

**DECISION OF THE SOUTH WEST EUROPE
REGULATORY AUTHORITIES**

ON

**THE COMMON PROVISIONS FOR REGIONAL
OPERATIONAL SECURITY COORDINATION FOR SWE
CCR SWE ACCORDANCE WITH ARTICLE 76 OF
COMMISSION REGULATION (EU) 2017/1485 OF 2
AUGUST 2017 ESTABLISHING A GUIDELINE ON
ELECTRICITY TRANSMISSION SYSTEM OPERATION**

3 December 2020

I. Introduction and legal context

This document elaborates an agreement of the South West Europe Regulatory Authorities (hereinafter: SWE NRAs), agreed on 3 December 2020 at South West Europe Energy Regulators' Regional forum, on the methodology for regional operational security coordination (hereinafter: SWE ROSC methodology) developed by the Transmission System Operators of South West Europe CCR (hereinafter: SWE TSOs), in accordance with Article 76 of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereinafter: SO Regulation)

This agreement of SWE NRAs shall provide evidence that a decision on the SWE ROSC methodology does not need to be adopted by ACER pursuant to Article 6(8) of the SO Regulation. It is intended to constitute the basis on which SWE NRAs will each subsequently issue a national decision to approve the SWE ROSC methodology pursuant to Article 6(7) of the SO Regulation.

The legal provisions that lie at the basis of the SWE ROSC methodology, and this SWE NRAs agreement on the above mentioned methodology, can be found in Articles 4, 6, 75, 76, 77, 78, of the SO Regulation and in Article 5 of the Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast) (hereinafter: recast ACER Regulation). They are set out here for reference.

The SO Regulation

Article 4

Objectives and regulatory aspects

1. *This Regulation aims at:*
 - (a) *determining common operational security requirements and principles;*
 - (b) *determining common interconnected system operational planning principles;*
 - (c) *(...)*
 - (d) *ensuring the conditions for maintaining operational security throughout the Union;*
 - (e) *(...)*
 - (f) *promoting the coordination of system operation and operational planning;*
 - (g) *ensuring and enhancing the transparency and reliability of information on transmission system operation;*
 - (h) *contributing to the efficient operation and development of the electricity transmission system and electricity sector in the Union.*
2. *When applying this Regulation, Member States, competent 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 TSOs make use of market-based mechanisms as far as possible, to ensure network security and stability;*
 - (e) *respect the responsibility assigned to the relevant TSO in order to ensure system security, including as required by national legislation;*

[...]

Article 6

Approval of terms and conditions or methodologies of TSOs

1. *Each regulatory authority shall approve the terms and conditions or methodologies developed by TSOs under paragraphs 2 and 3. The entity designated by the Member State shall approve the terms and conditions or methodologies developed by TSOs under paragraph 4. The designated entity shall be the regulatory authority unless otherwise provided by the Member State.*

2. (...)
3. *The proposals for the following terms and conditions or methodologies shall be subject to approval by all regulatory authorities of the concerned region, on which a Member State may provide an opinion to the concerned regulatory authority:*
 - (a) (...)
 - (b) *common provisions for each capacity calculation region for regional operational security coordination in accordance with Article 76;*

[...]

6. *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 on terms and conditions or methodologies subject to the approval by several or all regulatory authorities shall be submitted to the Agency at the same time that they are submitted to regulatory authorities. 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.*
7. *Where the approval of the terms and conditions or methodologies 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 the Agency issues an opinion, the competent regulatory authorities shall take that opinion into account. Regulatory authorities shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs (2) and (3), within 6 months following the receipt of the terms and conditions or methodologies by the regulatory authority or, where applicable, by the last regulatory authority concerned.*
8. *Where the regulatory authorities have not been able to reach an agreement within the period referred to in paragraph 7 or upon their joint request, the Agency shall adopt a decision concerning the submitted proposals for terms and conditions or methodologies within 6 months, in accordance with Article 8(1) of Regulation (EC) No 713/2009.*

[...]

Article 75

Methodology for coordinating operational security analysis

1. *By 12 months after entry into force of this Regulation, all TSOs shall jointly develop a proposal for a methodology for coordinating operational security analysis.*

[...]

