

CCR Baltic - Report assessing the progressive coordination and harmonisation of mechanisms and agreements for redispatching and countertrading in accordance with EU Regulation 1222/2015 article 35(3)

All CCRs shall by 26 months after the regulatory approval of the CCRs publish a report assessing the progressive coordination and harmonisation of the appropriate mechanisms and agreements for redispatching applicable to each TSOs control area, including interconnectors.

CCR Baltic redispatching and countertrading proposal according to CACM Regulation article 35(1) has been approved on 22.01.2019 by Baltic CCR NRAs, but it is not yet implemented. By preparing the aforementioned proposal Baltic CCR TSOs have already put efforts for coordination and harmonisation. Taking into account lack of practical work under new regulation, Baltic CCR TSOs cannot start work on evaluation of the need of further coordination and harmonisation the agreements by which redispatching and countertrading is carried out. The implementation of CACM is the first step, ever to be taken, to regionally address how countertrading and redispatching is coordinated; also it should be noted that CACM states no requirement for harmonisation of mechanisms and agreements for countertrading and redispatching.

1. The current use of redispatching and countertrading

In this section, the redispatching and countertrading solutions currently in place within the CCR Baltic are described below.

Reason	SE4-LT (HVDC)	LT-PL (HVDC)	LT-LV (AC)	LV-EE (AC)	EE-FI (HVDC)
Tech. min. power	CT	CT	N/A	N/A	N/A
Outage of interconnector	CT	CT	CT	CT	CT
Physical congestion in the AC grid	CT	CT/RD	CT	CT	CT

1.1 LV-LT

Today, activation of mFRR balancing resources could be used as a countertrading measure for the LV-LT border. It might be used to mitigate physical congestion in case of a disturbance in power systems and to guarantee already conducted trades at the power market.

At both TSOs' sides of the border, CT resources are traded on the Baltic mFRR balancing platform. Both TSOs' follows the merit order list (MOL) and selects the necessary bid volume for CT reasons. Bids for CT reasons are marked as special activation. Information about special activation volumes is published separately from the normal activation

1.2 EE-LV

Today, activation of mFRR balancing resources could be used as a countertrading measure for the EE-LV border. It might be used to mitigate physical congestion in case of a disturbance in power systems and to guarantee already conducted trades at the power market.

At both TSOs' sides of the border, CT resources are traded on the Baltic mFRR balancing platform. Both TSOs' follows the merit order list (MOL) and selects the necessary bid volume for CT reasons. Bids for CT reasons are marked as special activation. Information about special activation volumes is published separately from the normal activation.

1.3 SE4-LT

Today, "Agreed Supportive Power" is used as countertrading measure for the NordBalt. It is used to maintain the commercial exchange in case of a disturbance of the NordBalt (the line + converter stations) and to guarantee a minimal technical limit for stable operation of the NordBalt (1MW). CT is also used in case of a disturbance in a TSO's subsystem which reduces transmission capacity on the LitPol Link. TSOs have established procedures to schedule and settle Agreed Supportive Power depending on specific reason for countertrade.

At Litgrid's side of the interconnector, CT resources are traded on the Baltic mFRR balancing market. Litgrid follows the merit order list (MOL) and selects the necessary bid volume for CT reasons. Bids for CT reasons are marked as special activation. Information about special activation volumes is published separately from the normal activation.

At Svenska kraftnät's side of the interconnector, RD and CT resources are traded on the Nordic mFRR market (Nordic balancing platform, NOIS). Svenska kraftnät follows the Nordic merit order list (MOL) and selects the necessary bid volume. Depending on the reason for using RD and CT, bids are marked differently. If Swedish resources are needed to solve a

problem on the Lithuanian side of the interconnector, the measure is called RD. RD resources is in the MOL marked as special regulation which means that they are not price setting in the Nordic regulation power market (balancing market). If resources are needed to solve a problem with the interconnector or if there is a fault in the Swedish grid limiting the transfer capacity on NordBalt, the needed measure is called CT and bids are selected on the Nordic MOL, and they are treated as normal balancing bids in the Nordic mFRR market (not special regulation).

1.4 LT-PL

Today, “*Agreed Supportive Power Countertrading*” is used as a countertrading measure for the LitPol Link. It is used to guarantee a minimal technical limit for stable operation of the LitPol Link (50MW). “Agreed Supportive Power” is used in case of a disturbance in a TSO’s subsystem which reduces transmission capacity on the LitPol Link and TSOs need to perform countertrading measure.

At Litgrid’s side of the interconnector, CT resources are traded on the Baltic mFRR balancing market. Litgrid follows the merit order list (MOL) and selects the necessary bid volume for CT reasons. Bids for CT reasons are marked as special activation. Information about special activation volumes is published separately from the normal activation.

At PSE’s side of the interconnector, RD and CT resources are activated within the Integrated Scheduling Process (ISP) run by PSE based on the volume of remedial measure (RD/CT) agreed with Litgrid. ISP process is bid-based security constraint unit commitment and economic dispatch, where balancing, reserve procurement and congestion management are co-optimised within one integrated process run by PSE immediately after the day-ahead market closure and continue until real time. Commitment and operational set-points of all centrally controlled generation units in Poland is determined by PSE within the abovementioned ISP, minimising the global cost. The price used in the settlement of remedial measure reflects energy delivery/receipt cost of energy at the balancing market, i.e. it is based on the balancing market price and/or cost of activated resources when the location of resources is relevant to realise remedial measures.

1.5 EE-FI

Currently, the countertrading over HVDC connection between Estonia and Finland is handled by a bilateral contract. Countertrading needs are communicated and agreed by mutual coordination process and these needs could arise from the decrease of capacity on either of the Estlink HVDC connections or problems in the internal grids of either country.

In case the fault is in the HVDC connection, then the costs for CT activation are shared equally. If the needs for countertrade arise from the event in the either TSO’s control area, then the costs shall be covered by that TSO in which control area that event took place.

On Estonian side CT resources are traded on the Baltic mFRR balancing platform. Elering follows the merit order list (MOL) and selects the necessary bid volume for CT reasons. Bids for CT reasons are marked as special activation. Information about special activation volumes is published separately from the normal activation.

On the Finnish side side of the interconnector, RD and CT resources are traded mainly on the Nordic mFRR market. Fingrid follows the Nordic merit order list (MOL) and selects the necessary bid volume.

2. Future

At the time of writing, the CCR Baltic TSOs do not yet have implemented methodology for coordinated redispatching and countertrading or a methodology for cost sharing of redispatching and countertrading, therefore it is premature to decide upon which measures and mechanisms will be best suited to solve the future needs. Better harmonisation and coordination in the region in the future can be achieved by involvement of RSC (regional security coordinator) in implementation and operation according to the terms of redispatching and countertrading methodology. TSOs of the Baltic CCR will at a later stage evaluate the need for harmonising which measures are used for countertrading/redispatching and will evaluate the possible means for this, including different European market platforms and auctioning.