

ACER Decision on the amendment of the determination of capacity calculation regions: Annex Ia

ACER's preliminary position on the TSOs' proposal for amendment to:

Amendment of the Determination of Capacity Calculation Regions

in accordance with Article 15(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

Whereas

- (1) This document sets out <u>amendments to the</u> determination of capacity calculation regions (hereafter referred to as "CCRs") in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (hereafter referred to as "CACM Regulation"). This document is based on all TSOs' amendment proposal of 13 October 2022 and it amends ACER Decision 04/2021 of 7 May 2021 and is —(hereafter referred to as the "Determination of CCRs").
- (2) On 17 November 2015, all Transmission System Operators (hereafter referred to as "all TSOs") submitted the "All TSOs' proposal for Capacity Calculation Regions in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management" (hereafter referred to as the "CACM Regulation"), together with an explanatory note to all regulatory authorities.
- (3) On 17 November 2016 the Agency for the Cooperation of Energy Regulators (hereafter referred to as "ACER") issued its Decision 06/2016 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation Regions" which adopted the Determination of CCRs.
- (4) On 30 June 2017, in accordance with Article 9(13) of the CACM Regulation, all TSOs submitted to all regulatory authorities the first proposal for amendment of the Determination of CCRs. On 18 September 2017, all regulatory authorities approved the first proposal for amendment of the Determination of CCRs.
- (5) On 23 May 2018, all TSOs submitted to all regulatory authorities the second proposal for amendment of the Determination of CCRs. All regulatory authorities did not reach an agreement to approve the proposal and requested ACER to adopt a decision on the proposal, pursuant to Article 9(11) of the CACM Regulation. On 1 April 2019 ACER issued its Decision 04/2019 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation Regions".
- (6) By its judgments of 24 October 2019 in the cases T 332/17 and T 333/17, the General Court annulled ACER Board of Appeal's (hereafter referred to as "ACER BoA") Decision A 001 2017 (consolidated) of 17 March 2017 dismissing the appeal against ACER Decision 06/2016. The ACER BoA has relaunched the procedure to review ACER Decision 06/2016 and issued a new decision on 22 May 2020. With the latter, ACER BoA remitted the case to the Director of ACER and specified that "the competent party or parties—based on the rules of competence provided for by regulations currently in force—should review the Contested Decision, i.e. ACER Decision 06/2016, and amend it, replace it or confirm it, as they see relevant, and based on current circumstances. Hence the Agency should refer the decision to such party or parties. The Contested Decision will remain in force until such amendment, replacement or confirmation, if any"
- (7) On 5 June 2020, ACER's Director sent a letter to all TSOs inviting them to prepare an updated proposal for the Determination of CCRs and submit it to ACER for approval in the shortest time possible; drawing TSOs' attention on:

- (i) The changes since the initial all TSOs' proposal for the Determination of CCRs of 29 October 2015. In particular, there have been two amendments to the Determination of CCRs adopted since then, and,
- (ii) Article 5(2) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (hereafter referred to as the "Regulation (EU) 2019/942") introduced a new procedure for the approval of proposals for common terms and conditions or methodologies where an all TSOs' proposal is now to be submitted directly to ACER.
- (8) On 5 June 2020, ACER's Board of Regulators sent a letter to the TSOs expressing full support and endorsement on the views and process set out by the ACER Director in his letter of 5 June.
- (9) On 9 November 2020 all TSOs submitted to ACER the third proposal for amendment of the Determination of CCRs. On 7 May 2021 ACER issued its Decision 04/2021 on the "Electricity Transmission System Operators' Proposal for the Determination of Capacity Calculation Regions".
- (2) After Following the approval of the CACM Regulation became by the Norwegian Parliament in June 2021, the CACM Regulation has been and part of the Agreement on the European Economic Area (EEA), the CACM Regulation was approved by the Norwegian Parliament in June 2021 and thus was the CACM Regulation is made binding in the internal legal order in Norway with entry into force on 1 August 2021. Consequentially, this amended methodology allocates the Norwegian bidding zone borders to the relevant CCRs, namely CCR Nordic and CCR Hansa.
- (10)(3) On 13 October 2022, The European Network of Transmission System Operators for Electricity ('ENTSO-E'), on behalf of all TSOs, submitted for ACER's approval their proposal for amendment of the Determination of capacity calculation regions methodology.
- (11) While there is currently no operational interconnector between the Single Electricity Market (SEM) of Ireland and Northern Ireland, and a European Union bidding zone, the proposed Celtic interconnector between Ireland and France is due to be completed in 2026. In due time, before the proposed Celtic interconnector is operational, all TSOs will submit a proposal for amendment of the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation to include the most appropriate incorporation of this bidding zone border and the concerned TSOs.
- (12)(4) This Determination of CCRs takes into account the general principles and goals set out in the CACM Regulation as well as in Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market for electricity (hereafter referred to as the "Electricity Regulation"). The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the TSOs to cooperate on the level of CCRs, on a pan-European level and across bidding zone borders.
- (13) According to Article 9 (9) of the CACM Regulation, the expected impact of the Determination of CCRs on the objectives of the CACM Regulation has to be described. The impact is presented below taking into account that the CACM Regulation places the definition of these CCRs as well as the methodologies

to be applied in these regions within a framework of continuous harmonisation, applying the most efficient capacity calculation methodology within each CCR.

(14)(5)This Determination of CCRs contributes to the achievement of the objectives of Article 3 of the CACM Regulation for the same reasons as explained in ACER Decision 04/2021, and the inclusion of Norwegian bidding zone borders into Nordic CCR and Hansa CCR does not harm any of those objectives. In particular, this Determination of CCRs contributes to ensuring optimal use of transmission infrastructure by linking bidding zone borders, where coordination needs in capacity calculation are high. Within the CCR, the interdependencies between the cross zonal capacities can be modelled most accurately and efficiently, and the optimal level of cross zonal capacity can be given to the market, at the cost of increasing complexity in capacity calculation for larger CCRs. This Determination of CCRs aims to strike a balance between both aspects ('larger where currently possible, smaller where currently necessary') and consequently contributes to the optimal use of transmission infrastructure in accordance with Article 3(b) of the CACM Regulation.

- (15) This Determination of CCRs also contributes to operational security in accordance with Article 3(c) of the CACM Regulation. If interdependency between bidding zone borders is not correctly taken into account in capacity calculation, cross-zonal capacity given to the market might be too high, potentially causing overloads on transmission lines and thus, endangering the operational security of the transmission system. Usually in these cases, less cross-zonal capacity would be given to the market to ensure operational security at the expense of optimal use of transmission infrastructure. To the extent currently possible, this Determination of CCRs allows for a proper coordination between bidding zone borders and for modelling of regional features based on a common grid model, which give a high level of cross-zonal capacity to the market without endangering operational security.
- (16) The Determination of CCRs lays the ground for the development and implementation of regional common capacity calculation methodologies, which ensures coordination within the CCRs and thereby contributes to the objective of optimising the calculation and allocation of cross zonal capacity in accordance with Article 3(d) of the CACM Regulation. The number and size of CCRs as defined in this Determination of CCRs constitutes the most feasible approach for optimising capacity calculation. While for interdependent bidding zone borders capacity calculation and allocation is generally most efficiently performed within one CCR, coordination and compatibility across the regions is also explicitly required by Article 21(1)(b)(vii) and Article 29(9) of the CACM Regulation. By appropriate standardisation and

