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All TSOs' of the Nordic Capacity Calculation Region for a coordinated redispatching and 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

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DATE 14<sup>th</sup> of November 2018

All TSOs of the Nordic Capacity Calculation Region, taking into account the following:

### Whereas

- (1) This document is a common methodology of the Transmission System Operators (hereafter referred to as “TSOs”) of Capacity Calculation Region (hereafter referred to as “CCR”) Nordic in accordance with Article 15 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”)
- (2) This methodology is a common methodology for coordinated redispatching and countertrading (hereafter referred to as “**CRC Methodology**”) in accordance with Article 35 of CACM Regulation.
- (3) This CRC Methodology takes into account the general principles, goals and other methodologies set in the CACM Regulation, Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as “SO Regulation”, Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Regulation (EC) No 714/2009”). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and capacity allocation in the day-ahead and intra-day cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders. The SO Regulation defines rules and requirements for methodology development for the purpose of safeguarding operational security, frequency quality and the efficient use of the interconnected system and resources.
- (4) In accordance with Article 9(9) of the CACM Regulation, the CRC Methodology across the Nordic CCR contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. While the CRC methodology defines how redispatching and countertrading shall be applied in a coordinated manner for expanding the boundaries of the security domain for the day-ahead and intra-day market, the methodology to be developed according to article 75 in the SO Regulation defines how redispatching and countertrading shall be applied to relieve physical congestions in real time operation. Thus the CRC Methodology together with the methodology developed according to article 75 in the SO Regulation ensures both fair and non-discriminatory treatment of TSOs (Article 3(c) and Article 3(e) of the CACM Regulation) and operational security according to the SO Regulation.
- (5) In CCR Nordic the task of CCC is assigned to the Nordic Regional Security Coordination (hereafter referred to as the “CCR Nordic RSC”).
- (6) This CRC Methodology complements the Capacity calculation methodology of CCR Nordic (hereafter referred to as “CCR Nordic CCM”) and the redispatching and countertrading cost sharing Methodology of CCR Nordic in promoting effective competition in the generation, trading and supply of electricity, ensuring optimal use of transmission infrastructure, contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union and optimizing the calculation and allocation of cross-zonal capacity. (Article 3(a) of the CACM Regulation).
- (7) Coordination between TSOs and CCR Nordic RSC and application of redispatching and countertrading in the day-ahead and intra-day timeframes in accordance with the CCR Nordic CCM of CCR Nordic will ensure optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation). By enhancing coordination between TSOs and between TSOs and CCR

Nordic RSC and allowing for more effective use of redispatching and countertrading resources, the methodology ensures and enhance the transparency and reliability of information and contributes to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union (Article 3(g) of the CACM Regulation). The methodology and its coordination process leads to a more effective allocation of cross-zonal capacity (Article 3(d) of the CACM Regulation).

