
**Methodology for application of Redispatching and
Countertrading cost-sharing for the SWE Region in
accordance with Article 74 of Commission Regulation (EU)
2015/1222 of 24 July 2015**

November 2018

SWE TSOs Proposal for common Methodology for Redispatching and Countertrading cost-sharing for the SWE Region in accordance with Article 74 of Commission Regulation (EU) 2015/1222 of 24 July 2015
SWE TSOs response to the RfA received from SWE NRAs on 12th September 2018

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RTE, REE and REN are taking into account the following,

Whereas

- (1) This document is the common methodology for redispatching and countertrading cost sharing, hereafter referred to as the “**SWE Cost Sharing Methodology**” (SWE CSM), developed by RTE, REE and REN as the Transmission System Operators of the SWE region (hereafter referred to as “**TSOs**”) in accordance with Article 74 of Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “**CACM Regulation**”).
- (2) The SWE Cost Sharing Methodology shall also meet the requirements of Commission Regulation (EU) 2017/1485 establishing a guideline on System Operation (“System Operation regulation”)

General provisions

Article 1

Subject matter and scope

The SWE Cost Sharing Methodology is the common Methodology for redispatching and countertrading cost sharing of all Transmission System Operators of the SWE Region in accordance with Article 74 of the CACM Regulation.

In a first step, **SWE Cost Sharing Methodology** is focused only on countertrading costs sharing. Coordinated Redispatching costs will be included once finished the current analysis and identified the interest of its application in the SWE Region.

Article 2

Definitions and interpretation

1. For the purposes of the SWE Cost Sharing Methodology, the terms used shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 543/2013, Article 2 of the CACM Regulation and Article 3 of SO GL.
2. In addition, the following definition shall apply:
 - a. ‘Common Responsibility Zone’ means a coordinated subset of Critical Network Elements as defined in the Capacity Calculation Methodology. No later than 3 months after the approval

of this methodology, involved SWE TSOs will have to provide to relevant National Regulatory Authorities a document explaining the specific criteria to determine the elements of the Common Responsibility Zone for each bidding zone border.

3. In this SWE Cost Sharing 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 SWE Cost Sharing 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.

Eligible costs for cost-sharing

Article 3

Cross-border relevancy of remedial actions

For the SWE region, the costly remedial actions to be considered shall be limited to countertrading measures. Eligible costs for cost-sharing keys defined in Article 8 of this Methodology are only those of countertrading measures implemented to solve a physical constraint on critical network elements as defined in the capacity calculation methodology of the SWE Region, required by Articles 20 and 21 of CACM Regulation.

Article 4

Real-time operation

The costs of countertrading measures implemented in fast activation processes, where the regional security coordinator of the SWE Region is not involved, shall be eligible for cost-sharing keys defined in Article 8 of this Methodology if they meet the requirements defined in the Article 3 of this Methodology.

Article 5

Countertrading costs

Costs of countertrading measures shall be the incurred costs to solve a physical constraint, including imbalancing costs and gains where relevant. Costs of countertrading measures shall be auditable and transparent. Further information about countertrading measures costs considered will be defined according to Article 13(2) in the SWE RDCT Methodology.

Article 6

Description of the activation of costly remedial actions

For matter of clarification, countertrading measures can be decided either as preventive or curative remedial action based on indicative costs at the time of the coordinated decision. However, only actual costs incurred as defined by Article 5 shall be shared among concerned TSOs in accordance with the provisions of the Articles 7a) and 8 of this Methodology.

Cost-sharing methodology

Article 7

Cost-sharing principles

Depending on the causes that lead to the countertrading , two different scenarios can be defined:

- a) Situations where countertrading is due to physical constraints on an element included in the Common Responsibility Zone.
- b) Situations where the countertrading is due to any other reasons including to maintain the upward/downward available power reserve.

Total costs of countertrading measures shall be shared among TSOs of the relevant bidding zone border in accordance with the sharing keys defined in Article 8 of this Methodology.

