

SWE Region 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)

The following document report is prepared on the basis of Article 35(3) EU Regulation 1222/2015 by which All TSOs in each CCR shall, by 26 months after the regulatory approval of capacity calculation regions, develop a report assessing the progressive coordination and harmonisation of the appropriate mechanisms and agreements for countertrading and redispatching applicable to each TSO's control area.

The SWE Proposals for application of countertrading and redispatching and cost-sharing methodologies are under SWE NRAs' consideration for approval, if possible for next 12th January 2019. The approval of these proposals will establish the basis for a regional harmonisation on the application for countertrading in both SWE borders, as a first step in the way of a pan-European harmonisation. Also, the SWE TSOs will start working on coordinating and harmonising the mechanisms used by other CCRs TSOs once regional methodologies have been approved.

1. The current use of coordinated countertrading and redispatching

Currently, firmness of allocated capacity in SWE Region is ensured with countertrading measures in accordance with current national regulation in each country and bilateral operational agreements between the relevant TSOs.

Countertrading actions are automatically activated in order to guarantee the firmness of the commercial exchange programs in both FR-ES and PT-ES borders. Once all commercial exchange programs have been established between two bidding zones and a physical constraint is identified in one of the SWE borders as a consequence of a real time Net Transfer Capacity reduction, a countertrading program is activated in the opposite direction of the exchange net flow in order to relief the identified physical constraint without affecting the commercial exchange program.

FR-ES Border

The activation of a countertrading could lead to an imbalance in both control areas. In the Spanish electric system the imbalance is compensated by activating energy offers from the different balancing markets, depending on the moment when the countertrading action is activated. In the French electric system, the imbalance is also compensated by activating offers on the Balancing market, following a merit-order principle.

The current settlement associated to countertrading actions in FR-ES border is based on both the imbalance prices at each side of the border and the prices of cross-zonal capacity and is established as a temporary solution until the proposed methodologies according to Articles 35 and 74 of GL CACM are approved

PT-ES Border

The activation of a countertrading action could lead to an imbalance in both control areas. In the Spanish electric system the imbalance is compensated by activating energy offers from the different balancing markets, depending on the point in time where the countertrading action is

activated. In the Portuguese electric system the imbalance is also compensated by activating energy offers from the different balancing markets, depending on the point in time where the countertrading action is activated.

The current settlement associated to countertrading actions in PT-ES border is calculated based on the day-ahead market prices on both bidding zones and is established as a temporary solution until the methodologies according to Articles 35 and 74 of GL CACM are approved.

2. Future use of redispatching and countertrading

At the time this report is being elaborated (17th December 2018), SWE TSOs have not received yet the official communication of SWE NRAs about the approval of both redispatching and countertrading and cost-sharing proposed methodologies, according to articles 35(1) and 74(1) of the CACM Regulation.

Currently, the scope of the redispatching and countertrading methodology is limited to countertrading actions since coordinated redispatching is under analysis in the SWE Region to be potentially incorporated in the future.

The approval of these two SWE methodologies will already imply a regional harmonisation in terms of regulation and application and settlement processes of countertrading actions.

Once RDCT Methodologies are approved on the different regions, SWE TSOs shall work with other TSOs in order to identify which measures and mechanisms will be the most suitable ones to solve the future physical constraints and to evaluate future needs in a harmonized way all over European electric system.