

Proposal for the methodology for Coordinated Redispatching and Countertrading in accordance with Article 35(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

EXPLANATORY NOTE

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1 Introduction

Article 35 of the Commission Regulation 2015/1222 establishing a Guideline on Capacity Allocation and Congestion Management (hereinafter referred to as ‘CACM’) requires that, by 16 months after the entry into force of Regulation 2015/1222, each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a proposal for a common methodology for coordinated redispatching and countertrading. The proposal shall be subject to consultation in accordance with Article 12.

This document is an explanatory note accompanying the common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) within the South West Europe Capacity Calculation Region (hereafter referred to as “SWE”) regarding the proposal for Coordinated Redispatching and Countertrading methodology (hereafter referred to as “RDCT Methodology”).

In this document, all definitions of SWE RDCT Methodology Proposal shall apply.

2 Definitions and acronyms

RSC: Regional Security Coordinator

CSA: Coordinated Security Analysis

CSAM: CSA Methodology

CCR: Capacity Calculation Region

GSK: Generation Shift Key

SOGL: System Operations Guideline

3 Subject matter and scope

Due to the challenging deadlines required by CACM, it has been agreed between SWE TSOs that the RDCT Methodology is focused only on a Coordinated Countertrading Process because Countertrading processes are already available and efficient within SWE whereas Redispatching has never been performed. Moreover, countertrading is more flexible than redispatching:

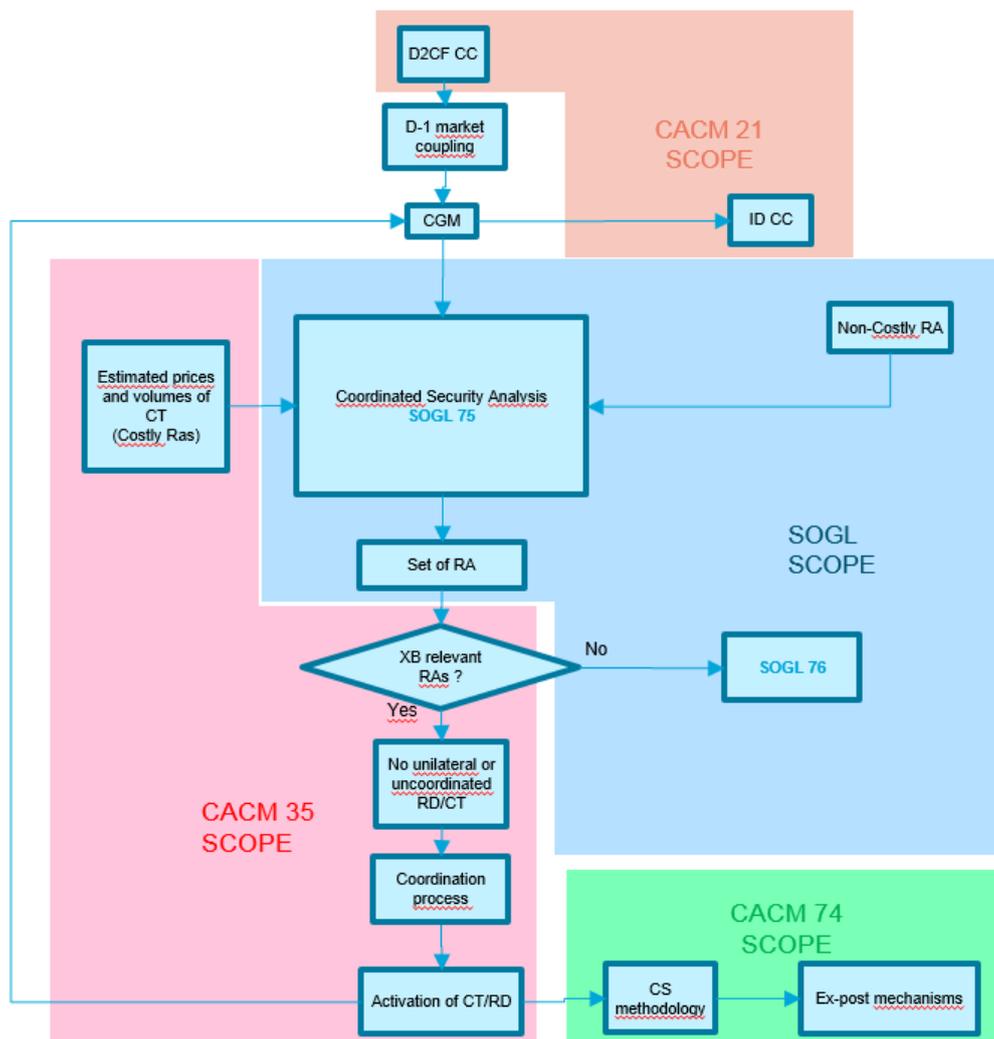
- it can be activated closer to real-time and after the gate closure time, from one hour to fifteen minutes before real-time). Therefore it prevents distortion of the market
- Unlike coordinated redispatching, power units for countertrading measures are not localized and therefore we can assure the availability of countertrading even after the power units outages.

Yet, as Redispatching is more efficient because the resources are localized, the relevancy of Coordinated Redispatching is currently under investigation in the SWE region and this methodology could be later amended to add a Coordinated Redispatching Process if relevant once the studies are done.

