

**REQUEST FOR AMENDMENT (RfA) BY THE SEE CCR
REGULATORY AUTHORITIES AGREED AT THE SEE
CCR ENERGY REGULATORS' REGIONAL FORUM**

ON

**THE SEE CCR TSOS' PROPOSAL FOR THE
METHODOLOGY FOR CROSS-ZONAL CAPACITY
CALCULATION WITHIN THE BALANCING TIMEFRAME
IN ACCORDANCE WITH ARTICLE 37 OF COMMISSION
REGULATION (EU) 2017/2195 OF 23 NOVEMBER 2017
ESTABLISHING A GUIDELINE ON ELECTRICITY
BALANCING WITHIN SEE CCR**

23 October 2023

I. Introduction and legal context

This document elaborates an agreement of the SEE Capacity Calculation Region Regulatory Authorities (hereinafter “SEE NRAs”), agreed on 23 October 2023 at the SEE CCR Energy Regulators’ Regional Forum, on the SEE CCR TSOs’ (hereinafter: SEE TSOs) proposal for the methodology for cross-zonal capacity calculation within the balancing timeframe (hereinafter “the BT CCM”) in accordance with Article 37(3) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereinafter: “EB Regulation”).

The BT CCM was received by the last Regulatory Authority on 21 April 2023. Article 5(6) of EB Regulation requires relevant Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and make decisions within six months following receipt of submissions of the last relevant Regulatory Authority concerned. This agreement of SEE NRAs shall provide evidence that a decision on the BT CCM does not, at this stage, need to be adopted by ACER pursuant to Article 5(7) of EB Regulation. However, this agreement is intended to constitute the basis on which SEE NRAs will each subsequently request an amendment to the BT CCM, pursuant to Article 6(1) of EB Regulation.

The legal provisions that lie at the basis of the BT CCM and this SEE NRAs agreement on the RfA to the BT CCM, can be found in Articles 3, 5, 6 and 37 of EB Regulation. They are set out here for reference.

Article 3 of EB Regulation “Objectives and regulatory aspects”

1. This Regulation aims at:

(a) fostering effective competition, non-discrimination and transparency in balancing markets;

(b) enhancing efficiency of balancing as well as efficiency of European and national balancing markets;

(c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;

(d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;

(e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue distortions within the internal market in electricity;

(f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;

(g) facilitating the participation of renewable energy sources and support the achievement of the European Union target for the penetration of renewable generation.

2. When applying this Regulation, Member States, relevant regulatory authorities, and system operators shall:

(a) apply the principles of proportionality and non-discrimination;

(b) ensure transparency;

(c) apply the principle of optimisation between the highest overall efficiency and lowest total costs for all parties involved;

(d) ensure that TSOs make use of market-based mechanisms, as far as possible, in order to ensure network security and stability;

(e) ensure that the development of the forward, day-ahead and intraday markets is not compromised;

(f) respect the responsibility assigned to the relevant TSO in order to ensure system security, including as required by national legislation;

(g) consult with relevant DSOs and take account of potential impacts on their system;

(h) take into consideration agreed European standards and technical specifications.

Article 5 of EB Regulation "Approval of terms and conditions or methodologies of TSOs"

1. Each regulatory authority or where applicable the Agency, as the case may be, shall approve the terms and conditions or methodologies developed by TSOs under paragraphs 2, 3 and 4. Before approving the terms and conditions or methodologies, the Agency or the relevant regulatory authorities shall revise the proposals where necessary, after consulting the respective TSOs, in order to ensure that they are in line with the purpose of this Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.

2. [...]

3. The proposals for the following terms and conditions or methodologies and any amendments thereof shall be subject to approval by all regulatory authorities of the concerned region:

f. the cross-zonal capacity calculation methodology for each capacity calculation region pursuant to Article 37(3);

4. [...]

5. [...]

6. Where the approval of the terms and conditions or methodologies in accordance with paragraph 3 of this Article or the amendment in accordance with Article 6 requires a decision by more than one regulatory authority, the relevant regulatory authorities shall consult and closely cooperate and coordinate with each other in order to reach an agreement. Where the Agency issues an opinion, the relevant regulatory authorities shall take that opinion into account. Regulatory authorities or, where competent, the Agency shall decide on the terms and conditions or methodologies submitted in accordance with paragraphs 2, 3 and 4, within 6 months following the receipt of the terms and conditions or methodologies by the Agency or the relevant regulatory authority or, where applicable, by the last regulatory authority concerned. The period shall begin on the day following that on which the proposal was submitted to the Agency in accordance with paragraph 2, to the last regulatory authority concerned in accordance with paragraph 3 or, where applicable, to the relevant regulatory authority in accordance with paragraph 4.

