil the requirements in the SO Regulation and to reflect the needs for the Nordic situation. The Nordic TSOs have experienced that this process is very complex and time consuming and due to that the Nordic TSOs regret that it has not been possible to finalize the development work yet. However, earlier this year, the TSOs concluded a Cooperation Agreement including the main principles of the new Nordic balancing model and an initial schedule for implementation. At this moment, the TSOs pay a big effort in detailing the new Nordic balancing model. Since the TSOs want to do this carefully and also want to involve stakeholders in the development, the TSOs require more time than originally allowed by the SO Regulation. The TSOs will also like to stress the fact that operational agreements have to reflect the actual operational arrangements and in general not some future concept. Accordingly, the proposals mainly describe the existing situation. Once the Nordic balancing model has been developed, the TSOs will start an amendment process, in accordance with the relevant rules in the SO Regulation. A time plan for the amendments will shortly be discussed with the NRAs</p>

		process laid out in the SO Regulation. In order to fulfil the letter and spirit of the SO Regulation, and remain amongst the leaders of regional power system integration in European, we urge TSOs to take the following specific comments on each of the four proposals into account:	and all stakeholders will be informed. Needed implementation time for TSOs and other stakeholders will also have to be considered.
11	Danish Energy	<p><i>Methodology to determine limits on the amount of exchange and sharing of FRR/RR between synchronous areas</i></p> <p>We are disappointed with the lack of ambition in the contents of this proposal. The current proposal does nothing but repeat the SO Regulation and falls short of defining any actual methodologies. We remind TSOs that Article 118(1)(z) of the SO Regulation requires TSOs to “jointly develop common proposals for: [...] the methodology to determine limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and the methodology to determine limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1);”. Paragraph 1 of Articles 176 and 177 of the SO Regulation specify that the methodologies shall take into account:</p> <ul style="list-style-type: none"> • the operational impact between the synchronous areas; • the stability of the FRP of the synchronous area; • the maximum reduction of FRR that can be taken into account in the FRR dimensioning in accordance with Article 157 as a result of the FRR sharing; • the ability of TSOs of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters de-fined in accordance with Article 128; and • the operational security. <p>The current proposal merely states that a TSO should comply with the five criteria listed above when exchanging or sharing FRR. It contains no details on any of the criteria, no description on how they should be assessed or considered in TSO decisions, and cannot meaningfully be interpreted as a methodology. We see no value in consulting on an empty proposal like this and do not see how, in its current form, it can be implemented in the Nordic synchronous area operational agreement that comes into effect only three months after the regulatory approval of this proposal.</p>	Comment acknowledged and did not result in a change of the proposal. The proposal reflects the existing situation in which - as stated in chapter 4 of the explanatory document - ' <i>situations may be different for the different HVDC interconnectors</i> '. For that reason, ' <i>the TSOs do not apply generic rules on limits of the amount of FRR that can be exchanged or shared with TSOs in other synchronous area. The Nordic TSO involved in the exchange or sharing is responsible for assessing and monitoring the impact of the exchange and/or sharing on the available FRR in its own area and the possible impact on other control areas in the synchronous area.</i> '. The TSOs consider that generic rules would limit the specific possibilities for FRR exchange and sharing on individual borders since the situation differs too much. Hence, generic rules may either put system security at risk or limit FRR exchange and sharing options unnecessary. In order to balance these two issues, the TSOs propose a case-by-case assessment, within only the limits set by the SO Regulation.
12	Danish Energy	In sum, we are surprised and disappointed that TSOs evade the SO Regulation requirements and submit four proposals with little actual substance for consultation. We strongly urge TSOs to start discussions with stakeholders and significantly revise the four proposals in line with our comments above, most importantly by adding substance and details on the envisaged methodologies in order to bring them into compliance with the SO Regulation, before submitting them for final NRA approval.	Comment acknowledged and did not result in a change of the proposals. The TSOs confirm that in the development process of the new Nordic balancing model, stakeholder involvement is of paramount importance.

