



**APPROVAL BY
CAPACITY CALCULATION REGION
HANSA REGULATORY AUTHORITIES**

OF

**THE CCR HANSA COORDINATED
REDISPATCHING & 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**

17 MAY 2021

I. Introduction and legal context

This document elaborates an agreement of all relevant Capacity Calculation Region (“CCR”) Hansa Regulatory Authorities, reached on 17 May 2021, on the Hansa TSOs’ amendment proposal for the CCR Hansa Coordinated Redispatching & Countertrading Methodology, hereafter referred to as “the RD&CT Methodology”.

The all CCR Hansa TSOs (“Hansa TSOs”) are therefore the German TSOs, TenneT TSO GmbH and 50Hertz Transmission GmbH, the Dutch TSO, TenneT TSO NL BV, the Danish TSO, Energinet, the Swedish TSO, Svenska kraftnät, and the Polish TSO, Polskie Sieci Elektroenergetyczne S.A. The Hansa TSOs cooperate with the Norwegian TSO, Statnett, on the development of the regional terms, conditions, and methodologies, which the Hansa TSOs are obliged to submit for regulatory approval.

The all CCR Hansa Regulatory Authorities (“Hansa NRAs”) are therefore Bundesnetzagentur (“BNetzA”), Autoriteit Consument & Markt (“ACM”), Danish Utility Regulator (“DUR”), Energimarknadsinspektionen (“Ei”), and Urząd Regulacji Energetyki (“URE”). However, the views of Reguleringsmyndigheten for energi (“NVE-RME”) have been acknowledged in the process.

The Hansa TSOs did originally develop a proposal for the RD&CT Methodology pursuant to Article 35 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (“CACM GL”).

On 28 January 2019, the Hansa NRAs did reach an agreement to approve the Hansa TSOs’ RD&CT proposal in an amended version, dated 4 December 2018, followed by national decisions of 20 February 2019, adopted by each of the Hansa NRAs.

By ACER decision 04-2019 of 1 April 2019, ACER allocated the bidding zone border, Western Denmark (DK1) - Netherlands (NL), to CCR Hansa.

On 6 September 2019, the Dutch TSO, TenneT TSO NL BV, did submit a proposal for ACM on an approval of the then present RD&CT Methodology for CCR Hansa, in respect of the Netherlands.

On 6 March 2020, ACM on behalf of the Hansa NRAs requested ACER for a 6-month extension pursuant to Article 6(10) of the ACER Regulation (EU) 2019/942. In the request for extension, the Hansa NRAs stated that within 6 months following the extension, if granted by ACER, the Hansa NRAs would strive to reach a unanimous agreement to approve the RD&CT Methodology or to request an amendment of the RD&CT Methodology. The NRAs expected the European Commission (EC) to decide on the derogation request by the federal government of Germany and of Denmark pursuant to Article 64 of the Electricity Regulation (EU) 2019/943 concerning the offshore hybrid asset “Kriegers Flak” within the extended deadline. The NRAs wanted to consider this decision in their approval procedure concerning the RD&CT Methodology.

By ACER decision 14-2020 of 14 July 2020, ACER granted the requested 6-month extension, thereby postponing the deadline for the Hansa NRAs’ decision-making on the RD&CT Methodology to 6 September 2020.

Article 9(12) of CACM GL provides for NRAs to request for amendments of a proposal for terms, conditions, and methodologies.

Article 9(13) of CACM GL provides for TSOs, NEMOs, and or NRAs, to request for amendments of terms, conditions, and methodologies having been previously adopted.

On 4 September 2020, the Hansa NRAs reached an agreement to request for amendment (RfA) of the RD&CT Methodology for CCR Hansa

- pursuant to Article 9(12) of CACM GL, in respect of TenneT NL's proposal of 6 September 2019 on ACM's approval of the present RD&CT Methodology for CCR Hansa, and
- pursuant to Article 9(13) of CACM GL, in respect of the present RD&CT Methodology for CCR Hansa, previously approved on 28 January 2019 by all of the other Hansa NRAs, except ACM.

The NRAs requested the TSOs to amend the proposal by taking into account the following key points:

- Amending references to Regulation (EU) no 714/2009 and Directive 2009/72/EC, into references to Regulation (EU) 2019/943 and Directive (EU) 2019/944 respectively
- Adjusting Article 3(1)(c) to (d), and Article 3(2), in conjunction with the European Commission's - at that time - pending decision on KF CGS

Commission Decision (EU) 2020/2123 of 11 November 2020, on KF CGS, was eventually published on 17 December 2020 in the Official Journal of the European Union, and in all of the language versions of the EU Member States¹.

Hansa TSOs did perform a public consultation of a draft amendment proposal for the RD&CT Methodology for the period, 3 December 2020 to 10 January 2021, pursuant to Article 12, ref. to Article 9(13), 2nd subparagraph, of CACM GL. None views were received, resulting from the consultation.