Article 8

Cost-sharing keys

For countertrading measures activated on the Common Responsibility Zone of the France-Spain border considered in Article 7 a), eligible costs shall be shared as following:

- 50% of the eligible costs borne by RTE
- 50% of the eligible costs borne by REE

For countertrading measures activated on the Common Responsibility Zone of the Portugal-Spain border considered in Article 7 a), eligible costs shall be shared as following:

- 50% of the eligible costs borne by REN
- 50% of the eligible costs borne by REE

For any other reason, countertrading measures activated on the France-Spain border or on the Portugal-Spain border considered in Article 7 b), the requester pays principle shall apply.

Where it is included a costly remedial action in the capacity calculation performed in accordance with Article 20 and 21 of CACM Regulation, the eligible costs of these costly remedial actions shall be borne by each TSO of the relevant bidding zone border.

Monitoring and Implementation

Article 9

Monitoring of the activation

1. All activation of countertrading measures shall be monitored with the support, when relevant, of the regional security coordinator (SWE RSC).
2. Each activation of countertrading measures shall be reported by both TSOs of the bidding zone border to ensure transparency and reporting obligations toward NRAs of the bidding zone border.
3. The monitoring shall be ex-post and shall include the following elements but not limited to:
 - Requesting party
 - Network elements with a physical constraint
 - Reasons for the application of countertrading measures
 - Date and time of the activation
 - Requested period and duration of the activation
 - Energy volume activated by each TSO in MWh for each hour of activation
 - List of non-costly measures implemented to solve the physical constraint
 - The forecasted volume in MW of the overload before the activation of the countertrading measures
 - The forecasted volume in MW of the overload after the activation of the countertrading measures
 - The actual volume in MW of the overload before the activation of the countertrading measures
 - The actual volume in MW of the overload after the activation of the countertrading measures

Article 10

Monitoring of the costs incurred

1. All activation of countertrading measures shall be monitored with the support, when relevant, of the SWE RSC.
2. Each activation of countertrading measures shall be reported by both TSOs of the bidding zone border to ensure transparency and reporting obligations toward NRAs of the bidding zone border.
3. Costs of countertrading measures shall be transparent and compliant with provisions of the Article 35 of CACM Regulation.
4. If costs of countertrading measures incurred increase significantly, TSOs or NRAs can ask for further investigation on these costs. When relevant, concerned NRAs or TSOs of the bidding zone border can request a review of the methodologies defined in accordance with Articles 35 and 74 of CACM Regulation and/or the capacity calculation methodology defined in accordance with Articles 20 and 21 of CACM Regulation.

Article 11

Regular Reporting to NRAs

1. In addition to transparency obligations required by Article 13 of Regulation 543/2013 (EU), TSOs of the SWE Region with the support, when relevant, of the SWE RSC shall provide NRAs of the SWE Region with a yearly report on countertrading activations based on their monitoring as defined in Articles 9 and 10 of this Methodology.
2. Additional report on countertrading activations can be prepared upon common request from NRAs of the bidding zone border.

Article 12

Biennial review for improvement

1. All TSOs of the SWE region, with the support, when relevant, of the regional security coordinator, shall review this methodology every two years and suggest recommendations for improvement to NRAs. Where these improvements affect other methodologies, these amendments shall be consulted upon where required by the relevant regulation.

Article 13

Implementation

1. The TSOs shall implement this Methodology on all bidding zone borders of the SWE Region once:
 - the Day-head and Intraday capacity calculation methodology for the SWE Region under Articles 20 and 21 of the CACM Regulation have been approved by NRAs and implemented by TSOs,
 - the methodology for regional operational security coordination on the SWE Region under Article 76 of the SO Regulation has been approved by NRAs as well as implemented by TSOs.

Miscellaneous

Article 14

Amendment of this Methodology

1. Any change in methodologies affecting this Methodology, such as the methodology defined in accordance with Article 35 of CACM Regulation, shall lead to an amendment of the present Methodology.
2. These amendments should be requested through the process described in Article 9(13) of the CACM Regulation, but for the sake of clarity, in case a request for amendment only concerns one bidding zone border of the SWE region, only the concerned NRAs will have to explicitly approve the amendment. The remaining NRA will be informed of the amendment.

Article 15

Language

1. The reference language for this SWE Cost Sharing Methodology shall be English. For the avoidance of doubt, where TSOs need to translate this 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 be obliged to dispel any inconsistencies by providing a revised translation of this Methodology to their relevant SWE National Regulatory Authorities.