14	Energy Norway - Association	<p>While Energy Norway regrets that the topics of this consultation has not been agreed upon within the NBC, we recognize that since the NBC represents a fundamentally new way of balancing the Nordic synchronous system, and the Nordic TSOs have different viewpoints, the development process is complex and time-consuming and not all aspects have been concluded up to this point. But given both the importance and complexity of the NBC and the requirements given by the SOGL, it is important that the TSOs increase the transparency and involvement related to the development and implementation of the NBC going forward. This will require a more proactive involvement of stakeholders in the development and implementation process. Among other things, the TSOs should justify and explain working plans, time-tables and SOGL compliance issues, challenges and opportunities for market players and implementation strategy. A step by step implementation of NBC is a probable starting point given the complexity and need to gain experience.</p> <p>Up to now the stakeholders have not been sufficiently involved, and a continuation of this practice will not only hurt the implementation of the NBC but may also backfire on the TSOs in the long run.</p>	<p>Comment acknowledged and did not result in a change of the proposals. The TSOs confirm that the development process is complex and time-consuming and that not all aspects have been concluded up to this point. The TSOs further confirm that stakeholder involvement is crucial in the development of the new Nordic Balancing model and will be an important part of the development process.</p>
15	Energy Norway - Association	<p>Specific comments: The few specific comments to individual proposals at this point is explained below:</p> <ul style="list-style-type: none"> • <i>Methodology to determine limits on the amount of exchange of FRR between synchronous areas and the methodology to determine limits on the amount of sharing of FRR between asynchronous areas</i> <ul style="list-style-type: none"> o Article 3(2) and 4(3): It should be more clearly defined what is meant by "unreasonably withheld or delayed" 	<p>Comment acknowledged and did not result in a change of the proposals. The TSOs consider that 'unreasonably' is sufficiently clear.</p>
18	Finnish Energy	<p>Overall, we are disappointed with the lack of detail and absence of actual methodologies across all four proposals. According to Article 6(3) (d-e) of the SOGL, the four proposals consulted upon are supposed to contain the actual methodologies and conditions to be included in the Synchronous Area and LFC block operational agreements when submitted for regulatory approval. We find these methodologies and conditions fundamentally lacking in the current proposals and hence that the proposals are not compliant with SOGL We are also disappointed that these methodologies haven't been prepared in cooperation with the stakeholders and underline that stakeholders must be included in the preparatory process from an early phase.</p> <p>The current proposals will delay the Nordic integration by trying to postpone important decisions to the future implementation of a new Nordic balancing model. Furthermore, the proposals will render the Nordic countries non-compliant with the SOGL, which the TSOs explicitly recognize in the Explanatory Document on FRR dimensioning rules, by stating that "The proposal presented in section 6 of this document does not comply to</p>	<p><i>The TSOs refer to their response to item no. 2.</i></p>

		<p>the requirements in Article 157 of the SO Regulation in all aspects. [...] The TSOs have agreed on an approach for a new Nordic balancing model. Within the implementation process, the TSOs are developing a FRR dimensioning process which will comply with the requirements in Article 157 of the SO Regulation. Once defined, the TSOs will start an amendment process to this proposal.”</p> <p>We can only conclude that the Nordic TSOs are fully aware of the insufficiencies of the current proposals and find it odd they have nonetheless decided to consult upon them. Our major concern is that that Nordic TSOs are about to shift decision-making on the relevant methodologies to their parallel initiative on new Nordic balancing - with weakly defined and non-legally binding implementation timelines – instead of complying to the process laid out in the SOGL.</p> <p>For to follow SOGL, and remain amongst the leaders of regional power system integration in European, we urge TSOs to take the following specific comments on each of the four proposals into account:</p>	
22	Finnish Energy	<p><i>Methodology to determine limits on the amount of exchange and sharing of FRR/RR between synchronous areas</i></p> <p>We are disappointed with the lack of ambition in the contents of this proposal. The current proposal does nothing but repeat the SOGL and falls short of defining any actual methodologies. We remind TSOs that Article 118(1)(z) of the SOGL requires TSOs to “jointly develop common proposals for: [...] the methodology to determine limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and the methodology to determine limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1);”. Paragraph 1 of Articles 176 and 177 of the SOGL specify that the methodologies shall take into account:</p> <ul style="list-style-type: none"> • the operational impact between the synchronous areas; • the stability of the FRP of the synchronous area; • the maximum reduction of FRR that can be taken into account in the FRR dimensioning in accordance with Article 157 as a result of the FRR sharing; • the ability of TSOs of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and • the operational security. <p>The current proposal merely states that a TSO should comply with the five criteria listed above when exchanging or sharing FRR. It contains no details on any of the criteria, no description on how they should be assessed or considered in TSO decisions, and cannot meaningfully be interpreted as a methodology. We see no value in consulting on an</p>	<i>The TSOs refer to their response to item no. 11.</i>