The Hansa TSOs' final amendment proposal for the RD&CT Methodology for CCR Hansa - dated 19 February 2021 - was received by the last Hansa NRA on 19 March 2021 pursuant to Article 9(10), 3rd to 4th subparagraphs, of CACM GL.

In follow-up of Hansa NRAs' RfA of 4 September 2020, Hansa TSOs did also submit an amended Explanatory Document.

Article 9(12), 2nd subparagraph, ref. to Article 9(10), 1st subparagraph, of CACM GL requires the competent NRAs of the concerned region to consult and closely cooperate and coordinate with each other in order to reach an agreement on an amended proposal two months after the submission of the proposal by the last Hansa TSO. Thus, a decision on approval of the Hansa TSOs' amendment proposal for the RD&CT Methodology is required by each of the Hansa NRAs on 19 May 2021 as the latest.

This agreement of the Hansa NRAs shall provide evidence that a decision on the amendment proposal for the RD&CT Methodology for CCR Hansa does not need to be adopted by ACER pursuant to Article 9(11) of CACM GL. Thus, this agreement is intended to constitute the basis on

¹ English language version of the decision, <https://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32020D2123&from=EN>

which, the Hansa NRAs will each of them subsequently adopt national decisions pursuant to Article 9(7)(a) of CACM GL to approve the Hansa TSOs' amendment proposal for the RD&CT Methodology for CCR Hansa.

The legal provisions that lie at the basis of the Hansa TSOs' amendment proposal for the RD&CT Methodology for CCR Hansa, and this agreement by the Hansa NRAs on approval of the amendment proposal, can notably be found in Articles 3, 12, and 35, of CACM GL, and in Article 9 of CACM GL, as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021². Relevant extracts of those provisions are quoted here for reference:

Article 3 of CACM GL

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 9 of CACM GL, as amended by Commission Implementing Regulation (EU) 2021/280

1. *TSOs and NEMOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the competent regulatory authorities within the respective deadlines set out in this Regulation. In exceptional circumstances, notably in cases where a deadline cannot be met due to circumstances external to the sphere of TSOs or NEMOs, the deadlines for terms and conditions or methodologies may be prolonged by the Agency in procedures pursuant to paragraph 6, jointly by all competent regulatory authorities in procedures pursuant to paragraph 7, and by the competent regulatory authority in procedures pursuant to paragraph 8.*

Where a proposal for terms and conditions or methodologies pursuant to this Regulation needs to be developed and agreed by more than one TSO or NEMO, the participating TSOs and NEMOs shall closely cooperate. TSOs, with the assistance of ENTSO for Electricity, and all NEMOs shall regularly inform the competent regulatory authorities and the Agency about the progress of developing these terms and conditions or methodologies.

[...]

5. *Each regulatory authority or where applicable the Agency, as the case may be, shall approve the terms and conditions or methodologies used to calculate or set out the single day-ahead*

² English version, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0280&qid=1617789813603&from=EN>

and intraday coupling developed by TSOs and NEMOs. They shall be responsible for approving the terms and conditions or methodologies referred to in paragraphs 6, 7 and 8. Before approving the terms and conditions or methodologies, the Agency or the competent regulatory authorities shall revise the proposals where necessary, after consulting the respective TSOs or NEMOs, 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.

[...]

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

(a) the common capacity calculation methodology in accordance with Article 20(2);

[...]

9. *The proposal for terms and conditions or methodologies shall include a proposed timescale for their implementation and a description of their expected impact on the objectives of this Regulation. Proposals for terms and conditions or methodologies subject to the approval by several regulatory authorities in accordance with paragraph 7 shall be submitted to the Agency within 1 week of their submission to regulatory authorities. Proposals for terms and conditions or methodologies subject to the approval by one regulatory authority in accordance with paragraph 8 may be submitted to the Agency within 1 month of their submission at the discretion of the regulatory authority while they shall be submitted upon the Agency's request for information purposes in accordance with Article 3 paragraph 2 of the Regulation (EU) 2019/942 if the Agency considers the proposal to have a cross-border impact. Upon request by the competent regulatory authorities, the Agency shall issue an opinion within 3 months on the proposals for terms and conditions or methodologies.*

10. *Where the approval of the terms and conditions or methodologies in accordance with paragraph 7 or the amendment in accordance with paragraph 12 requires a decision by more than one regulatory authority, the competent regulatory authorities shall consult and closely cooperate and coordinate with each other in order to reach an agreement. Where applicable, the competent regulatory authorities shall take into account the opinion of the Agency. Regulatory authorities or, where competent, the Agency shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs 6, 7 and 8, within 6 months following the receipt of the terms and conditions or methodologies by the Agency or the 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 6, to the last regulatory authority concerned in accordance with paragraph 7 or, where applicable, to the regulatory authority in accordance with paragraph 8.*

[...]

