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CCR Hansa TSOs comments to CCR Hansa NRAs  
Shadow Opinion to Capacity Calculation Region  
Hansa TSOs Common Methodology for  
Redispatching and Countertrading Cost Sharing  
in accordance with Article 74 CACM Regulation

**The following provides the answers to the remarks raised by the CCR Hansa NRAs in their Shadow Opinion to CCR Hansa Redispatching and Countertrading Cost Sharing in accordance with Article 74 of the CACM Regulation.**

Comment No.	Comments received	CCR Hansa TSOs' reply
1	<p>Article 74(3) of Regulation 2015/1222 states that "Redispatching and countertrading costs eligible for cost sharing between relevant TSOs shall be determined in a transparent and auditable manner". Hansa NRAs find that the draft proposal does not reflect this requirement.</p>	<p>In the RCCS Methodology the CCR Hansa TSOs have added that NRAs are entitled to request all data collected in accordance with the methodology.</p> <p>Further the TSOs have added to the RSC Methodology Article 4(1)(a) developed under CACM Article 35, that CCR Hansa TSOs are to use existing markets and agreements when suggesting countertrade and redispatching actions to the RSC.</p>
2	<p>The requirements in article 74 relate to countertrade and redispatch methodology for single DA and ID capacity calculation timeframe. TSOs should show that this proposal does not pre-empt SOGL-methodologies as well as redispatch and countertrade in the operational timeframe. Article 1 and 3 should be updated accordingly.</p>	<p>The CCR Hansa TSOs have added additional explanation on this topic in the CRC Methodology whereas (12) which is then referred to from the RCCS methodology.</p> <p>It is from CCR Hansa TSOs point of view important to separate between planning of remedial actions and activation of remedial actions. It is not possible to plan remedial actions without the operational security analysis as this is what shows the potential future violations of the operational security limits that the remedial actions are to alleviate. With this in mind the proposal does not state how the operational security analysis is to be carried out, just that it has to be done and that if the remedial action which is the most effective and economically efficient to alleviate a violation is a countertrading or redispatching, then the cost sharing should be as described in the methodology.</p> <p>In regards of the "operational timeframe" this is actually quite difficult to define. The coordinated operational security analysis runs the first time in the D-1 timeframe. Further explanation is found in the explanatory document in section 3.2.</p>
3	<p>Article 74(4)(a) state that the TSO shall at least determine which costs incurred from using remedial actions, for which costs have been considered in the capacity calculation and where a common framework on the use of such actions have been established, are eligible for cost sharing. TSOs must explain how this requirement has been met for the specific costs. Article 74(5) and (6) of Regulation 2015/1222 states that the common methodology for redispatching and</p>	<p>The CCR Hansa TSOs acknowledge the comment by the NRAs and the whereas section has been extended with further explanation on the requirements, and with references to where the processes and requirements have been specified in this proposal, the CCR Hansa CRC Methodology and SO Regulation.</p>