		empty proposal like this and do not see how, in its current form, it can be implemented in the Nordic synchronous area operational agreement that comes into effect only three months after the regulatory approval of this proposal.	
23	Finnish Energy	In sum, we are surprised and disappointed that TSOs seemingly have chosen to evade the SOGL requirements and submit four proposals with little actual substance for consultation. We strongly urge TSOs to significantly revise the four proposals in line with our comments above, most importantly by adding substance and details on the envisaged methodologies in order to bring them into compliance with the SOGL, before submitting them for final NRA approval.	<i>The TSOs refer to their response to item no. 12.</i>
25	Kemijoki Oy	Regarding "5. FRR exchange and sharing limits between SAs.pdf " - Article 1.1: If this applies solely to the Nordic synchronous area, which rules do the other ones apply?	Comment acknowledged and did not result in a change in the proposal. The TSOs note that the methodology required by the SO Regulation shall be part of the Nordic synchronous area operational agreement. TSOs in other synchronous areas shall include their methodologies in their synchronous area operational agreements.
26	Kemijoki Oy	- National (or per monitoring area) levels for operational security must be clearly stated, also in terms of mFRR/aFRR and FCR-procurements.	Comment acknowledged and did not result in a change in the proposal. Required levels for operational security have been specified in the SO Regulation (article 127). The SO Regulation further requires that both FCR and FRR shall be dimensioned to meet these levels. It shall further be noted that rules on procurement of reserves are detailed in the 'Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing'.
27	Kemijoki Oy	- Exchanged or shared reserves should be transparent to market participants. Furthermore, common market place should be considered as one possible solution.	Comment acknowledged and did not result in a change in the proposal. Within the scope of the new Nordic balancing model, the TSOs agreed to implement a common FRR capacity procurement platform in which the transparency will be improved.
32	Swedenergy	Overall, we like to raise our concerns with the level of detail in the current proposals. According to Article 6(3)(d-e) of the SO Regulation the four proposals consulted should include descriptions of methodologies and conditions to be included in the Synchronous Area and LFC block operational agreements when submitted for regulatory approval. In our view the current proposals are quite general, and the methodologies and conditions	<i>The TSOs refer to their response to item no. 2.</i>

		<p>still need to be developed and specified. It is important to take part of these details to be fully able to assess consequences and costs.</p> <p>We are aware of the time constraints and other ongoing processes linked to the development of these methodologies and conditions. Nevertheless, we would have liked to see that the methodologies had been prepared in cooperation with the stakeholders. We would like to underline that stakeholders must be included in the preparatory process from an early phase. Nordic TSOs have the possibility to lead the way in European integration. The current proposals can lead to a delay of Nordic integration by postponing important decisions to the future implementation of a new Nordic balancing model, for which the detailed implementation deadlines are unknown and not legally-binding.</p> <p>We therefore strongly encourage the TSOs to start discussions with stakeholders and to revise the four proposals in line with our comments, before submitting them for final NRA approval.</p> <p>We have the following specific comments to each of the four proposals:</p>	
35	Swedenergy	<p><i>Methodology to determine limits on the amount of exchange and sharing of FRR/RR between synchronous areas</i></p> <p>The current proposal mainly states the important details of the SO Regulation without developing the details of the actual methodologies. According to Article 118(1)(z) of the SO Regulation the TSOs should “jointly develop common proposals for: [...] the methodology to determine limits on the amount of exchange of FRR between synchronous areas defined in accordance with Article 176(1) and the methodology to determine limits on the amount of sharing of FRR between synchronous areas defined in accordance with Article 177(1);”. Paragraph 1 of Articles 176 and 177 of the SO</p> <p>Regulation specify that the methodologies shall take into account:</p> <ul style="list-style-type: none"> • the operational impact between the synchronous areas; • the stability of the FRP of the synchronous area; • the maximum reduction of FRR that can be taken into account in the FRR dimensioning in accordance with Article 157 as a result of the FRR sharing; • the ability of TSOs of the synchronous area to comply with the frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and • the operational security. <p>The current proposal states that a TSO should comply with the five criteria listed above when exchanging or sharing FRR. We would like to see more details of</p>	<i>The TSOs refer to their response to item no. 11.</i>

		criteria together with descriptions on how they should be assessed or considered in TSO decisions.	
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