Article 76

Proposal for regional operational security coordination

1. *By 3 months after the approval of the methodology for coordinating operational security analysis in Article 75(1), all TSOs of each capacity calculation region shall jointly develop a proposal for common provisions for regional operational security coordination, to be applied by the regional security coordinators and the TSOs of the capacity calculation region. The proposal shall respect the methodologies for coordinating operational security analysis developed in accordance with Article 75(1) and complement where necessary the methodologies developed in accordance with Articles 35 and 74 of Regulation (EU) 2015/1222. The proposal shall determine:*
 - (a) *conditions and frequency of intraday coordination of operational security analysis and updates to the common grid model by the regional security coordinator;*
 - (b) *the methodology for the preparation of remedial actions managed in a coordinated way, considering their cross- border relevance as determined in accordance with Article 35 of Regulation (EU) 2015/1222, taking into account the requirements in Articles 20 to 23 and determining at least:*
 - i) *the procedure for exchanging the information of the available remedial actions, between relevant TSOs and the regional security coordinator;*

- ii) *the classification of constraints and the remedial actions in accordance with Article 22;*
 - iii) *the identification of the most effective and economically efficient remedial actions in case of operational security violations referred to in Article 22;*
 - iv) *the preparation and activation of remedial actions in accordance with Article 23(2);*
 - v) *the sharing of the costs of remedial actions referred to in Article 22, complementing where necessary the common methodology developed in accordance with Article 74 of Regulation (EU) 2015/1222. As a general principle, costs of non-cross-border relevant congestions shall be borne by the TSO responsible for the given control area and costs of relieving cross-border-relevant congestions shall be covered by TSOs responsible for the control areas in proportion to the aggravating impact of energy exchange between given control areas on the congested grid element.*
2. *In determining whether congestion have cross-border relevance, the TSOs shall take into account the congestion that would appear in the absence of energy exchanges between control areas.*

Article 77

Organisation for regional operational security coordination

1. *The proposal of all TSOs of a capacity calculation region for common provisions for regional operational security coordination pursuant to Article 76(1) shall also include common provisions concerning the organisation of regional operational security coordination, including at least:*
 - (a) *the appointment of the regional security coordinator(s) that will perform the tasks in paragraph 3 for that capacity calculation region;*
 - (b) *rules concerning the governance and operation of regional security coordinator(s), ensuring equitable treatment of all member TSOs;*
 - (c) *where the TSOs propose to appoint more than one regional security coordinator in accordance with subparagraph (a):*
 - i) *a proposal for a coherent allocation of the tasks between the regional security coordinators who will be active in that capacity calculation region. The proposal shall take full account of the need to coordinate the different tasks allocated to the regional security coordinators;*
 - ii) *an assessment demonstrating that the proposed setup of regional security coordinators and allocation of tasks is efficient, effective and consistent with the regional coordinated capacity calculation established pursuant to Articles 20 and 21 of Regulation (EU) 2015/1222;*
 - iii) *an effective coordination and decision making process to resolve conflicting positions between regional security coordinators within the capacity calculation region.*
2. *When developing the proposal for common provisions concerning the organisation of regional operational security coordination in paragraph 1, the following requirements shall be met:*
 - (a) *each TSO shall be covered by at least one regional security coordinator;*
 - (b) *all TSOs shall ensure that the total number of regional security coordinators across the Union is not higher than six.*
3. *The TSOs of each capacity calculation region shall propose the delegation of the following tasks in accordance with paragraph 1:*
 - (a) *regional operational security coordination in accordance with Article 78 in order to support TSOs fulfil their obligations for the [...], day-ahead and intraday time-frames in Article 34(3) and Articles 72 and 74;*

[...]
4. *In executing its tasks, a regional security coordinator shall take account of data covering at least all capacity calculation regions for which it has been allocated tasks, including the observability areas of all TSOs in those capacity calculation regions..*
5. *All regional security coordinators shall coordinate the execution of their tasks in order to facilitate the fulfilment of the objectives of this Regulation. All regional security coordinators shall ensure the harmonization of processes and, where duplication is not justified by reasons of efficiency or*

by the need to ensure continuity of service, the creation of joint tools to ensure efficient cooperation and coordination between the regional security coordinators.