	<p>countertrading cost sharing shall include (a) – (e) and (a) – (i). Hansa NRAs find that the draft proposal does not include these requirements. For instance, Hansa NRAs do not find that the draft proposal defines a process allowing improvements of the remedial actions (Article 74(5)(d)) nor a process allowing monitoring of each capacity calculation region by the competent regulatory authority (Article 74(5)(e)). In addition the draft does not mention sharing of benefits as required in article 74(6)(c).</p>	
<p><b>4</b></p>	<p>It is important to provide appropriate incentives for TSOs c.f. article 74(6)(a). We ask Hansa TSOs to explain why a 50:50 sharing key (default in annex 1 if equal ownership, relating to 3(1)(a) and 3(1)(b)) is preferred over a solution where each TSO is responsible for handling its own congestion costs.</p>	<p>Articles 74(5)(b) and 74(5)(d) in the CACM specify that the distribution of costs and benefits shall be fair and as well be consistent with other related mechanisms, i.e. congestion income.</p> <p>The CCR Hansa TSOs have therefore suggested that the costs and benefits due to handling of faults, failure and unplanned outage or in order to maintain a minimum technical limit on the CCR Hansa interconnectors are split according to the sharing key, as this is also this owner sharing-key which is used for the split of congestion income<sup>1</sup>.</p> <p>The CCR Hansa TSOs consider it to be fair that both TSOs cover the costs of the common shared assets, as they also share the benefits.</p>
<p><b>5</b></p>	<p>Hansa NRAs doubt that the content of whereas (7) (solely) belongs to whereas “section”. In Hansa NRAs’ view the content should be formalised and given legal effect by including it in the enacting terms (the legislative part of the proposal composed of Articles).</p>	<p>The whereas section is considered to provide more justification to the selected provisions in the RCCS Methodology.</p> <p>In order to reflect that the description of whereas (7) is also in the main part of the proposal, the CCR Hansa TSOs have made references to the relevant articles in the RCCS Methodology.</p>
<p><b>6</b></p>	<p>In Article 1(1)(b) (and also relevant for Articles 3(1)(c) and 4(2)(b)) the Hansa TSOs state that the proposal applies to “critical network elements with cross-border relevance for CCR Hansa borders in the adjacent AC grids”.</p> <p>Hansa NRAs find that it is out of scope of this proposal to define CCRs. Hansa NRAs therefore find that Article 1(1)(b) (and Articles 3(1)(c) and 4(2)(b)) should be considered in the light of the above.</p>	<p>Article 3 in the RCCS Methodology is now deleted and the reasoning for using RD and CT is now only found in the CRC Methodology. The reasoning has been split into two articles. Articles 3, 4 and 5 deal with the CCR Hansa causes to use RD and CT and Article 6 addresses the cases where adjacent CCRs find reasoning to carry out RD or CT in relation to the CCR Hansa bidding-zone borders. This further removes the need for Article 1(1)(b) which is deleted. Also, this change highlights that in the cases described in Article 3 the CCR Hansa RD and CT actions will be shared according to ownership share or covered by the TSO in whose control area the physical congestion took place. For the cases</p>

<sup>1</sup> Decision of the Agency for the Cooperation of Energy Regulators No 07/2017 of 14 December 2017

		described in Article 6, which are meant to alliviate physical congestions in the AC grids adjacent to the CCR Hansa bidding-zone borders, they will be subject to cost sharing agreements in place for the CCRs which possibly monitor these AC grids in their operational security analysis, as described in the cost-sharing document. Which parts of the grid that are monitored in the operational security analysis in different CCRs (including CCR Hansa) will be determined under SO Regulation Article 75.
<b>7</b>	In case Hansa TSOs do not agree with the understanding of Hansa NRAs (in point 2.4) redispatching and countertrading costs of adjacent CCRs are out of scope of Article 74.	<p>The CCR Hansa TSOs acknowledge the comment from the NRAs, and the cost sharings of adjacent CCRs have been excluded from this proposal.</p> <p>The CCR Hansa TSOs have added an Article 3(3) that any costs occurred in CCR Hansa from adjacent CCRs is to be covered according to the cost-sharing methodology by that CCR.</p>
<b>8</b>	Hansa NRAs find that it is out of scope of this draft proposal determining redispatching and countertrading actions in Article 3 (also relevant for whereas (5)). The proposal developed in accordance with Article 74 concerns the costs sharing; not the reasons why the Hansa TSOs are required to ensure coordination of the use of redispatching and countertrading. This should be determined elsewhere.	See comment from CCR Hansa TSOs for NRA comment 6.
<b>9</b>	Hansa NRAs find that annex 2 does not have any actual relevance for the draft proposal, thus the annex 2 should be deleted. The view of Hansa NRAs is supported by the fact that the draft proposal does not in any Article refer to annex 2.	The CCR Hansa TSOs added the Annex 2 with the thinking that several updates could be avoided by being slightly creative and adding the expected future CCR Hansa bidding zone borders to an Annex 2. It is based on a talk with the NRA SPOC understood this is a little too creative. Annex 2 is subsequently deleted.
<b>10</b>	Hansa NRAs would prefer if the description of cost sharing in whereas (7) is instead included in the main part, since it is of great importance.	See the comment from CCR Hansa TSOs for NRA comment 5.