7. Where the relevant regulatory authorities have not been able to reach agreement within the period referred to in paragraph 6, or upon their joint request, or upon the Agency's request according to the third subparagraph of Article 5(3) of Regulation (EU) 2019/942, the Agency shall adopt a decision concerning the submitted proposals for terms and conditions or methodologies within 6 months from the day of referral, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942. [...]

Article 6 of EB Regulation "Amendments to terms and conditions or methodologies of TSOs"

1. Where the Agency, all relevant regulatory authorities jointly or the relevant regulatory authority require an amendment in order to approve the terms and conditions or methodologies submitted in accordance with Article 5(2), (3) and (4) respectively, the relevant TSOs shall submit a proposal for amended terms and conditions or methodologies for approval within 2 months following the request from the Agency or the relevant regulatory authorities. The Agency or the relevant regulatory authorities shall decide on the amended terms and conditions or methodologies within 2 months following their submission. [...]

Article 37 of EB Regulation “Cross-zonal capacity calculation”

- 1. After the intraday-cross-zonal gate closure time, TSOs shall continuously update the availability of cross-zonal capacity for the exchange of balancing energy or for operating the imbalance netting process. Cross-zonal capacity shall be updated every time a portion of cross-zonal capacity has been used or when cross-zonal capacity has been recalculated.*
- 2. Before the implementation of the capacity calculation methodology pursuant to paragraph 3, TSOs shall use the cross-zonal capacity remaining after the intraday cross-zonal gate closure time.*
- 3. By five years after entry into force of this Regulation, all TSOs of a capacity calculation region shall develop a methodology for cross-zonal capacity calculation within the balancing timeframe for the exchange of balancing energy or for operating the imbalance netting process. Such methodology shall avoid market distortions and shall be consistent with the cross-zonal capacity calculation methodology applied in the intraday timeframe established under Regulation (EU) 2015/1222.*

II. SEE TSOs’ proposal

A draft BT CCM was consulted by SEE TSOs through ENTSO-E via the online ENTSO-E Consultation Hub for one month from 1 November 2022 until 2 December 2022¹ in line with Article 10 of EB Regulation.

In the public consultation, SEE TSOs were seeking input from stakeholders and market participants on the draft proposal. Market participants were asked to provide SEE TSOs with their feedback via the online survey platform.

The BT CCM, dated December 2022, was received by the last Regulatory Authority on 21 April 2023 along with an explanatory document giving background information and rationale for the BT CCM.

The BT CCM consists of a Whereas section and 16 articles. It defines a capacity calculation for the balancing timeframe in order to provide capacities for the exchange of balancing energy or for operating the imbalance netting process for the SEE CCR. In addition, the BT CCM methodology includes a proposed timescale for its implementation.

III. SEE NRAs’ assessment

SEE NRAs welcome the BT CCM submitted by the SEE TSOs. However, as far as technical contents are concerned, SEE NRAs have identified a number of issues with respect to the BT

¹ <https://consultations.entsoe.eu/markets/see-proposal-on-btcc-methodology/>

CCM and thus request SEE TSOs to amend the BT CCM and to take into account the following assessment. The assessment contains a part with general remarks and a part going into detail, assessing almost each article of the BT CCM, that is deemed important to be amended individually. The detailed SEE NRAs assessment is presented, also, in the attached Annex I for SEE TSOs' consideration.

1. Whereas Section/General Remarks:

SEE NRAs consider that BT CCM should not be related to 3rd countries and the provision regarding the agreements to be signed between TSOs has to be eliminated. The provision regarding the consideration of 3rd countries and the agreements to be signed between SEE TSOs and TSOs from 3rd countries was applicable only in DA and ID CCM in the 70% context, and not in the balancing timeframe, therefore paragraphs (2) and (3) in the Whereas section of the BT CCM should be removed.

SEE NRAs also consider that the information given in paragraph (11) of the Whereas section in the BT CCM is very important and thus it should be moved to the main body of the BT CCM.

SEE NRAs request that the referral to TSOs, whenever necessary throughout the BT CCM, is to be made either with "the TSOs of the SEE CCR" or "SEE TSOs". The same applies for EB Regulation (in BT CCM also is written EBGL) and BT CCM (BT CCC methodology Proposal).

2. Article 2 – Definitions, acronyms and interpretation:

In order to avoid double acronyms and definitions, SEE NRAs ask SEE TSOs to include in article 2(1) also a reference to the Capacity Calculation Methodology for the day-ahead and intraday market timeframe for SEE CCR, according to Articles 20 and 21 of Regulation (EC) 2015/1222, as approved by SEE NRAs and to add in article 2(2) only those new elements that are needed.

Following the request stated above related to 3rd countries, SEE NRAs consider that the definitions in letters h and j of 2nd paragraph are to be deleted.