4 Interactions with System Operation Guideline

Coordinated Redispatching and countertrading measures identified in the RDCT Methodology aim at relieving physical congestions due to cross-border exchanges and guarantee already scheduled exchanges. Therefore, this methodology is at the crossroad of CACM and SOGL and, as it is a coordinated methodology to relieve congestions, is strongly linked to the methodologies required by article 75 of SOGL (the Coordinated Security Analysis Methodology) and by article 76 of SOGL (Proposal for regional operational security coordination).

The following chart describes the interactions between the different methodologies required by CACM and SOGL and the RDCT methodology.



The RDCT methodology gives inputs to the Coordinated Security Analysis: all the available costly remedial actions and their prices. Then the RSC performs the CSA and optimizes both the costly and non-costly remedial actions in accordance with SOGL. The RSC is the better placed to perform this optimization as it has a larger view of the CCR grid than each TSO on its own. Moreover, it can assess the impact of any remedial action on the SWE network elements but also on the others CCR if relevant. At the end of the CSA, the RSC has identified the most effective and economically efficient remedial actions in case of operational security violations and proposes it to the TSOs. In that way, TSOs can coordinate the use of countertrading resources taking into account their impact on operational security and economic efficiency as required by article 35.4 of CACM.

5 Countertrading Process

The process of countertrading is a Coordinated Process between the involved TSO's, and must take into account the common provisions for regional operational security coordination.

1. Timeframes

The countertrading process could be initiated after both the publication of available volumes and Day-ahead Market Coupling results or its fallback until one hour before real-time.

If a countertrading process is necessary after one hour before real-time, a fast activation process shall be followed.

For a matter of clarification, the countertrading measures will only be activated from 60 minutes before delivery and as close as possible to the real time in order to avoid overrated activations. D-2 timeframe is not relevant in this methodology as the Day-ahead Market Coupling results are not known yet and therefore, no constraint can be detected yet.

2. Volumes

The exchanged information on volumes and price necessary in a countertrading process are indicative and non-firm.

The volume calculated in an activation of the Countertrading Process, in order to solve physical congestion and guarantee the scheduled exchange programs is an indication, on best effort basis.

Each TSO shall declare, for each timeframe, the volumes available in its control area for countertrading. The volumes will be defined for two different services:

- increasing the control area balance (e.g. increasing generation/decreasing load);
- decreasing the control area balance (e.g. decreasing generation/increasing load).

Countertrading resources will be declared using a Generation Shift Keys (GSK) file format in a similar way as it is done for capacity calculation processes (e.g. D2CC, IDCC). The units (generation/load) selected during the calculation phase are not binding but they are only references for calculation purposes; the actual units will be selected by the TSO according to their national market rules and the real resources available at the time of application.

All data (resources, quantities) included in the GSKs will be considered binding for the TSOs until they update them by sending new GSKs (e.g. a TSO update its GSK after a market gate closure or after a generation unit became unavailable). Each TSO will do its best effort to update its GSKs as soon as some or all the resources declared are no more available.

During implementation phase, the TSOs will agree on specific and detailed procedures to send and amend GSKs.

3. Prices

The actual prices of the volumes activated for countertrading shall be based on the incurred cost of countertrading resources available to the Participating TSOs at that moment in time. The total cost of countertrading will be determined transparently by summing the incomes/costs of each TSO involved in the countertrading action and could be either:

- the weighted average price of the activated offers where they can be transparently and clearly identified or
- the imbalance costs where the TSO is treated as any other Balance Responsible Party and therefore the countertrading activation will incur imbalance costs for the TSO involved in this situation.

In accordance with the appropriate mechanisms and agreements applicable to the control areas, information about prices shall be made available in advance by generation units and loads, thus allowing TSOs to estimate countertrading prices.

TSOs shall provide the best estimations of expected costs and, for sake of transparency, to share the methodology they implement in order to define in advance the prices of their CT resources. As countertrading resources will be declared using a Generation Shift Keys (GSK) file format in a similar the information about prices could be included in the GSK.

4. Activation

Activation of countertrading shall be performed as close as possible to the real time in order to limit the impact on the market. Countertrading actions will be applied for the purpose of guaranteeing the already accepted exchange programs. Therefore, countertrade will take place between the two TSOs by implementing a new scheduled exchange in the opposite direction.

The Participating TSOs update cross-border schedules according to predefined scheduling paths and implement CGM updates based on implemented countertrading.

All parties should avoid uncoordinated activities (for example: RA activation or additional capacity in congested direction) counteracting the effect of implemented countertrading.

Coordination with other processes that use the same resources as countertrading (especially capacity and merit order list) has to be addressed: for instance, Intraday gate closures, TERRE, MARI, IGCC shall be harmonized.

5. Cancellation/ reduction of an agreed amount of countertrading

In general, after countertrading is agreed and activated between all involved TSOs, the content is binding. In following cases, additional request for coordination and reconsideration of agreed countertrading should be launched:

- in case a Participating TSO is not able to deliver the agreed amount or only parts of it on short notice,
- in case the cancellation/reduction is triggered by an improved grid situation, resulting in the countertrading activation being too high or becoming obsolete,
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6 Implementation of RDCT Methodology

As the RDCT methodology is strongly dependent on the CSAM and the CCM as explained in section 3, the implementation of the RDCT methodology is subject to the implementation of the SWE Capacity calculation methodology and the SWE methodology for regional operational security coordination.