

**APPROVAL BY THE GREECE-ITALY REGULATORY  
AUTHORITIES**

**of**

**GREECE-ITALY TSOs PROPOSAL FOR COORDINATED  
REDISPATCHING AND COUNTERTRADING  
METHODOLOGY IN ACCORDANCE WITH ARTICLE 35  
OF COMMISSION REGULATION (EU) 2015/1222 OF 24  
JULY 2015 ESTABLISHING A GUIDELINE ON CAPACITY  
ALLOCATION AND CONGESTION MANAGEMENT**

**11 January 2019**

## I. Introduction and legal context

This document elaborates an agreement of the Greece-Italy Regulatory Authorities (in the following: GRIT NRAs), agreed on 11 January 2019 at Greece-Italy Energy Regulators' Regional forum, on the Greece-Italy TSO proposal for Coordinated Redispatching and Countertrading Methodology (in the following: GRIT CTRD), submitted in accordance with Article 35 of Commission Regulation 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (in the following: CACM).

This agreement of the GRIT NRAs shall provide evidence that a decision on the GRIT CTRD does not, at this stage, need to be adopted by ACER pursuant to Article 9(11) of CACM. It is intended to constitute the basis on which the GRIT NRAs will each subsequently approve the GRIT CTRD pursuant to Article 9(12) of CACM.

The legal provisions that lie at the basis of the GRIT CTRD, and this GRIT NRAs agreement on the above-mentioned methodology, can be found in Articles 3 and 35 of CACM. They are set out here for reference.

### Article 3 – Objectives of capacity allocation and congestion management cooperation

*This Regulation aims at:*

- (a) Promoting effective competition in the generation, trading and supply of electricity;*
- (b) Ensuring optimal use of the transmission infrastructure;*
- (c) Ensuring operational security;*
- (d) Optimising the calculation and allocation of cross-zonal capacity;*
- (e) Ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants;*
- (f) Ensuring and enhancing the transparency and reliability of information;*
- (g) Contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union;*
- (h) Respecting the need for a fair and orderly market and fair and orderly price formation;*
- (i) Creating a level playing field for NEMOs;*
- (j) Providing non-discriminatory access to cross-zonal capacity*

### Article 35 – Coordinated redispatching and countertrading

- 1. Within 16 months after the regulatory approval on capacity calculation regions referred to in Article 15, all the TSOs in each capacity calculation region shall develop a proposal for a common methodology for coordinated redispatching and countertrading. The proposal shall be subject to consultation in accordance with Article 12.*
- 2. The methodology for coordinated redispatching and countertrading shall include actions of cross-border relevance and shall enable all TSOs in each capacity calculation region to effectively relieve physical congestion irrespective of whether the reasons for the physical congestion fall mainly outside their control area or not. The methodology for coordinated redispatching and countertrading shall address the fact that its application may significantly influence flows outside the TSO's control area.*
- 3. Each TSO may redispatch all available generation units and loads in accordance with the appropriate mechanisms and agreements applicable to its control area, including interconnectors. By 26 months after the regulatory approval of capacity calculation regions, all TSOs in each capacity calculation region shall develop a report, subject to consultation in accordance with Article 12, assessing the progressive coordination and harmonisation of those mechanisms and agreements and including proposals. The report shall be submitted to their respective regulatory authorities for their assessment. The proposals in the report shall prevent these mechanisms and agreements from distorting the market.*

4. *Each TSO shall abstain from unilateral or uncoordinated redispatching and countertrading measures of crossborder relevance. Each TSO shall coordinate the use of redispatching and countertrading resources taking into account their impact on operational security and economic efficiency.*
5. *The relevant generation units and loads shall give TSOs the prices of redispatching and countertrading before redispatching and countertrading resources are committed. Pricing of redispatching and countertrading shall be based on:*
  - (a) *prices in the relevant electricity markets for the relevant time-frame; or*
  - (b) *the cost of redispatching and countertrading resources calculated transparently on the basis of incurred costs.*
6. *Generation units and loads shall ex-ante provide all information necessary for calculating the redispatching and countertrading cost to the relevant TSOs. This information shall be shared between the relevant TSOs for redispatching and countertrading purposes only.*

## **II. The Greece-Italy TSOs proposal**

The GRIT CTRD was consulted by the Greece-Italy TSOs through ENTSO-E for one month from 8 February 2018 to 11 March 2018, in line with Article 12 and Article 35 of CACM<sup>1</sup>. The GRIT CTRD was received by the last Regulatory Authority of the Greece-Italy Capacity Calculation Region on 19 March 2018. The proposal includes timescales for its implementation and a description of its expected impact on the objectives of CACM, in line with Article 9(9) of CACM.

