

**Approval by All Regulatory Authorities of the Nordic
synchronous area**

on

**the Nordic TSOs' Proposal for the dimensioning rules for
FCR in accordance with Article 153 of the Commission
Regulation (EU) 2017/1485 of 2 August 2017 establishing a
guideline on electricity transmission system operation**

6 March 2019

I. Introduction and legal context

This document elaborates an agreement of all Regulatory Authorities of the Nordic synchronous area (hereinafter referred to as NRAs), agreed on 6 March 2019, on all TSOs of the Nordic synchronous area's (hereinafter referred to as TSOs) Proposal for the dimensioning rules for FCR submitted in accordance with Article 153 of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereinafter referred to as respectively "Nordic dimensioning rules for FCR Proposal" and "Regulation 2017/1485").

This agreement of the NRAs shall provide evidence that a decision on the Nordic dimensioning rules for FCR Proposal, does not need to be adopted by ACER pursuant to Article 6(8) of the Regulation 2017/1485 at this stage. This document is intended to constitute the basis on which all NRAs will each subsequently make national decisions, pursuant to Regulation 2017/1485, article 6(1), to approve the Nordic dimensioning rules for FCR Proposal submitted by the TSOs. The TSOs are Fingrid Oyj, Svenska kraftnät, Energinet, Kraftnät Åland AB, and Statnett SF.

The legal provisions relevant to the submission and approval of the Nordic dimensioning rules for FCR Proposal, and this all NRAs agreed opinion, are Articles 4(1), 5(1), 6(3)(d)(ii), 6(6), 6(7), 11, 118(1)(a) and 153 of Regulation 2017/1485, listed below.

Article 4(1)

1) This Regulation aims at:

- a) determining common operational security requirements and principles;
- b) determining common interconnected system operational planning principles;
- c) determining common load-frequency control processes and control structures;
- d) ensuring the conditions for maintaining operational security throughout the Union;
- e) ensuring the conditions for maintaining a frequency quality level of all synchronous areas throughout the Union;
- f) promoting the coordination of system operation and operational planning;
- g) ensuring and enhancing the transparency and reliability of information on transmission system operation;
- h) contributing to the efficient operation and development of the electricity transmission system and electricity sector in the Union.

Article 5(1)

TSOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the competent regulatory authorities in accordance with Article 6(2) and (3) or for approval to the entity designated by the Member State in accordance with Article 6(4) within the respective deadlines set out in this Regulation.

Article 6(3)(d)(ii)

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:

methodologies, conditions and values included in the synchronous area operational agreements in Article 118 concerning:
the dimensioning rules for FCR in accordance with Article 153;

Article 6(6)

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 3 months on the proposals for terms and conditions or methodologies.

Article 6(7)

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 to reach an agreement. Where the Agency issues an opinion, the competent regulatory authorities shall take that opinion into account. Regulatory authorities shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs (2) and (3), within 6 months following the receipt of the terms and conditions or methodologies by the regulatory authority or, where applicable, by the last regulatory authority concerned.

Article 11

1. 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 1 month.
2. The proposals for terms and conditions or methodologies submitted by the TSOs at Union level shall be published and submitted to public consultation at Union level. Proposals submitted by the TSOs at regional level shall be submitted to public consultation at least at regional level. Parties submitting proposals at bilateral or at multilateral level shall carry out a public consultation at least in the Member States concerned.
3. 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.

Article 118(1)(a)

By 12 months after entry into force of this Regulation, all TSOs of each synchronous area shall jointly develop common proposals for:

the dimensioning rules for FCR in accordance with Article 153;

Article 153

1. All TSOs of each synchronous area shall determine, at least annually, the reserve capacity for FCR required for the synchronous area and the initial FCR obligation of each TSO in accordance with paragraph 2.
2. All TSOs of each synchronous area shall specify dimensioning rules in the synchronous area operational agreement in accordance with the following criteria:
 - a. the reserve capacity for FCR required for the synchronous area shall cover at least the reference incident and, for the CE and Nordic synchronous areas, the results of the probabilistic dimensioning approach for FCR carried out pursuant to point (c);
 - b. the size of the reference incident shall be determined in accordance with the following conditions:
 - i. for the CE synchronous area, the reference incident shall be 3 000 MW in positive direction and 3 000 MW in negative direction;
 - ii. for the GB, IE/NI, and Nordic synchronous areas, the reference incident shall be the largest imbalance that may result from an instantaneous change of active power such as that of a single power generating module, single demand facility, or single HVDC interconnector or from a tripping of an AC line, or it shall be the maximum instantaneous loss of active power consumption due to the tripping of one or two connection points. The reference incident shall be determined separately for positive and negative direction;
 - c. for the CE and Nordic synchronous areas, all TSOs of the synchronous area shall have the right to define a probabilistic dimensioning approach for FCR taking into account the pattern of load, generation and inertia, including synthetic inertia as well as the available means to deploy minimum inertia in real-time in accordance with the methodology referred to in Article 39, with the aim of reducing the probability of insufficient FCR to below or equal to once in 20 years; and
 - d. the shares of the reserve capacity on FCR required for each TSO as initial FCR obligation shall be based on the sum of the net generation and consumption of its control area divided by the sum of net generation and consumption of the synchronous area over a period of 1 year.

II. The TSO proposal

The Nordic dimensioning rules for FCR Proposal was submitted to the NRAs on 14 September 2018 together with a separate explanatory document. The proposal included a timescale for its implementation according to article 6(6). The dimensioning rules for upward FCR-D and the rules for the initial distribution of FCR will be implemented no later than when the Nordic synchronous area operational agreement enters into force in accordance with Article 118. The dimensioning rules for downward FCR-D will be implemented by 2021. A description of the impact of the proposed dimensioning rules for FCR on the objectives in Article 4(1)(c), 4(1)(d), 4(1)(e) and 4(1)(h) of Regulation 2017/1485 was included in the proposal.

Regulation 2017/1485 requires NRAs to consult and closely cooperate and coordinate with each other in order to reach agreement and make decisions within six months following receipt of submissions of the last NRA concerned. A decision is therefore required by each NRA by 14 March 2019.

III. NRAs' position

The NRAs are of the opinion that the Nordic dimensioning rules for FCR Proposal enables the achievement of the objectives of Article 4 of Regulation 2017/1485.

The NRAs have therefore reached an agreement that the Nordic dimensioning rules for FCR Proposal meet the requirements of Regulation 2017/1485.

IV. Conclusions

All NRAs have assessed, consulted and closely cooperated to reach an agreement that the Nordic dimensioning rules for FCR Proposal meet the requirements of Regulation 2017/1485 and as such can be approved by all NRAs.

NRAs shall, on the basis of this agreement, make their national decisions by 14 March 2019. The proposal concerning Nordic dimensioning rules will be adopted upon the decision of the last the NRA of Nordic synchronous area. Following the national decisions by all NRAs, TSOs are required to publish the Nordic dimensioning rules for FCR Proposal as approved, according to Article 8(1) of Regulation 2017/1485. All TSOs must respect the implementation deadlines provided in the Nordic dimensioning rules for FCR Proposal.