- coordination, TSOs should ensure both compatible capacity calculation methodologies across CCRs and a coordinated application of the methodologies across the CCRs.
- (17) The current assignment of the bidding zone border DK1-NL and DK1-DE/LU to the Hansa CCR might be debatable in the light of the objectives to ensure the optimal use of the transmission infrastructure (Article 3(b) of the CACM Regulation) and to optimise the calculation and allocation of cross zonal capacity (Article 3(d) of the CACM Regulation). However, any alternative CCR configuration at the time of this Determination of CCRs might have negative impacts on important existing implementation projects and initiatives in the current CCRs, and therefore might hamper the objective of efficient long-term operation and development of the electricity transmission system (Article 3(g) of the CACM Regulation). To ensure that the objectives of Article 3(b), (d) and (g) of the CACM Regulation are respected, this Determination of CCRs foresees a reassessment of the CCR Determination in the future, as prescribed in Article 12, once the objectives of efficiency and optimal use of cross zonal capacity can be better assessed.
- (18) The coordinated capacity calculation within a CCR could reveal constraining elements in the transmission network, which contributes to the long term operation and development of the electricity transmission system and electricity sector in the Union. Therefore, the Determination of CCRs contributes to the objective of Article 3(g) of the CACM Regulation.
- (19) As a long term target, the CACM Regulation aims to harmonise the regional capacity calculation methodologies of CCRs and merge CCRs when efficiency reasons justify doing so. This Determination of CCRs is an important step on the roadmap towards this long term target. It is crucial that this roadmap is efficient and does not jeopardise progress towards the long term target. The Determination of CCRs builds, thus, on current practice and existing projects, and represents a progressive and pragmatic harmonisation of capacity calculation.
- (20) The Determination of CCRs contributes to the objective of promoting effective competition in generation, trading and supply of electricity (Article 3(a) of the CACM Regulation), because it takes into account market specificities on bidding zone borders by allowing optimally configured CCRs to be established.
- (21)Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), this Determination of CCRs will be the basis for further work towards market integration in a transparent way. It shows where bidding zone borders are fully coordinated in capacity calculation and where all TSOs of each CCR will develop common methodologies as defined in CACM Regulation. These methodologies will be consulted upon, approved by regulatory authorities when applicable and published by TSOs, thus, increasing transparency and reliability of information.
- (22) This Determination of CCRs does not have any material impacts on the other objectives referred to in Article 3 (e), (h), (i) and (j) of the CACM Regulation.
- (23) In conclusion, this Determination of CCRs contributes to the objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.

(24) Article 15 of the CACM Regulation requires all TSOs to develop the Determination of CCR methodology. The list of TSOs responsible for the development of the proposal under the relevant legislation and for submitting the respective proposal is the following: APG—Austrian Power Grid AG, VÜEN Vorarlberger Übertragungsnetz GmbH, Elia—Elia System Operator S.A., ESO—Electroenergien Sistemen Operator EAD, HOPS—Croatian Transmission System Operator Ltd, ČEPS—ČEPS, a.s., Energinet—Energinet, Elering—Elering AS, Fingrid—Fingrid OyJ, Kraftnät Åland Ab, RTE—Réseau de Transport d'Electricité, S.A., Amprion—Amprion GmbH, Baltic Cable AB, TransmetBW—TransnetBW—GmbH, TenneT—GER——TenneT—TSO—GmbH, 50Hertz—50Hertz—Transmission—GmbH, IPTO—Independent Power Transmission Operator S.A., MAVIR ZRt.—MAVIR Magyar Villamosenergia—ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt., EirGrid—EirGrid plc, Terna—Terna—SpA, Augstsprieguma tikls—AS Augstsprieguma tikls, LITGRID—LITGRID—AB, CREOS—Luxembourg—CREOS—Luxembourg—S.A., TenneT—TSO—TenneT—TSO—B.V., Statnett SF, PSE—PSE—S.A., REN—Rede Eléctrica Nacional, S.A., Transelectrica—C.N. Transelectrica de España S.A.U, Svenská elektrizačná prenosovú sústava, a.s., ELES—ELES, d.o.o, REE—Red Eléctrica de España S.A.U, Svenska Kraftnät—Affärsverket Svenska Kraftnät and SONI System Operator for Northern Ireland Ltd.