Article 78

Regional operational security coordination

1. *Each TSO shall provide the regional security coordinator with all the information and data required to perform the coordinated regional operational security assessment, including at least:*
 - (a) *the updated contingency list, established according to the criteria defined in the methodology for coordinating operational security analysis adopted in accordance with Article 75(1);*
 - (b) *the updated list of possible remedial actions, among the categories listed in Article 22, and their anticipated costs provided in accordance with Article 35 of Regulation (EU) 2015/1222 if a remedial action includes redispatching or countertrading, aimed at contributing to relieve any constraint identified in the region; and*
 - (c) *the operational security limits established in accordance with Article 25.*
2. *Each regional security coordinator shall:*
 - (a) *perform the coordinated regional operational security assessment in accordance with Article 76 on the basis of the common grid models established in accordance with Article 79, the contingency list and the operational security limits provided by each TSOs in paragraph 1. It shall deliver the results of the coordinated regional operational security assessment at least to all TSOs of the capacity calculation region. Where it detects a constraint, it shall recommend to the relevant TSOs the most effective and economically efficient remedial actions and may also recommend remedial actions other than those provided by the TSOs. This recommendation for remedial actions shall be accompanied by explanations as to its rationale;*
 - (b) *coordinate the preparation of remedial actions with and among TSOs in accordance with Article 76(1)(b), to enable TSOs achieve a coordinated activation of remedial actions in real-time.*
3. *When performing the coordinated regional operational security assessment and identifying the appropriate remedial actions, each regional security coordinator shall coordinate with other regional security coordinators.*
4. *When a TSO receives from the relevant regional security coordinator the results of the coordinated regional operational security assessment with a proposal for a remedial action, it shall evaluate the recommended remedial action for the elements involved in that remedial action and located in its control area. In so doing, it shall apply the provisions of Article 20. The TSO shall decide whether to implement the recommended remedial action. Where it decides not to implement the recommended remedial action, it shall provide an explanation for this decision to the RSC. Where the TSO decides to implement the recommended remedial action, it shall apply this action for the elements located in its control area provided that it is compatible with real-time conditions.*

Recast ACER Regulation

Article 5

Tasks of ACER as regards the development and implementation of network codes and guidelines

[...]

3. *Where one of the following legal acts provides for the development of proposals for terms and conditions or methodologies for the implementation of network codes and guidelines which require the approval of all the regulatory authorities of the region concerned, those regulatory authorities shall agree unanimously on the common terms and conditions or methodologies to be approved by each of those regulatory authorities:*
 - (a) *a legislative act of the Union adopted under the ordinary legislative procedure;*

- (b) network codes and guidelines that were adopted before 4 July 2019 and subsequent revisions of those network codes and guidelines; or*
- (c) network codes and guidelines adopted as implementing acts pursuant to Article 5 of Regulation (EU) No 182/2011.*

The proposals referred to in the first subparagraph shall be notified to ACER within one week of their submission to those regulatory authorities. The regulatory authorities may refer the proposals to ACER for approval pursuant to point (b) of the second subparagraph of Article 6(10) and shall do so pursuant to point (a) of the second subparagraph of Article 6(10) where there is no unanimous agreement as referred to in the first subparagraph.

The Director or the Board of Regulators, acting on its own initiative or on a proposal from one or more of its members, may require the regulatory authorities of the region concerned to refer the proposal to ACER for approval. Such a request shall be limited to cases in which the regionally agreed proposal would have a tangible impact on the internal energy market or on security of supply beyond the region.

[...]

- 6. Before approving the terms and conditions or methodologies referred to in paragraphs 2 and 3, the regulatory authorities, or, where competent, ACER, shall revise them where necessary, after consulting the ENTSO for Electricity, the ENTSO for Gas or the EU DSO entity, in order to ensure that they are in line with the purpose of the network code or guideline and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market. ACER shall take a decision on the approval within the period specified in the relevant network codes and guidelines. That period shall begin on the day following that on which the proposal was referred to ACER.*

II. The South West Europe TSOs' proposal

The SWE ROSC methodology was developed by the TSOs and submitted to SWE NRAs in accordance with Article 76 of the SO Regulation. The proposal was consulted through the website of ENTSO-E for one month from 17 October 2019 to 17 November 2019, in line with Article 11 of the SO Regulation.

The first SWE ROSC proposal was received by the last Regulatory Authority of the South West Europe Capacity Calculation Region on 24 January 2020.