In order not to create confusion, in paragraph 3, SEE NRAs request that when SEE TSOs refer to common capacity calculation, SEE TSOs are to use the acronym CC and when SEE TSOs refer to coordinated capacity calculator SEE TSOs are to use the acronym CCC.

3. Article 3 – Application of this methodology:

SEE NRAs request that the SEE TSOs rephrase the sentence of the article as follows:

“This methodology applies solely to the common CC for the balancing timeframe based on the coordinated net transmission capacity approach adopted in the SEE CCR.”

As requested already about the 3rd countries considered in BT CCM, the reference to this situation is to be eliminated.

4. Article 4 – Cross-zonal capacities for the balancing timeframe:

SEE NRAs consider that the BT CCM has to include the capacity calculation process/approach (individual TTC values calculation, deadlines, effect of AAC, MTU, for each bidding zone border, involved parties etc.). It is necessary to elaborate and additionally better arrange the information between this Article and Article 9 in order to have the basic principles of the process here and more details on the timelines of calculation and validation in Articles 9 and 10. The information included in the explanatory note should be used as well.

5. Article 5 – Reliability margin methodology:

SEE NRAs request SEE TSOs that the BT CCM proposal is to be complemented with a methodology for the calculation of the TRM, as required by articles 21 and 22 of CACM Regulation.

6. Article 6 – Methodologies for operational security limits, contingencies and allocation constraints:

SEE NRAs ask SEE TSOs to include in this article a reference on the methodology for operational security limits and application of allocation constraints.

Subsequent to paragraphs 2 and 3 of this article, SEE NRAs ask SEE TSOs to make a reference on the rules for avoiding undue discrimination between internal and cross-zonal exchanges.

Also, related to paragraph 4, SEE NRAs consider that there is a need for a new article where all the information regarding reviews and updates of different elements that are being considered in this BT CCM is gathered.

7. Article 7 – Generation shift key methodology:

In paragraph 5, SEE NRAs ask SEE TSOs to rephrase the sentence as follows:

“5. For the Greek bidding zone, a proportional representation of the generation variation to the remaining capacity, based on ADMIE’s best estimate of the initial generation profile, ensure the best modeling of the Greek system.”

8. Article 8 – Methodology for remedial actions in capacity calculation:

SEE NRAs ask SEE TSOs to clarify the regulatory document for RA definition (CACM or the CCM for DA and ID timeframe for SEE CCR and CROSA) and to define frequency of RA redefinition.

SEE NRAs ask SEE TSOs to elaborate on the steps of the process as follows:

- each TSO from SEE CCR to provide the list of RA to the CCC for each bidding zone border and each BT CC
- each TSO from SEE CCR to ensure that the RA are considered under the condition that the remaining RA after calculation are sufficient for enduring operational security.
- each TSO from SEE CCR to inform CCC in case of any change in its list of RAs.

SEE NRAs also ask SEE TSOs to refer to what are the actions of the CCC after considering RAs (cross-zonal capacity optimization, maximum power exchange adjustment etc.).

9. Article 9 – Balancing capacity calculation:

SEE NRAs consider that the article is incomplete and needs further details as it is not clear how the calculation is taking place. Also, there is no mathematical description. SEE NRAs request SEE TSOs to include in the BT CCM the mathematical equations on how NTC is determined from the explanatory note.

SEE NRAs ask SEE TSOs to further elaborate why the current approach is deemed better than a more frequent calculation, e.g. carried out after each ID CZGCT for the relevant MTU.

SEE NRAs ask SEE TSOs to update the list of acronyms from article 2 with the ones mentioned in paragraph 4 of article 9.

SEE NRAs request SEE TSOs to remove the reference to the explanatory note from paragraph 4 of article 9 from BT CCM and include all relevant information in the proposal since the explanatory note will not be included in the SEE NRAs national decisions.

SEE NRAs ask SEE TSOs to describe in detail the process of capacity calculation which is depicted in figure 1 in the BT CCM, in order to clarify when is the moment in time when each computation is being conducted, by which hour (MTU) of day D, etc.

10. Article 10 – Cross-zonal capacity validation methodology:

SEE NRAs request SEE TSOs to explain why it is not possible to use a coordinated validation approach and why only an individual approach is feasible. Such an explanation should at least be included in the Explanatory Document.

In paragraph 1, SEE NRAs ask SEE TSOs to include also the timings for validation for each BT CC process.

In paragraph 2, letter b, SEE NRAs ask SEE TSOs to rephrase the sentence as follows:

“b. when all available preventive and curative RAs, that are needed to ensure the calculated capacity, are not sufficient to ensure operational security;”

In paragraph 3, SEE NRAs ask SEE TSOs to rephrase the sentence as follows:

“3. When one or more TSOs of the SEE CCR do not validate the calculated cross-zonal capacity, the concerned TSO(s) shall provide the CCC the updated amount of cross-zonal capacities for the border considered and the reasons for the change. The final cross-zonal capacity is the minimum value sent by the SEE TSOs of the considered border.”

and provide further clarification if the result of validation could be an increase instead of a reduction.