TITLE 1 AMENDMENTS

Article 1 Amendments to the Capacity Calculation Regions

- 1. Article 3 Capacity Calculation Region 1: Nordic sAll TSOs propose to amend the following CCRs as defined by Annex I of the CCRACER Decision <u>04/2021</u> in accordance with Article 15(1) of the CACM Regulation shall be amended in the following way:as follows:
 - a. Paragraph 1 shall be amended and be read accordingly:
 - "The CCR Nordic shall include the bidding zone borders listed below, and shown on map 1 included in the Appendix to this document, as attributed to the referred TSOs:
 - a) Denmark 1 Sweden 3 (DK1 SE3), Energinet and Svenska kraftnät;
 - b)Denmark 2 Sweden 4 (DK2 SE4), Energinet and Svenska kraftnät;
 - c)Denmark 1 Denmark 2 (DK1 DK2), Energinet;
 - d)Sweden 4 Sweden 3 (SE4 SE3), Svenska kraftnät;
 - e)Sweden 3 Sweden 2 (SE3 SE2), Svenska kraftnät;
 - f) Sweden 2 Sweden 1 (SE2 SE1) Svenska kraftnät;
 - g)Sweden 3 Finland (SE3 FI), Svenska kraftnät, Kraftnät Åland AB and Fingrid Oyj;
 - h)Sweden 1 Finland (SE1 FI), Svenska kraftnät and Fingrid Oyi,

- i) Norway 1 Norway 2 (NO1 NO2), Statnett SF;
- j) Norway 1 Norway 3 (NO1 NO3), Statnett SF;
- k) Norway 1 Norway 5 (NO1 NO5), Statnett SF;
- 1) Norway 2 Norway 5 (NO2 NO5), Statnett SF;
- m)Norway 3 Norway 5 (NO3 NO5), Statnett SF;
- n)Norway 3 Norway 4 (NO3 NO4), Statnett SF;
- o)Norway 1 Sweden 3 (NO1 SE3), Statnett SF and Svenska kraftnät;
- p)Norway 3 Sweden 2 (NO3 SE2), Statnett SF and Svenska kraftnät;
- g)Norway 4 Sweden 2 (NO4 SE2), Statnett SF and Svenska kraftnät;
- r) Norway 4 Sweden 1 (NO4 SE1), Statnett SF and Svenska kraftnät;
- s) Norway 4 Finland (NO4 FI), Statnett SF and Fingrid Oyj; and
- t) Norway 2 Denmark 1 (NO2 DK1), Statnett SF and Energinet."
- b. A new paragraph 2 shall be included and be read accordingly:

"The NO4 – FI bidding zone border shall be included in the market coupling and capacity calculation process from the go-live of flow-based capacity calculation in CCR Nordic onwards."

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a) For Nordic CCR:
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i. Norway 1 - Norway 2 (NO1 - NO2), Statnett SF;
ii. Norway 1 - Norway 3 (NO1 - NO3), Statnett SF;
iii. Norway 1 - Norway 5 (NO1 NO5), Statnett SF;
iv. Norway 2 - Norway 5 (NO2 - NO5), Statnett SF;
v. Norway 3 - Norway 5 (NO3 - NO5), Statnett SF;
vi. Norway 3 - Norway 4 (NO3 - NO4), Statnett SF and Svenska kraftnät;
viii. Norway 1 - Sweden 3 (NO1 - SE3), Statnett SF and Svenska kraftnät;
viii. Norway 3 - Sweden 2 (NO3 - SE2), Statnett SF and Svenska kraftnät;
ix. Norway 4 - Sweden 2 (NO4 - SE2), Statnett SF and Svenska kraftnät;
x. Norway 4 - Sweden 1 (NO4 - SE1), Statnett SF and Svenska kraftnät;
xi. Norway 4 - Finland (NO4 - FI), Statnett SF and Fingrid Oyj; and
xii. Norway 2 - Denmark 1 (NO2 - DK1), Statnett SF and Energinet.
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2. Article 4 – Capacity Calculation Region 2: Hansa – shall be amended as follows:

"The CCR Hansa shall include the bidding zone borders listed below, and shown on map 2 included in the Appendix to this document, as attributed to the referred TSOs:

