

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

**on**

**the Nordic TSOs' amended 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**

**25 June 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 25 June 2019, on all TSOs in the Nordic synchronous area's (hereinafter referred to as TSOs) amended 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 guideline on electricity transmission system operation (hereinafter referred to as respectively "Amended 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 amended 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 make national decisions pursuant to Regulation 2017/1485 Article 6(1) to approve the amended methodology to determine limits on the amount of exchange and sharing of FRR/RR 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 amended methodology to determine limits on the amount of exchange and sharing of FRR/RR 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)**

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. The TSO proposal**

The methodology to determine limits on the amount of exchange and sharing of FRR/RR proposal was submitted to the NRAs on 14 September 2018 together with a separate explanatory document. The NRAs sent an RfA on 14 March to the TSOs. The NRAs requested the TSOs to amend the proposal by developing a methodology according to Articles 176(1) and 177(1) of Regulation 2017/1485.

The Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR proposal was submitted to the NRAs on 14 May 2019 together with a separate explanatory document. The amended proposal included a timescale for its implementation according to article 6(6), the proposal will be implemented no later than when the Nordic synchronous area operational agreement enters into force in accordance with Article 118. A description of the impact of the proposed methodology to determine limits on the amount of exchange and sharing of FRR/RR on the objectives in Article 4(1) of Regulation 2017/1485 was included in the amended proposal.

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

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

The NRAs are of the opinion that the Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR proposal enables the achievement of the objectives of Article 4 of Regulation 2017/1485.

The NRAs have therefore reached an agreement that the Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal meet the requirements of Regulation 2017/1485.

### **IV. Conclusions**

All NRAs have assessed, consulted and closely cooperated to reach an agreement that the Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR 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 July 2019. The Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal will be adopted upon the decision of the last the NRA in the Nordic synchronous area. Following the national decisions by all NRAs, TSOs are required to publish the Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal as approved, according to Article 8(1) of Regulation 2017/1485. All TSOs must respect the implementation deadlines provided in the Amended methodology to determine limits on the amount of exchange and sharing of FRR/RR Proposal.