- (8) In accordance with Article 35(2) in the CACM Regulation this CRC methodology applies only for redispatching and countertrading of cross border relevance when used in capacity calculation for the day-ahead and intra-day market timeframe in accordance with CCR Nordic CCM.
- (9) Countertrading and redispatching can be applied in different timeframes with the purpose to increase the capacity for the day-ahead and intra-day timeframe and/or mitigating congestions in order to maintain operational security. This CRC methodology covers the day-ahead an intra-day timeframes and ensures that redispatching and countertrading, applied in one timeframe also are considered in the consecutive timeframes. The CRC methodology ensures coordination between TSOs and between TSOs and CCR Nordic RSC.
- (10) The methodology for determining remedial action, including redispatching and countertrading, to be considered in the capacity calculation is specified in CCR Nordic CCM according to Article 21.1 (a) (iv) in CACM Regulation.
- (11) If redispatching or countertrading have been applied in the capacity calculation for the day-ahead and intra-day timeframe, the relevant resources will be activated based on real time requirement according to article 21.1 in SO Regulation in the balancing timeframe.
- (12) The principles and criteria applicable to remedial actions to be applied in system operation are set out in Article 23 in SO Regulation. Article 23 of SO Regulation set out principles for preparation, activation and coordination of remedial actions.
- (13) The methodology for the preparation of remedial actions managed in a coordinated way within system operation is developed according to Article 76.1(b) in the SO Regulation.
- (14) According to Article 78.1(b) of SO Regulation, each TSO shall provide the CCR Nordic RSC with an updated list of possible remedial actions and their anticipated costs among the categories listed in Article 22 of SO Regulation before each capacity calculation timeframe.
- (15) The CCR Nordic RSC will run a coordinated operational security analysis. In case the operational security analysis finds violations of operational security limits, the CCR Nordic RSC shall recommend the most effective and economically efficient redispatching and countertrading resources to relieve the violations to TSOs. The recommendation shall be based on a list of possible remedial actions provided by the TSOs in accordance to the CCR Nordic CCM. In case a CCR Nordic TSO disagrees with the proposal, the TSO can make a counter proposal to the CCR Nordic RSC. The CCR Nordic RSC will test the new proposal in the operational security analysis. If the new set of redispatching and countertrading actions relieves the violation, the CCR Nordic RSC will propose this to the CCR Nordic TSO.
- (16) In the coordinated operational security analysis, the CCR Nordic RSC identifies the need for redispatching and countertrading and make proposals to the TSOs. This is a daily process fed by updated Common Grid Models (hereafter referred to as “CGM”s). The activation of redispatching or countertrading will be done by the TSOs as close to the time of operation as necessary.

- (17) In CCR Nordic redispatching and countertrading resources is activated by the TSOs from the Common Merit Order List (hereafter referred to as “CMOL”) in the balancing market or according to other appropriate mechanisms and agreements. When choosing bids to be activated from the common balancing market, the bids shall be selected by merit order taking regards of technical and economic efficiency of each resource in relieving the relevant violation.
- (18) The CCC shall during the coordinated capacity calculation confirm the technical and economic efficiency of the proposed remedial actions, including redispatching and countertrading, in providing additional capacity on critical network elements (hereafter referred to as “CNE”s) and power transfer corridors (hereafter referred to as “PTC”s) with cross border relevance and recommend potential improvements to the TSOs.

**SUBMIT THE FOLLOWING CRC METHODOLOGY TO ALL REGULATORY AUTHORITIES OF THE NORDIC CCR:**

**Article 1**  
**Subject matter and scope**

1. This CRC Methodology is the common methodology of the TSO's in CCR Nordic in accordance with Article 35 of CACM Regulation.
2. The CRC Methodology for CCR Nordic shall cover the coordinated redispatching and countertrading for:
  - a) CNEs and PTCs with cross border relevance that are included in capacity calculation of CCR Nordic, according to Article 2 in the CCR Nordic CCM.
  - b) Capacity calculation for day-ahead and intra-day timeframes corresponding to timeframes covered by the CCR Nordic CCM.

**Article 2**  
**Definitions and interpretation**

1. For the purposes of the CRC Methodology, terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation, of Regulation (EC) 714/2009, Directive 2009/72/EC and Commission Regulation (EU) 543/2013.
2. In addition, the following definitions shall apply:
  - a) An action of “cross-border relevance” is an action that relieves congestions on internal CNE or PTC or provide the opportunity to increase the transmission capacity given to the day-ahead and intra-day market in CCR Nordic.
  - b) “appropriate mechanisms and agreements” means any formalised mechanism and agreement entered into by TSO in CCR Nordic or between TSOs in CCR Nordic and TSOs in adjacent CCRs giving the opportunity to apply redispatching or countertrading in capacity calculation for the day-ahead and intra-day or in the operational time frame.
  - c) “adjacent CCR” means a CCR directly connected to CCR Nordic. e.g CCR Baltic or CCR Hansa.
3. In this CRC Methodology, unless the context requires otherwise:
  - a) The singular indicates the plural and vice versa.
  - b) Headings are inserted for convenience only and do not affect the interpretation of the Methodology.
  - c) References to an “Article” are, unless otherwise stated, references to an article of this CRC Methodology and;
  - d) Any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment includes any modification, extension or re-enactment of it when in force.