12. *In the event that the Agency, or all competent regulatory authorities jointly, or the competent regulatory authority request an amendment to approve the terms and conditions or methodologies submitted in accordance with paragraphs 6, 7 and 8 respectively, the relevant TSOs or NEMOs shall submit a proposal for amended terms and conditions or methodologies for approval within 2 months following the request from the Agency or the competent regulatory authorities or the competent regulatory authority. The Agency or the competent regulatory authorities or the competent regulatory authority shall decide on the amended terms and conditions or methodologies within 2 months following their submission. Where the*

competent regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies pursuant to paragraph 7 within the 2-month deadline, 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 amended terms and conditions or methodologies within 6 months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942. If the relevant TSOs or NEMOs fail to submit a proposal for amended terms and conditions or methodologies, the procedure provided for in paragraph 4 of this Article shall apply.

13. *The Agency, or all competent regulatory authorities jointly, or the competent regulatory authority, where they are responsible for the adoption of terms and conditions or methodologies in accordance with paragraphs 6, 7 and 8, may respectively request proposals for amendments of those terms and conditions or methodologies and determine a deadline for the submission of those proposals. TSOs or NEMOs responsible for developing a proposal for terms and conditions or methodologies may propose amendments to regulatory authorities and the Agency.*

The proposals for amendment to the terms and conditions or methodologies shall be submitted to consultation in accordance with the procedure set out in Article 12 and approved in accordance with the procedure set out in this Article.

14. *TSOs and NEMOs responsible for establishing the terms and conditions or methodologies in accordance with this Regulation shall publish them on the internet after approval by the Agency or the competent regulatory authorities or, if no such approval is required, after their establishment, except where such information is considered as confidential in accordance with Article 13.*

Article 12 of CACM GL

1. *TSOs and NEMOs responsible for submitting proposals for terms and conditions or methodologies or their amendments in accordance with this Regulation shall consult stakeholders, including the relevant authorities of each Member State, on the draft proposals for terms and conditions or methodologies where explicitly set out in this Regulation. The consultation shall last for a period of not less than one month.*
2. *[...] Proposals submitted by the TSOs and NEMOs at regional level shall be submitted to consultation at least at regional level. [...]*
3. *The entities responsible for the proposal for terms and conditions or methodologies shall duly consider the views of stakeholders resulting from the consultations undertaken in accordance with paragraph 1, prior to its submission for regulatory approval if required in accordance with Article 9 or prior to publication in all other cases. In all cases, a clear and robust justification for including or not the views resulting from the consultation shall be developed in the submission and published in a timely manner before or simultaneously with the publication of the proposal for terms and conditions or methodologies.*

Article 35 of CACM GL

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 cross- border 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. Hansa TSOs' amendment proposal for RD&CT Methodology, and explanatory note

The amendment proposal continues basic and principal characteristics of the present RD&CT Methodology for CCR Hansa.

Notably, and ref. to Recital (5) of the RD&CT Methodology, the methodology formalizes coordinated RD&CT measurements on interconnectors, located in CCR Hansa, and facilitates the alleviation of physical congestion in adjacent AC grids with cross-border relevance for Hansa bidding zone borders. Thus, physical congestion in adjacent AC grid on the one side of an interconnector, which can be effectively alleviated by coordinated RD&CT measurements on the Hansa interconnectors, may impact flow conditions in adjacent AC grid on the other side of that interconnector.

Furthermore, the RD&CT Methodology is based on a Coordinated Net Transmission Capacity ("CNTC") approach with a strong link to the adjacent CCRs, i.e. CCR Nordic and CCR Core.

Recital (3) and Article 2(1) of the RD&CT Methodology contain references to legal acts of the EU as the legal basis for the RD&CT Methodology. In that respect, the amendment proposal exchanges references to Regulation (EU) no 714/2009 and Directive 2009/72/EC with respectively Regulation (EU) 2019/943 and Directive (EU) 2019/944, and adds a reference to Commission Decision (EU) 2020/2123 of 11 November 2020 on the derogation for KF CGS.

The amendment proposal adds a Recital (15), stating that Commission Decision (EU) 2020/2123 of 11 November 2020 on the derogation for KF CGS pursuant to Article 64 of Regulation (EU) 2019/943 has granted KF CGS a 10 year-exception.

In addition, the Hansa TSOs' explanatory document, page 6, to the amendment proposal for the RD&CT Methodology implies the following notably amendments compared to the previous explanatory document:

The official assignment of Baltic Cable on the bidding zone border SE4-DE/LU to CCR Hansa, expected to be in mid-2021, will be considered for the scope of the CCR Hansa.

