

Mr Christian Pihlgaard-Zinglensen  
Director  
ACER

Cc: Dr Klaus-Dieter Borchardt  
Deputy Director General  
DG ENER  
European Commission

Cc: Mr Laurent Schmitt  
Secretary General  
ENTSO-E

***By email only***

28 February 2020

**Referral of the decisions on the Nordic TSO's proposals on a market for frequency restoration reserves with automatic reserves pursuant to the Electricity Balancing Guideline**

Dear Christian,

I write on behalf of the Regulatory Authorities of CCR Nordic regarding the Nordic TSO's revised proposals for a Nordic capacity market for frequency restoration reserves with automatic activation (aFRR).

The Nordic TSOs submitted the revised proposals pursuant to EU Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (EB GL). The proposals are interlinked and were submitted for regulatory approval at CCR Nordic with a view to establish a capacity market for frequency restoration reserves with automatic activation (aFRR), cf. the proposal pursuant to EB GL Articles 33(1) and 38(1), based on a so-called market based allocation process for the allocation of cross-zonal capacity, cf. the proposals pursuant to EB GL Article 41(1), and by making an exemption to allow balancing service providers to transfer their obligations to provide balancing capacity, cf. the proposal pursuant to EB GL Article 34(1).

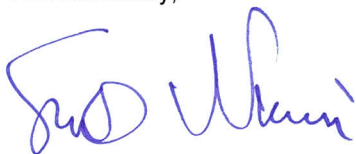
Article 5(6) of EB GL requires all CCR Nordic regulatory authorities to consult and closely cooperate and coordinate with each other to reach an agreement and come to a decision within two months following receipt of the revised proposals submissions to the last NRA, cf. article 6(1) in the EB GL. As the revised proposals were received by the last regulatory authority on 17 December 2019 the two month period expired on 17 February 2020.

As laid out in Article 6(2) of EB GL, where regulatory authorities have not been able to reach agreement within the period referred to in EB GL Article 6(2), or upon their joint request, the Agency shall adopt a decision within six months, cf. Article 6(10) in Regulation No. 2019/942.

Regulatory authorities have closely cooperated among each other to agree on approving the revised proposals. However, after extensive discussion among regulatory authorities it has become evident that the regulatory authorities disagree on whether the proposals are approvable.

Therefore, the regulatory authorities of the Nordic CCR request the Agency to adopt a decision on the three abovementioned proposals, pursuant to article 6(10) in Regulation No. 2019/942.

Yours sincerely,



Simo Nurmi, Finnish Energy Authority  
on behalf of ERRF CCR Nordic

Annexes:

1. Note explaining the assessment of the revised proposals among CCR Nordic NRAs and NVE-RME
2. The TSOs' original proposal pursuant to EB GL Article 34(1) with an explanatory document
3. The TSOs' original proposal pursuant to EB GL Articles 33(1) and 38(1) with an explanatory document
4. The TSOs' original proposal pursuant to EB GL Article 41(1) with an explanatory document
5. Answers from the NordREG public consultation on the proposals submitted on 17 April 2019
6. The NRAs request for amendment to the original proposal pursuant to EB GL Article 34(1)
7. The NRAs request for amendment to the original proposal pursuant to EB GL Article 33(1) and 38(1)
8. The NRAs request for amendment to the original proposal pursuant to EB GL Article 41(1)
9. The TSOs' revised proposal pursuant to EB GL Article 34(1) with an explanatory document
10. The TSOs' revised proposal pursuant to EB GL Articles 33(1) and 38(1) with an explanatory document
11. The TSOs' revised proposal pursuant to EB GL Article 41(1) with an explanatory document
12. Answers from EV's public consultation on the revised proposals submitted on 17 December 2019