- a) Denmark 1 Germany/Luxembourg (DK1 DE/LU), Energinet and TenneT TSO GmbH;
- b) Denmark 2 Germany/Luxembourg (DK2 DE/LU), Energinet and 50Hertz Transmission GmbH;
- c) Sweden 4 Poland (SE4 PL), Svenska kraftnät and Polskie Sieci Elektroenergetyczne S.A.;
- d) Denmark 1 Netherlands (DK1 NL), Energinet and TenneT TSO B.V.;
- e) Sweden 4 Germany/Luxembourg (SE4 DE/LU), Svenska kraftnät, TenneT TSO GmbH and Baltic Cable AB;
- f) Norway 2 Netherlands (NO2 NL), Statnett SF and TenneT TSO B.V.; and
- a)g)Norway 2 Germany/Luxembourg (NO2 DE/LU), Statnett and TenneT TSO GmbH."

b) For Hansa CCR:

i. Norway 2 Netherlands (NO2 NL), Statnett SF and TenneT TSO B.V.; and

- ii. Norway 2 Germany/Luxembourg (NO2 DE/LU), Statnett ST and TenneT TSO GmbH
- 3. Map 1 in the Appendix shall replace map 1 in the Appendix of Annex I to ACER Decision 04/2021.

 Map 2 in the Appendix shall replace map 2 in the Appendix of Annex I to ACER Decision 04/2021.

The amended Nordic and Hansa CCRs are shown on map 1 and 2 included in the Appendix.

Article 2 Additional amendments

- 1. Article 1 Subject matter and scope shall be amended as follows:
 - a. Paragraph 2 shall be amended and be read accordingly:

"All TSOs propose the aAdditional amendments to the Annex I of the CCR ACER Decision 04/2021 in accordance with Article 15(1) of the CACM Regulation shall be included in the following way:

Article 1(2): Any changes in the bidding zone border configuration of Member States shall be taken into account in proposals for amendments to this document in accordance with Article 9(13) of the CACM Regulation."

- 2. Article 2 Definitions and interpretation shall be amended as follows:
 - a. Paragraph 2(c) shall be amended and read accordingly:

b. Article 2(2)(c): ny reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force; and.

2. Paragraph 3 shall be amended and read accordingly:

<u>b.</u>

3. <u>"Article 2(3):</u> This document shall be binding upon and shall ensure to the benefit of the TSOs as referred to herein and their permitted successors and assigns and irrespective of any change in the TSOs' names."

3. Article 11 – Implementation date of CCRs – shall be amended as follows:

Article 11 Implementation date of CCRs shall be amended as follows:

Article 11: "All TSOs shall apply the CCRs as described in Title 2 as soon as the decision has been taken by ACER in accordance with Article 9(6)(b) of the CACM Regulation and Article 5(2)(b) Regulation (EU) 2019/942."

4. Article 12 – Future assessment – shall be amended as follows:

a. Paragraph 1 shall be amended and be read accordingly:

Article 12(1): "No later than three months after the implementation of the first version of the regional operational security coordination in accordance with Article 76(1) of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as the "SO Regulation") in the Core CCR, all TSOs shall submit to ACER an assessment analysing alternative determinations of at least the CCRs Hansa, Nordic and Core in terms of:"

b. Paragraph 2 shall be amended and be read accordingly:

a.

b.Article 12(2): "In case this assessment pursuant to paragraph (1) identifies a more efficient alternative Determination of CCRs, all TSOs shall submit to ACER a proposal for amendment of the Determination of CCRs in accordance with Article 9(13) of the CACM Regulation by the same deadline as for the assessment"

TITLE 2 FINAL PROVISIONS

Article 3 Implementation date of the amendments

The amendments provided for in Article 1 shall be applied by Aall TSOs as soon as this amendment has been approved in accordance with Article 9 of the CACM Regulation and provided that and as soon as the CCR methodology has become applicable in Norway following the relevant decisions by the EFTA Surveillance Authority and the national regulatory authority in Norway in accordance with the Agreement on the European Economic Area. shall apply the CCRs as described in the Determination of the Capacity Calculation Regions as soon as the decision has been taken by ACER in accordance with Article 9(6)(b) of the CACM Regulation and Article 5(2)(b) Regulation (EU) 2019/942.

