

**POSITION PAPER OF THE CENTRAL EUROPE SYSTEM
OPERATION REGION'S REGULATORY AUTHORITIES**

ON

**THE ESTABLISHMENT PROVISIONS OF THE
REGIONAL COORDINATION CENTRES FOR THE
CENTRAL EUROPE SYSTEM OPERATION REGION IN
ACCORDANCE WITH
ARTICLE 35 OF REGULATION (EU) 2019/943
OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL OF 5 JUNE 2019 ON THE INTERNAL
MARKET FOR ELECTRICITY**

27 June 2022

I. Introduction and legal context

This document constitutes the agreement of the Regulatory Authorities of the Central Europe System Operation Region (hereinafter referred to as “Central NRAs”), as voted on X June 2022, on the amended establishment provisions of the regional coordination centres for the Central Europe System Operation Region (hereinafter referred to as “amended Central RCC establishment provisions”) developed by the Transmission System Operators of the Central Europe System Operation Region (hereinafter referred to as “Central TSOs”), in accordance with Article 35 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (hereinafter referred to as “Electricity Regulation”).

This agreement of the Central NRAs constitutes the basis on which Central NRAs will each subsequently issue a national decision to approve the amended Central RCC establishment provisions pursuant to Article 35 of the Electricity Regulation. It provides evidence that a decision on the amended Central RCC establishment provisions does not, at this stage, need to be adopted by ACER pursuant to Article 6(10) of the Recast ACER Regulation.

The legal provisions that lie at the basis of the amended Central RCC establishment provisions, and this Central NRAs agreement on the above mentioned proposal, can be found in Articles 35, 36 37, 38, 39, 40, 41, 42, 43, 44, 45, 46 and 47 of the Electricity Regulation and in Article 6 of the recast ACER Regulation.

In particular, Article 35 of the Electricity Regulation states that:

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1. By 5 July 2020, all transmission system operators of a system operation region shall submit a proposal for the establishment of regional coordination centres to the regulatory authorities concerned in accordance with the criteria set out in this Chapter.

The regulatory authorities of the system operation region shall review and approve the proposal.

The proposal shall at least include the following elements:

(a) the Member State of the prospective seat of the regional coordination centres and the participating transmission system operators;

(b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;

(c) an implementation plan for the entry into operation of the regional coordination centres;

(d) the statutes and rules of procedure of the regional coordination centres;

(e) a description of cooperative processes in accordance with Article 38;

(f) a description of the arrangements concerning the liability of the regional coordination centres in accordance with Article 47;

(g) where two regional coordination centres are maintained on a rotational basis in accordance with Article 36(2), a description of the arrangements to provide clear responsibilities to those regional coordination centres and procedures on the execution of their tasks.

2. Following approval by regulatory authorities of the proposal in paragraph 1, the regional coordination centres shall replace the regional security coordinators established pursuant to the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009 and shall enter into operation by 1 July 2022.

3. *Regional coordination centres shall have a legal form referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council (23).*

4. *In performing their tasks under Union law, regional coordination centres shall act independently of individual national interests and independently of the interests of transmission system operators.*

5. *Regional coordination centres shall complement the role of transmission system operators by performing the tasks of regional relevance assigned to them in accordance with Article 37. Transmission system operators shall be responsible for managing electricity flows and ensuring a secure, reliable and efficient electricity system in accordance with point (d) of Article 40(1) of Directive (EU) 2019/944.*

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II. The history of the Central TSOs proposal

The initial Central RCC Establishment provisions were developed and submitted in 2020 based on the definition of the Central System Operation Region (hereinafter referred to as “Central SOR”) given by the ACER’s Decision on the Definition of System Operation Regions (ACER Decision No 10/2020) encompassing Core, Italy North and SWE Capacity Calculation Regions. This initial version, proposing the establishment of the existing RSCs Coreso and TSCNET as competent RCCs for the Central SOR (hereinafter referred to as “Central RCCs”), was approved by the competent regulatory authorities on the basis of an agreement reached on 19 January 2021. It included a number of amendments by NRAs mainly related to the clarification of the definition of participating TSOs as TSOs listed in ACER’s SOR Decision (hence excluding all the TSOs of other SORs and non-EU TSOs, but including Creos and Vuen) and to the amendment of the RCC Statutes (Coreso in the light of the Brexit outcome and TSCNET to align with the provisions about the Management Board pursuant to Article 43 of the Electricity Regulation). In particular the Central TSOs were requested to submit a new version of the Central RCC establishment provisions both by one year from the approval in order to incorporate Creos and Vuen as participating TSOs in one of the Central RCCs and whenever the Statutes of Coreso and TSCNET are amended.

With a subsequent letter sent on 23 April 2021, the Central NRAs invited the Central TSOs to review the Statutes of both Coreso and TSCNET in order to clarify the role of non-EU TSOs. The review should have been completed by 31 December 2021.