### **Article 3** **Coordination of redispatching and countertrading**

1. Each TSO within CCR Nordic shall provide a list of available remedial actions within its own control area including redispatching and countertrading and their expected costs to the CCC before each consecutive capacity calculation timeframe. This list shall to the extent possible be based on existing markets and appropriate mechanisms and agreements applicable to its control area.
2. Redispatching and countertrading actions that has been considered in one capacity calculation timeframe by the CCC shall be taken into account in subsequent calculation timeframes. The CCC may, in coordination with the TSO responsible for the resources that has been taken into account in the capacity calculation, agree to disregard planned redispatching and countertrading actions in any subsequent calculation timeframes if the coordinated security analysis shows that there is no longer need for redispatching and countertrading actions that has been planned for in earlier calculation steps.
3. When a TSO receives from the CCC a recommended proposal for redispatching or countertrading it shall evaluate the recommended action for the CNEs or PTCs involved in that action and located in its control area.
4. Where the TSO accepts the recommended action for the CNEs or PTCs located in its control area, the CCC shall consider this action when calculating capacities for the day-ahead and intra-day market.
5. If a CCR Nordic TSO decline a proposal from the CCR Nordic CCC:
  - a. The rejecting TSO shall substantiate the rejection based on reasons of operational security and/or economic efficiency;
  - b. The rejecting TSO may provide an alternative action to the CCC. Alternative actions shall be assessed by the CCC in regard to increase the remaining available margin (hereafter referred to as “RAM”) if CCR Nordic CCM is flow based and to increase cross zonal capacities if CCR Nordic CCM is Coordinated NTC.
    - i. If the alternative action increases the RAM or cross zonal capacities, the CCC shall consider this alternative action in the capacity calculation.
    - ii. If the alternative action does not increase the RAM or cross zonal capacities the CCC can disregard this action in the capacity calculation.
  - c. The rejecting TSO may, if no alternative actions are available, choose not to propose an alternative. In such situations, the CCC shall not increase the RAM or cross zonal capacities in capacity calculation for the day-ahead and intra-day market.
6. CCR Nordic TSOs shall abstain from unilateral or uncoordinated redispatching or countertrading actions of cross-border relevance according to Article 35(4) of the CACM Regulation.

#### **Article 4**

##### **Documentation of Redispatching and Countertrading actions**

1. The CCC of CCR Nordic is obliged to keep a record for 5 years regarding proposed redispatching and countertrading actions including:
  - a) The redispatching and countertrading carried out by the CCR Nordic TSOs based on the CCCs proposal for capacity calculation.
  - b) All justifications for declined recommendations from the CCC by the TSO of CCR Nordic.
2. Upon request from the CCR Nordic NRAs the TSOs of CCR Nordic is obliged to provide a complete record of items stated in article 4.1(a) and (b).

#### **Article 5**

##### **Implementation of the CRC Methodology**

1. CCR Nordic TSOs shall implement this methodology following:
  - a) Regulatory approval of redispatching and countertrading cost sharing methodology required by Article 74 of the CACM Regulation in accordance with Article 9 of the CACM Regulation;
  - b) Coordinated Operational Security Analysis Methodology according to Article 75 of SO Regulation has been implemented and is in operation for CCR Nordic.
  - c) The implementation of the common provisions of article 76 of SO Regulation, Regional Operational Security Coordination.
2. Implementation of this methodology will start without undue delay after the conditions of 5.1 (a-c) are fulfilled.

#### **Article 6**

##### **Language**

1. The reference language for this Methodology shall be English. For the avoidance of doubt, where TSOs need to translate this Methodology into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this Methodology to their relevant national regulatory authorities.