Article 6(7) of the SO Regulation requires SWE NRAs to consult and closely cooperate and coordinate with each other in order to reach an agreement and take a decision within six months following receipt of submissions of the last Regulatory Authority concerned.

After a thorough analysis, SWE Regulatory Authorities agreed on 10 July 2020 to request some amendments on the proposed methodology about:

- the definition of the cross-border relevant elements (XNE);
- the coordination between TSOs and the RSC to select a new set of remedial action when a recommended remedial action is not needed anymore;
- the "on-request coordinated operational security assessment" process and the update of the TSOs' IGMs; and
- the implementation timescale.

The second SWE ROSC proposal was received by the last Regulatory Authority of the South West Europe Capacity Calculation Region on 7 October 2020. Consequently, a SWE NRAs' decision is required by 7 December 2020 according to article 7(1) of the SO Regulation.

Description of the TSOs' proposal

The TSOs of the South West Europe region propose to define CORESO as RSC responsible for carrying out the coordinated security analyses in the South West Europe region.

The methodology requires that information regarding IGMs, remedial actions available in the TSO's control area, system constraints relevant for coordinated security analysis and relevant network elements for congestion to be resolved are provided to the RSCs by the TSOs in the region. The RSC uses all of the data to run an algorithm that aims to find the set of remedial actions that relieves congestion from relevant cross-border network elements at the lowest cost..

The TSOs proposed that all elements with a voltage level higher than or equal to 220 KV are in the list of cross-border relevant network elements. The list of cross-border relevant network elements shall at least include all SWE critical network elements defined in the methodology pursuant to article 21 of the CACM Regulation.

The categories of remedial actions that can be activated in order to resolve congestion on the cross-border relevant network elements are described in article 22 of the SO Regulation. SWE's TSOs plan full implementation of the methodology 40 months after its adoption.

III. The South West Europe Regulatory Authorities position and amendments

SWE's NRAs acknowledge that the final proposal submitted by SWE TSO has been improved and adequately responds to the request for amendment of the NRAs.

SWE's TSOs are in favour of the principles proposed for the coordination and optimisation of the activation of remedial actions that will improve operational security in the SWE CCR.

Nevertheless, SWE NRAs have identified new areas for improvement in the methodology.

The SWE NRAs intend to exploit the provisions of Article 5(6) of recast ACER regulation, requiring regulatory authorities to revise the terms and conditions and methodologies where necessary.

A comprehensive list of the proposed amendments is given below.

Here are the most relevant amendments:

- change of the definition of cross-border relevant remedial actions to align with the new definition in the Core CCR: cross-border remedial actions are all remedial actions given as input of the optimisation;
- deletion of the exhaustive list of categories of remedial actions considered in the ROSC process and simple reference to article 22 of the SO Regulation in order to allow the TSOs to coordinate new categories of remedial actions (eg: redispatching) in the future;
- clarification of the criteria and the process for the TSOs to refuse to activate a remedial action recommended by the RSC; and
- description of reporting requirements and removal of the 12-month period to submit an amendment defining them.

Here are the minor editorial issues:

- reorganisation of articles in order to separate what concerns inputs, coordination and activation; and
- correction of editorial errors.

Moreover, SWE NRAs are aware that from 1 July 2022 at the latest the RSC framework developed for each CCR according to Article 77 of the SO Regulation will be substituted by the RCC framework

established for each system operation region according to the proposal pursuant to article 35 of the Regulation (EU) 2019/943. SWE NRAs deem it necessary to ensure a consistency between what will be written in the RCC establishment proposal and what is included in the SWE ROSC methodology. An amendment of SWE ROSC methodology may thus be required once the RCC establishment proposal is approved.

IV. Conclusions

SWE NRAs have consulted and closely cooperated and coordinated to reach agreement that they amend and adopt, according to the provisions of Article 5(6) of recast ACER Regulation, the SWE ROSC proposal submitted by SWE TSOs pursuant to Article 76 of the SO Regulation.

SWE NRAs must make their national decisions to approve the SWE ROSC methodology, on the basis of this agreement.

Following national decisions by SWE Regulatory Authorities, SWE TSOs will be required to publish the SWE ROSC methodology in line with Article 8(1) of Regulation 2015/1485.