

**All Baltic CCR TSOs' common
methodology for coordinated
redispatching and countertrading in
accordance with Article 35 of the
Commission Regulation (EU) 2015/1222 of
24 July 2015 establishing a guideline on
capacity allocation and congestion
management**

2nd November 2018

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All Baltic CCR TSOs, taking into account the following,

Whereas

- (1) This document is a common methodology developed by Baltic Capacity Calculation region (hereafter referred to as “Baltic CCR”) Transmission System Operators (hereafter referred to as “TSOs”) regarding the development of a Common Methodology for Coordinated Redispatching and Countertrading (hereafter referred to as “CRC Methodology”) in accordance with Article 35 of Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”).
- (2) In accordance with Article 9 (9) of the CACM Regulation, the proposed CRC Methodology across the Baltic CCR contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. The CRC Methodology ensures operational security and fair and non-discriminatory treatment of TSOs (Article 3(c) and Article 3(e) of the CACM Regulation).
- (3) The CRC Methodology complements Capacity Calculation Methodology of Baltic CCR in promoting effective competition (by relieving congestions) in the generation, trading and supply of electricity, ensuring of optimal use of the transmission infrastructure by effective use and coordination of redispatching and countertrading resources between TSOs contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union by effective use and coordination of redispatching and countertrading resources between TSOs and optimising the calculation and allocation of cross-zonal capacity (Article 3(a), Article 3(b), Article 3(d) and Article 3(g) of the CACM Regulation).
- (4) This CRC Methodology takes into account also the general principles, goals and other methodologies set in the CACM Regulation, Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as “SO Regulation”). The SO Regulation defines rules and requirements for methodology development for the purpose of safeguarding operational security, frequency quality and the efficient use of the interconnected system and resources.
- (5) Redispatching and countertrading may be used in operation according to Article 23 in SO Regulation setting the principles for preparation, activation and coordination of remedial actions.
- (6) According to Article 78.1(b) of SO Regulation, each TSO shall provide the Regional Security Coordinator (hereafter referred to as “RSC”) with an updated list of possible remedial actions among the categories listed in Article 22 of SO Regulation.
- (7) In this CRC Methodology, unless the context requires otherwise:
 - a) the singular indicates the plural and vice versa;
 - b) headings are inserted for convenience only and do not affect the interpretation of this CRC Methodology; and
 - c) any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.
 - d) References to an “Article” are, unless otherwise stated, references to an article of this CRC Methodology.
- (8) According to Article 35.2 of CACM Regulation the CRC Methodology shall include actions of cross-border relevance. In this CRC Methodology cross-border relevance of redispatching and countertrading activities shall be understood as a need to ensure that such actions shall not move congestion to any other border or over any other border. This shall be ensured by TSOs applying the redispatch or countertrade.

SUBMIT THE FOLLOWING CRC METHODOLOGY TO ALL REGULATORY AUTHORITIES OF THE BALTIC CCR:

Article 1
Subject matter and scope

The methodology for coordinated redispatching and countertrading as determined in this document shall be considered as the common methodology of Baltic CCR TSOs in accordance with Article 35 of CACM Regulation and shall cover the CRC Methodology in case there is a congestion on any of the:

- a. existing and future bidding zone borders and interconnectors included in Baltic CCR to which the CACM Regulation applies; and
- b. critical network elements, which are owned by TSOs or by other legal entities and are influencing cross-zonal capacities of Baltic CCR bidding zone borders.

Article 2
Definitions

For the purposes of the CRC Methodology, terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation, of Regulation (EC) 714/2009, Directive 2009/72/EC. In addition to aforementioned definitions, Baltic CCR TSOs use following definition:

1. “relevant TSOs” – two TSOs of Baltic CCR acting on both sides of adjacent bidding zones border on which congestion appears.

Article 3
Common Methodology for Coordinated Redispatching and Countertrading

1. Countertrading and redispatching can be applied after exhaustion of non-costly remedial actions.
2. The remedial actions with lowest cost (taking into account their efficiency) shall be applied taking into account operational security criteria.
3. In the event of a physical congestion on cross-border interconnection, countertrading or redispatching shall be initiated by the TSO(s) responsible for mitigating congestion at the respective cross-border interconnection. The relevant TSOs can agree on contractual basis – who of the relevant TSOs will be initiating party for countertrade or redispatching activities on respective cross-border interconnection. Countertrading or redispatching can also be activated due to fault, failure or unexpected outage of the respective interconnection, or to manage technical limitations of respective HVDC interconnection i.e. technical minimum power.
4. Redispatching or countertrading performed in order to relieve a specific physical congestion should not create any other physical congestion.
5. Each TSO may use all available generation units and loads for redispatching and countertrading in accordance with the appropriate mechanisms and agreements applicable to its control area, including interconnectors.
6. Each TSO shall abstain from unilateral or uncoordinated countertrading or redispatching measures of cross-border relevance.
7. TSO responsible for mitigating the congestion at a cross-border interconnection shall coordinate (approval of actions shall be from both relevant TSOs) countertrading or redispatching actions at least with TSO with whom it shares the relevant cross-border interconnection taking into account their impact on operational security and economic efficiency.