All TSOs shall apply the amendments provided for in Article 2 as soon as this amendment has been approved in accordance with Article 9 of the CACM Regulation.

Article 4 Language

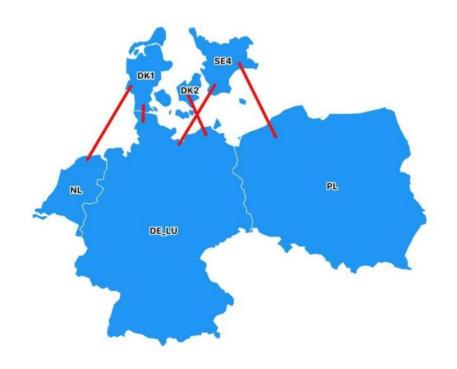
The reference language for this Proposal for Amendment shall be English. For the avoidance of doubt, where TSOs need to translate this Proposal for Amendment into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9(14) 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 this Proposal for Amendment.

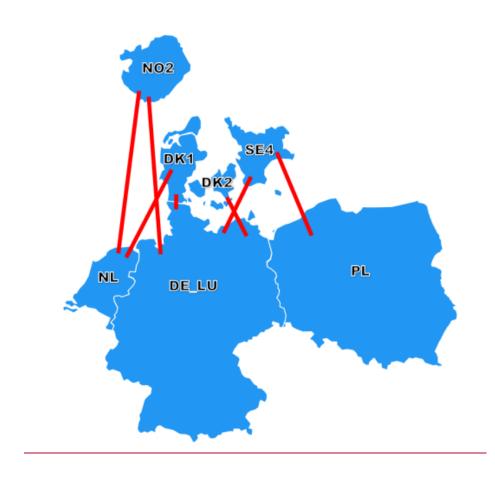
APPENDIX: MAPS OF THE CCRS

1. Capacity Calculation Region 1: Nordic



2.	Capacity Calculation Region 2: Hansa
	Note: The DE/LU - PL, NL - DE/LU, NO2 - DK1, DK2 - SE4 and DK1 - DK2 bidding
	zone borders are not part of this CCR.





ANNEX 1

<u>List of TSOs subject to the approved CCR methodology:</u>

- APG Austrian Power Grid AG
- VÜEN Vorarlberger Übertragungsnetz GmbH
- Elia Elia System Operator S.A
- ESO Electroenergien Sistemen Operator EAD
- HOPS d.d. Croatian Transmission System Operator PlcLtd
- ČEPS ČEPS, a.s.
- Energinet Energinet
- Elering Elering AS
- Fingrid Fingrid OyJ
- Kraftnät Åland Ab
- RTE Réseau de Transport d'Electricité, S.A
- Amprion Amprion GmbH
- Baltic Cable AB
- TransnetBW -TransnetBW GmbH
- TenneT GER TenneT TSO GmbH
- 50Hertz 50Hertz Transmission GmbH
- IPTO Independent Power Transmission Operator S.A.
- MAVIR ZRt. MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt.
- EirGrid EirGrid plc
- Terna Terna SpA
- Augstsprieguma tikls AS Augstsprieguma tikls
- LITGRID LITGRID AB
- CREOS Luxembourg CREOS Luxembourg S.A.
- TenneT TSO TenneT TSO B.V.
- PSE PSE S.A.
- REN Rede Eléctrica Nacional, S.A.
- Transelectrica C.N. Transelectrica S.A.
- SEPS Slovenská elektrizačná prenosovú sústava, a.s.
- ELES ELES, d.o.o.
- REE Red Eléctrica de España S.A.U.
- Svenska Kraftnät Affärsverket Svenska Kraftnät

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•	SONI System Operator for Northern Ireland Ltd.	