We consider that paragraph 6 could be eliminated as we assume that CCC has the responsibility to provide to the TSOs the validated cross-zonal capacity after application of RM.

11. Article 11 – TTC Update process:

SEE NRAs acknowledge that this article provides a capacity calculation after the IDCGET, only in case there is a deviation in the assumptions of the previous calculation, in order to improve the accuracy of the capacity values provided for the balancing time frame.

However, the conditions for triggering such process are vague, non-transparent and arbitrary (i.e. subject to the decision of a TSO, on the basis of its own judgement). SEE TSOs are requested to improve the conditions in article 11(1), making the process transparent and objective, including at least the parameters monitored, the frequency of this monitoring and the procedural steps which lead to the re-calculation. The description in Article 11 shall report a process that is clear, measurable and non-arbitrary.

We would like to be settled a concrete time before it is started another capacity calculation for the affected MTU.

In paragraph 5, SEE NRAs ask SEE TSOs to include a phrase that describes the way the CCC and the SEE TSOs should ensure that the validated cross-zonal capacity is provided to the balancing platforms, when applicable.

12. Article 12 – Fall-back procedures:

SEE NRAs request SEE TSOs to better explain the process described in paragraph 1 of article 12, since neither Unit 3.5 of the explanatory note doesn't contain more details on this. For example, aren't the last coordinated cross-zonal capacities for the considered MTU needed?

In paragraph 2, SEE NRAs request SEE TSOs to complete the description of the process after the validation step as to also provide the cross-zonal capacity value to the balancing platforms.

13. Article 13 – Publication of data:

SEE NRAs request SEE TSOs to add to paragraph 1 of article 13 the results that are being calculated by the CCC and sent to SEE TSOs.

SEE NRAs ask TSOs to assess if it is possible to have more frequent data publication (timings related to each BT CC process, any update TTC process).

14. Article 14 – Reporting:

SEE NRAs request SEE TSOs to include a provision for reporting the outcome of the BT CCM processes (for example, the submission of a yearly report which includes at least the cross-border capacities made available to the market and the list of CNECs or other security limits that are limiting the NTC values).

15. Article 15 – Publication and Implementation of the BT CCM:

SEE NRAs consider that in accordance with article 3 (Point 2(b)) of the EB Regulation aiming at ensuring and enhancing the transparency and reliability of information to all regulatory authorities and market participants, all SEE TSOs and the CCC shall regularly publish the data on the balancing capacity calculation process pursuant to this methodology on a dedicated online communication platform where capacity calculation data for the whole SEE CCR shall be published.

Paragraph 4 of article 15 provides a deadline for implementation of this BT CCM by July 2025. However, given the dependency of BT CC with other processes, especially the ROSC methodology, SEE NRAs request SEE TSOs to include a deadline of „x” months calculated

starting from the implementation of the ID CROSA, as indicated in ROSC methodology – in order to not have future amendments on the timeline if there would be amendments to the ROSC methodology.

SEE NRAs ask SEE TSOs to set a deadline for performing the study mentioned in paragraph 6 and also to add a provision of sending this study to the SEE NRAs.

We consider necessary that SEE TSOs shall monitor and ensure the quality and availability of the data on a dedicated online communication platform.

16. Article 16 – Language:

In paragraph 2, SEE NRAs ask SEE TSOs to rephrase the sentence as follows:

“2. For the avoidance of doubt, where TSOs of the SEE CCR need to translate this BT CCM into their national language(s), in the event of inconsistencies between the English version published by TSOs of the SEE CCR and any version in another language, the relevant TSOs of the SEE CCR shall be obliged to dispel any inconsistencies by providing a revised translation of this BT CCM to their relevant national regulatory authorities.”

IV. Conclusions

SEE NRAs have assessed, consulted and closely cooperated and coordinated to reach the agreement that they request an amendment to the BT CCM submitted by SEE TSOs, pursuant to Article 6(1) of EB Regulation.

The amended proposal shall take into account the SEE NRAs' assessment stated above and shall be submitted by SEE TSOs no later than two months following the request from the Regulatory Authorities, in accordance with Article 6(1) of the EB Regulation.

SEE NRAs should issue their national decisions to request an amendment to the BT CCM on the basis of this agreement within 6 months after the receipt of the proposal by the last Regulatory Authority, according to Article 5(6) of EB Regulation.

Annex I – SEE CCR TSOs' proposal for the methodology for cross-zonal capacity calculation within the balancing timeframe in accordance with Article 37 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing within SEE CCR