8. Generation units and load shall ex-ante provide bids which can be used by TSOs for countertrading or redispatching purposes. Pricing of activated bids for countertrade or redispatching purposes shall be based on: a) prices in the relevant markets (balancing markets, intraday markets, etc.); and/or b) the price reflecting actual costs or income of activated balancing resources with a pay as bid method.
9. Baltic CCR TSOs shall ex post share all relevant information that is necessary to determine price of balancing energy exchange for countertrade or redispatching purpose and relevant countertrade or redispatching costs.
10. Generation units and loads shall provide data mentioned in paragraph 9 of this Article according to appropriate mechanisms and agreements concluded between respective generation and load unit and TSO.
11. The preparation, activation and coordination of remedial actions to prevent the system state from deteriorating shall be performed in accordance with Article 23 of SO Regulation.
12. If redispatching or countertrading is used according to article 21 in CACM Regulation, the TSO should provide information on available and applicable remedial actions, to the relevant RSC.
13. If there is a detected constrain in the coordinated regional operational security assessment, the RSC shall in accordance with Article 78 (2) (a) of SO Regulation recommend to the relevant TSOs the most effective and economically efficient remedial action including redispatching or countertrading to be used.
14. When a TSO receives from the RSC a recommended proposal for remedial action including redispatching or countertrading it shall evaluate the recommended action for the elements involved in that action and located in its control area in accordance with Article 78 (4) of SO Regulation. The TSO shall decide whether to implement the recommended remedial action. Where it decides not to implement the recommended remedial action, it shall provide an explanation for this decision to the RSC. Where the TSO decides to implement the recommended remedial action, it shall apply this action for the elements located in its control area provided that it is compatible with real-time conditions.
15. TSOs decline implementation of remedial action proposed by RSC if proposed remedial action is not compatible with real-time conditions or more efficient remedial actions are available to TSO at the moment of making decision about remedial action activation.
16. The RSCs of Baltic CCR is obliged to keep a record for 5 years regarding proposed redispatching and countertrading actions including:
 - a) The redispatching and countertrading carried out by the Baltic CCR TSOs based on the RSCs proposal resulting from security analyses.
 - b) All justifications for why a recommendation from RSC is not followed by Baltic CCR TSOsUpon request from the Baltic CCR NRAs the RSCs of Baltic CCR are obliged to provide a complete record of items stated in article 16 a) and b).
17. TSO shall activate remedial actions as close as possible to real-time taking into account the expected time of activation and the urgency of the system operation situation they intend to resolve. For cases when the need for countertrade is known in advance and change of operational conditions is not expected, decision on activation of remedial actions can be taken also well in advance before real-time.
18. Appendix 1 of this methodology describes roles, responsibilities and coordination process of countertrading and redispatching among TSOs and RSC for day-ahead, intraday, close to real time and in real time in more details.

Article 4
Implementation of the CRC Methodology

The TSOs shall implement this CRC Methodology in 6 months NRA approval of the CRC Methodology within the Baltic CCR or a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 9(11) and 9(12) of the CACM Regulation.

Article 5
Language

The reference language for this CRC Methodology shall be English. For the avoidance of doubt, where TSOs need to translate this CRC Methodology into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the CRC Methodology.

Appendix 1: Process of identification, coordination and activation of countertrading/redispatching activities

Illustration below gives overview of roles, responsibilities and coordination process of countertrading and redispatching among TSOs and RSC for day-ahead, intraday, close to real time and in real time.

In overall situation both TSOs and RSC could perform operational security analysis according to methodology for coordinating security analysis defined by Article 75 of SO Regulation. More detailed description of TSO-RSC inter-relations regarding operational security analysis and capacity calculation is subject to legislative set-up in methodologies and processes set up according to Article 74-78 of SO Regulation and Article 27.2 of CACM Regulation. According to SO Regulation, TSOs provide RSC with all the information and data required to perform the regional operational security assessment. After operational security assessment is performed TSOs and RSC(s)/Coordinated capacity calculator(s) coordinate/validate capacity calculation results and planned remedial actions. As can be seen from illustration below, the process of operational security analysis, capacity calculation and validation of results has similarities for day-ahead and intraday capacity calculation timeframes.

After intraday cross-zonal gate closure time and up to one hour (30 minutes) prior to real time, when there is no possibility to change intraday capacity for the following hour, TSOs, on the basis of market results, as well as taking into account results of operational security analysis, can coordinate activation of remedial actions already before real time. TSOs, on the basis of real time observations of power system, as well as taking into account coordinated cross-border capacities can coordinate and activate remedial actions also during real time operation. When countertrading is activated by TSO(s) during real time, merit order list of available reserves is used to choose the least costly reserve (taking into account their technical efficiency and condition of not creation any other physical congestion).

TSOs are also allowed to refuse implementation of remedial actions during operational hour (even if such remedial actions have been advised by RSC and TSOs have accepted their implementation in previous time frame). TSOs should inform RSC on non-activation of remedial actions, which have been proposed by RSCs but have not been performed during operational hour.

