

**Request for Amendment by All Regulatory  
Authorities in the Nordic synchronous area**

**on**

**the Nordic TSOs' 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**

**6 March 2019**

## **I. Introduction and legal context**

This document elaborates an agreement of all Regulatory Authorities in the Nordic synchronous area (hereinafter referred to as NRAs), agreed on 6 March 2019, on all TSOs in the Nordic synchronous area's (hereinafter referred to as TSOs) 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 (hereinafter referred to as respectively "methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal" and "Regulation 2017/1485").

This agreement of the NRAs shall provide evidence that a decision on the methodology to determine limits on the amount of exchange and sharing of FRR/RR 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 request an amendment to the methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal pursuant to Article 7 of the Regulation 2017/1485. 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 additional properties of FCR Proposal, and this all NRAs agreed opinion, are Articles 4(1), 5(1), 6(3)(d)(ix), 6(3)(d)(x), 6(6), 6(7), 11, 118(1)(z), 118(1)(aa), 176(1), 177(1), 178(1) and 179(1) of Regulation 2017/1485, listed below.*

### **Article 4(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)(ix) and (x)**

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:

- (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);

#### **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)(z) and (aa)**

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).

**Article 176(1)**

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.

**Article 177(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.

#### **Article 178(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.

#### **Article 179(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.

## **II. Process**

The draft for methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal was publicly consulted by TSOs through ENTSO-E from 1 July to 15 August 2018<sup>1</sup>, in accordance with Article 11 of the Regulation 2017/1485. The final methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal (dated 10 September 2018) was received by the last NRA on 14 September 2018.

Article 6(7) of the Regulation 2017/1485 requires all NRAs to consult and closely cooperate and coordinate with each other in order to reach an agreement and make

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<sup>1</sup> The consultation documents are available on ENTSOE's website:  
<https://consultations.entsoe.eu/markets/nordic-tsos-proposals-for-frr-and-frce-and-frequen/>

decisions within six months following the receipt of the submitted proposal by the last NRA. A decision is therefore required by each NRA by 14 March 2019.

### **III. NRAs' position**

NRAs appreciate the efforts made by the TSOs in submitting their methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal.

However, all NRAs cannot support the proposed text of the methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal. In order to allow for the individual regulatory approvals of the Proposal, the following amendments to the methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal are requested by the NRAs:

The proposal has to include a methodology to determine limits for sharing and exchange. The current proposal merely states that a TSO should comply with the criteria's listed in Articles 176(1) and 177(1), (see below), when exchanging or sharing FRR.

#### **Article 176(1):**

All TSOs of each synchronous area shall specify in the synchronous area operational agreement a methodology to determine limits for the exchange 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 ability of the synchronous area to comply with 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.

#### **Article 177(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:

- e) The operational impact between the synchronous areas;
- f) The stability of the FRP of the synchronous area;
- g) 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 FFR sharing;
- h) The ability of the synchronous area to comply with frequency quality target parameters defined in accordance with Article 127 and the FRCE target parameters defined in accordance with Article 128; and
- i) The operational security.

The methodology to determine limits on the amount of exchange and sharing of FRR Proposal 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.

In the proposal the TSOs states that RR is not applied in the Nordic synchronous area and therefore it is not covered by the proposal.

#### **IV. Conclusions**

NRAs have assessed, consulted and closely cooperated to reach an agreement to request an amendment to the TSOs' Proposal concerning methodology to determine limits on the amount of exchange and sharing of FRR pursuant to Article 176(1) and 177(1) of the Regulation 2017/1485. The amended proposal shall take into account the NRAs' position stated above. In accordance with Article 7(1) of Regulation 2017/1485 the amended proposal shall be submitted by TSOs to the NRAs no later than 2 months following the last national decision to request an amendment has been made.