Information in support of the Recitals (3) and (15), Article 2(1), and Article 3(1)(c), being amended, added, or preserved, in the course of the actual amendment process for the RD&CT Methodology.

Notably, Commission Decision (EU) 2020/2123 on the derogation for KF CGS implies that the margin available for cross-zonal trade pursuant to Article 16(8) of Regulation (EU) 2019/943 applies solely to the transmission capacity for KF CGS, which remains after deduction of capacity expected to be required for the transmission of production from the wind farms, connected to the KF CGS system, to shore. Article 3(1)(c) of the RD&CT Methodology is then reflecting the Commission decision by explicitly referring to an interconnector to which a number of windfarms are directly connected.

The amended Explanatory Document, pages 17 to 25, contains still a table on views resulting from the Hansa TSOs' public consultation of the draft original proposal for the RD&CT Methodology in 2018.

III. Agreed Hansa NRAs' position

The Hansa NRAs did initially consider that the issues on EC's then pending decision on a derogation for KF CGS, and a general updating of the legal basis for the RD&CT Methodology, did each of them call for amendments of the present RD&CT Methodology for CCR Hansa, approved in 2019.

Thus, the Hansa NRAs did in a RfA of 4 September 2020 request the Hansa TSOs to develop a draft amendment proposal for the RD&CT Methodology to be subject for public consultation, and then to submit a finalized amendment proposal for the RD&CT Methodology for the Hansa NRAs' assessment and approval.

The Hansa NRAs notice that EC did on 11 November 2020 adopt the decision on a derogation for KF CGS, which was then officially published and numbered as "(EU) 2020/2123" on 17 December 2020, and that the Hansa TSOs' amendment proposal for RD&CT Methodology is dated 19 February 2021.

The Hansa NRAs consider that it is accordance with the requirements set in Hansa NRAs' RfA of 4 September 2020 that the Hansa TSOs within the amendment proposal for the RD&CT Methodology, - preserve provisions in the RD&CT Methodology, on RD&CT measures applying for KF CGS, - are referring to EC's decision as the legal basis for the RD&CT Methodology in respect of KF CGS, - include explanations on the implications of EC's decision on KF CGS, in the Recital (15) of the RD&CT Methodology, and in the amended explanatory document to the RD&CT Methodology.

The Hansa NRAs notice, too, that the Hansa TSOs have followed the Hansa NRAs' requests for an updating of the legal basis for the RD&CT Methodology.

The Hansa NRAs suggest some textual clarifications, references to proper titles of legal acts, corrections of typing errors etc., within the Hansa TSOs' amendment proposal for the RD&CT Methodology of 19 February 2021.

In view of the sole technical character of those textual clarifications etc., the Hansa NRAs do consider that the inclusion of the clarifications etc. within the amendment proposal does not call for a revision and consultation process pursuant to Article 9(5), 3rd subparagraph, of CACM GL, as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021, and Article 5(6) of the ACER Regulation (EU) 2019/942.

However, on 26 April 2021 the Hansa NRAs have via the Hansa TSOs' Project Manager Office informed the Hansa TSOs on the suggested textual clarifications, requesting possible comments. On 6 May 2021, the Hansa TSOs stated that content wise they do not have any comments.

With a view to consolidate the above single considerations and processes, the Hansa NRAs have closely cooperated and coordinated with each other in order to reach agreement on the Hansa TSOs' amendment proposal for the RD&CT Methodology for CCR Hansa.

In respect of the single amendments of the RD&CT Methodology and the amended explanatory document, Hansa NRAs view that the amended RD&CT Methodology for CCR Hansa meets the requirements of both CACM GL and the Hansa NRAs' actual RfA of 4 September 2020. Thus, Hansa NRAs assess that the amended RD&CT Methodology for CCR Hansa is to be subject for approval.

IV. Conclusion

The Hansa NRAs have assessed, consulted, coordinated, and closely cooperated with each other, to reach an agreement that the Hansa TSOs' amendment proposal for the RD&CT Methodology for CCR Hansa meets the requirements of CACM GL, and as such, is to be subject for approval by the Hansa NRAs.

The Hansa TSOs' amendment proposal for the RD&CT Methodology was received by the last Hansa NRA on 19 March 2021.

On the basis of the actual common agreement among the Hansa NRAs, a decision on approval of the Hansa TSOs' amendment proposal for the RD&CT Methodology is required by each of the Hansa NRAs by 19 May 2021 at the latest, pursuant to the 2-months deadline, following from Article 9(12), 2nd subparagraph, ref. to Article 9(10), 1st subparagraph, of CACM GL.

Following national decisions on approval, adopted by each of the Hansa NRAs, each of the Hansa TSOs is then required to publish the amended RD&CT Methodology for CCR Hansa pursuant to Article 9(14) of CACM GL.