On 31 July 2018 GRIT NRAs agreed to request amendments to the proposal.

The amended GRIT CTRD was received by the last concerned Regulatory Authority on 15 November 2018: thus, a decision on this amended proposal is due by 15 January 2019, according to Article 9(12) of CACM.

The GRIT CTRD foresees countertrading as the only possible measure to manage congestions related to the Italy – Greece border: Italian and Greek systems are directly connected through a DC link, thus from the operation point of view the two systems may be considered independent on each other<sup>2</sup>.

Redispatching is, instead, used to solve congestions on the Italian transmission network, related to the cross border exchanges between the Italian internal bidding zones.

Redispatching and countertrading are activated once all the non-costly remedial actions are exploited: countertrading is coordinated between Italian and Greek TSOs, while the Italian TSO can activate redispatching independently.

The coordinated countertrading process is executed in the day-ahead timeframe (based on the best available forecast once day-ahead market is cleared) and in real time. In the intraday timeframe the TSOs may decide to trigger the coordinated countertrading process on event or to run the process systematically on a rolling time window the details of which will be defined in the implementation phase.

The redispatching process is explicitly executed in the day-ahead timeframe; in intraday the process may be triggered only on event while in real time the automatic redispatching at minimum cost is implemented by the mean of a SCOPF function run by the Italian TSO every 15 minutes.

A fast activation process is foreseen too: this is used when the regular process cannot be performed due to the urgency to adopt corrective measures.

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<sup>1</sup> The public consultation is available on the ENTSO-e website:  
<https://consultations.entsoe.eu/markets/greece-italy-tso-redispatching-countertrading/>

<sup>2</sup> Italy and Greece are also indirectly connected since they are both part of the Continental Europe Synchronous Area: they are, nonetheless, electrically far from each other, thus the independence of the operation of the two systems is preserved.

The implementation of GRIT CTRD is subject to the regulatory approval of the CTRD proposal and of the associated cost sharing proposal, to the effective implementation of the capacity calculation methodology in the GRIT CCR and to the development of the proper IT systems to support all the activities related to countertrading and redispatching. The effective implementation is expected no later than 12 months after all the above-mentioned conditions are fulfilled.

### III. **The Greece-Italy Regulatory Authorities position**

#### **On the first GRIT CTRD**

GRIT NRAs welcomed the effort by GRIT TSOs to develop a proposal in the current framework where most of the activities of the regional capacity calculators (and in prospective of the regional security coordinators according to Regulation 2017/1485) are still under discussion.

Nonetheless they asked the TSOs to improve the methodology as follows:

- Clarify the process and the relevant thresholds (where applicable) used to identify the Area of Common Interest;
- Confirm whether the Area of Common Interest coincides with the entire transmission network, if a SCOPF function is used to perform redispatching tasks;
- Describe countertrading and redispatching activities in separate Articles;
- For countertrading provide at least further details about the timings of the process and about the optimization process (whether performed joint with local redispatching or in a separate instance);
- For redispatching clarify whether a SCOPF function is used or not and provide at least the frequency of the SCOPF function and the criteria adopted for redispatching if a SCOPF function is not used;
- Highlight in the explanatory note the relation between CTRD proposal and the security analysis run by the Regional Security Coordinator pursuant to Articles 75 and 76 of Regulation 2017/1485;
- Provide more details about the expected usage of the fast activation process.

#### **On the amended GRIT CTRD**

After assessing the amended version of GRIT CTRD, GRIT NRAs acknowledge that all the requests were successfully fulfilled by the GRIT TSOs.

GRIT NRAs request the GRIT TSOs to keep the GRIT NRAs updated about the implementation phase and the designation of the entities that will be in charge of executing the coordinated countertrading process.

Once more details are available about the timings of the coordinated process and about the details of the optimization to activate countertrading, the GRIT CTRD shall be subject to a further amendment. Such an amendment shall be initiated by GRIT TSOs following Art. 9(13) of CACM once the above mentioned details are available.

### IV. **Conclusions**

The GRIT NRAs have consulted and closely cooperated and coordinated to reach agreement that **they approve the GRIT CTRD submitted by GRIT TSOs pursuant to Article 35 of CACM.**

The GRIT NRAs must make their national decisions to approve GRIT CTRD methodology, on the basis of this agreement, by 15 January 2019.