



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



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## 1 Introduction

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 and counter trading applicable to each TSOs control area, including interconnectors. The legal requirement is laid down in CACM article 35(3):

*Each TSO may redispatch all available generation units and loads in accordance with the appropriate mechanisms and agreements applicable to its control area, including interconnectors.*

*By 26 months after the regulatory approval of capacity calculation regions, all TSOs in each capacity calculation region shall develop a report, subject to consultation in accordance with Article 12, assessing the progressive coordination and harmonisation of those mechanisms and agreements and including proposals. The report shall be submitted to their respective regulatory authorities for their assessment. The proposals in the report shall prevent these mechanisms and agreements from distorting the market.*

This is the report assessing the progressive coordination and harmonization of the appropriate mechanisms and agreements for redispatching and countertrading in CCR Nordic.

### 1.1 Timeline

As the CCR configuration was decided by ACER November 17<sup>th</sup> 2016, the report on progressive coordination and harmonization of counter trade and redispatch shall be submitted to NRAs no later than by January 17<sup>th</sup> 2019. The public consultation period for the report is from the 3<sup>rd</sup> of December 2018 until the 3<sup>rd</sup> of January 2019.

## 2 The current use of redispatching and countertrading

In this chapter is presented the current use of redispatching and counter trading in the Nordics and the formal agreement framing the corporation among the Nordic TSOs. Countertrade and redispatch is used for the following purposed:

- Physical congestions in the grid within a bidding zone of CCR Nordic
- Outage of interconnectors within CCR Nordic
- Capacity calculation for day-ahead and intra-day market.



## 2.1 Elaboration of current practice

All resources used for redispatching and countertrade in CCR Nordic today are bids available on the common merit order list (CMOL) at the Nordic regulation Power market (RPM).

### *Physical congestions in the grid within a bidding zone of CCR Nordic*

If a physical congestion occurs on a grid element within a bidding zone in the operational time frame, the congestions will by the Nordic TSOs be handled as redispatch. Physical congestions within a bidding zone may be due to differences between planned production/consumption and actual production/consumption resulting in an overload on specific grid element. Redispatching could also be needed due to an outage on a grid element within the bidding zone affecting the transfer capacity on the rest of the grid within that same bidding zone. The need for redispatching can occur in the operational hour without any prior notice but redispatch can also be planned for due to maintenance on the grid within a bidding zone. Congestions and outages on grid elements within a bidding zone that affects the transfer capacity on interconnectors are handled with countertrade and discussed in the next section “*Outage of interconnectors within CCR Nordic*”

### *Outage of interconnectors within CCR Nordic*

An interconnector is a line(s) between two bidding zones within CCR Nordic. An unplanned outage on an interconnector is handled with countertrade to maintain trading capacities allocated to the day-ahead and intraday market. A planned outage on an interconnector does not result in countertrade but in reduced trading capacities given to the market. If the interconnector is in normal state and congestions occurs between bidding zone it is not handled with countertrade, this is handled as normal balancing within the Nordic area.

### *Capacity calculation for day ahead and intraday market*

Redispatch and countertrade is not used in the planning time frame when setting the trading capacities for day-ahead and intraday. The reason for that is due to lack of information about resources being available in the planning time frame. Resources are available on the RPM 45 min before real time.

## 2.2 Agreements framing current practice

Information on how resources on the RPM are used in CCR Nordics can be found in the common Nordic system operation agreement. Current system operation agreement and its appendices are dealing with countertrade, in the agreement the term is "countertrading", especially in the agreement § 10 and appendices 1 and 8. Also appendices 3, 4, 6 and 7 involve countertrading.

### *Common agreements for Nordic CCR TSOs handling the use of redispatch and countertrade*

- [System Operation Agreement \(English translation\)](#)



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- [System Operation Agreement appendices \(English 2018 update\)](#)

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### 3 Assessment of coordination and harmonisation

Future coordination of redispatching and countertrading will be developed in line with the legal requirement in CACM article 35. The Nordic TSOs has submitted a proposal for article 35 implementation to Nordic NRA by March 17<sup>th</sup> 2018. By September 14<sup>th</sup> 2018 the Nordic NRA requested an amendment of the proposal. An amendment of the proposal was submitted to Nordic NRAs by November 14<sup>th</sup> 2018.

The proposal has not yet been approved hence the actual implementation of increased coordination and harmonization of redispatching and countertrading has not started yet. In this chapter is outlined the key elements of the foreseen design of coordination and harmonization of redispatching and countertrading in CCR Nordic.

In the future redispatching and countertrading will take place for the same reasons as today, cf. former sections. In addition to that the Nordic TSO will systematically apply redispatching in the day-ahead planning phase of capacity calculation in order to increase capacity of internal critical network elements (CNEs) of cross-border relevance, if this is needed for reasons of operational security and economic efficiency. This will increase capacity of internal CNEs beyond the thermal capacity, thus it will support and increase exchange of power in the day-ahead time frame. The legal text supporting this approach is laid down in article 11 and 12 in CCM for CCR Nordic. Systematically apply of redispatching in the day-ahead planning phase of capacity calculation, can only be done through tight corporation among the Nordic TSO (facilitated by the RSC), hence the TSO will develop detailed coordination procedures. It is foreseen that the development of these procedures will be done in the coming 2 years, to be tested and applied during the parallel run of flow based/NTC planned to start medio 2020.

All TSOs' of the Nordic CCR proposal for a coordinated redispatching and countertrading methodology in accordance with Article 35 of CACM further set out the framework for coordination of redispatching and countertrading in the planning phase. The core of this proposal is that the coordinated capacity calculator (CCC) shall "*... during the coordinated capacity calculation asses the technical and economic efficiency of the proposed remedial actions, including redispatching and countertrading, in providing additional capacity on CNEs and PTCs with cross border relevance and propose potential improvements to the TSOs.*" – article 3(2) of the legal text of this proposal.