The ACER Decision No 10/2020 on the SOR definition was challenged by ENTSO-E. The Board of Appeal of ACER accepted the appeal and ACER was mandated to adopt a new Decision. This was accomplished with ACER Decision No 08/2021, that, taking into account the Brexit outcome, incorporated Soni and Eirgrid (TSOs of Northern Ireland and Ireland, respectively) into the Central SOR, while deleting the IU SOR. This decision was challenged as well. ACER decided to withdraw it in October 2021 (see ACER Decision No 13/2021) and consequently reopened the process for adopting a new decision.

The Central TSOs, upon consulting the Central NRAs, decided to wait for the new decision on the SOR definition before submitting the amendment of the Central RCC establishment proposal in order to avoid duplicating the work.

In April 2022, ACER issued the Decision No 05/2022 with the new SOR definition: Eirgrid and Soni are confirmed in the Central SOR, while the SWE CCR (and consequently the Spanish and Portuguese TSOs) are included in the newly built SWE SOR.

Moreover, ACER confirmed that SONI’s and Eirgrid’s *obligations pertaining to the RCCs’ tasks shall become effective only upon the start of operation of the Celtic Interconnector.*

Based on the ACER Decision No 05/2022, the Central TSOs updated the Central RCC establishment provisions, deleting any reference to the Spanish and Portuguese TSOs (no longer participant in the Central SOR, since included in the newly constituted SWE SOR) and adding Eirgrid and Soni as participating TSOs in Coreso.

The Central RCC amended establishment provisions were received by the last Central NRA on 9 June 2022. An agreement by the Central NRAs would be therefore required by 9 December 2022, according to Article 6(10) of the Recast ACER Regulation. Nonetheless, the Central NRAs agreed to speed up the approval process in order to have the agreement on the new establishment provisions reached by 30 June 2022 (i.e. a day before the prospected entry in operation of the RCCs according to Article 35 of the Electricity Regulation).

The new establishment provisions confirm the establishment of Coreso and TSCNET as Central RCCs. The general organisational, financial and operational arrangements for the Central SOR RCCs to carry out their tasks and the liability of the Central SOR RCCs defined in the Central RCC establishment provisions adopted in 2021 remain unchanged.

The seat of Coreso is located in Brussels (Belgium) and its legal form is a “naamloze vennootschap/société anonyme” under Belgian law. The seat of TSCNET is located in Munich (Germany) and its legal form is a “Gesellschaft mit beschränkter Haftung (GmbH)” under German law.

The participating TSOs of each RCC are updated in the new amended establishment provisions: the list includes only the TSOs belonging to the Central SOR and does not include the TSOs participating in Coreso by the mean of other SORs. Creos and Vuen are now included as participating TSOs in TSCNET.

The Statutes and Rules of procedure of Coreso and TSCNET, as defined by their respective shareholders, are attached to the amended establishment provisions. They were significantly amended with respect to the first versions in order:

- for Coreso to avoid that a non-EU TSO (namely National Grid from UK), despite being represented in the Management Board, could exercise any influence on RCC tasks; a specific voting procedure was added to accomplish this;
- for TSCNET to establish a Management Board pursuant to Article 43 of the Electricity Regulation and to clarify that a non-EU TSO (namely Swissgrid from Switzerland) cannot be represented in the Management Board.

III. The Central NRAs' position

NRAs' position

The Central NRAs are in favour of establishing the existing RSCs Coreso and TSCNET as RCCs of the Central SOR and generally agree with the principles defined in the Central RCC amended establishment provisions, which will ensure an efficient execution of the tasks assigned to the RCCs and improve the coordinated processes between TSOs.

As already stated in the previous position paper prepared for the agreement on the initial Central RCC establishment proposal, the division of tasks and the rotation between Coreso and TSCNET, already defined in a number of regional methodologies, seem adequate and allow to have a backup for most tasks.

The Central NRAs agree with the list of the participating TSOs reflecting the amendments and recommendations agreed upon by the NRAs themselves on 19 January 2020.

Furthermore, the Central NRAs agree with the changes of the Statutes and Rules of Procedures that make sure that non-EU TSOs do not have any influence on RCC tasks required by the Electricity Regulation.

NRAs' amendments

Despite a general positive opinion on the amended establishment provisions, the Central NRAs decided to review the proposal before approving it pursuant to Article 35 of the Electricity Regulation in order to incorporate in the Central RCC amended establishment provisions a number of further changes to improve the overall quality and understandability of the document.

The main changes incorporated by the Central NRAs are the:

- inclusion of some statements in the whereas section to describe the process leading to this final version of the Central RCC establishment provisions with a link to the different decisions adopted by ACER on the SOR definition;
- inclusion of a statement in the whereas section about the need for the Central TSOs to ensure that, in case a Central RCC is established as RCC in another SOR, the provisions in the Central RCC establishment provisions are consistent with the provisions to establish the RCC of the other concerned SOR(s);
- inclusion of a statement confirming that the Central TSOs have concluded a proper agreement with Swissgrid setting the basis for the cooperation concerning secure system operation and setting out arrangements for the compliance of Swissgrid with the obligations set out in the Electricity Regulation;
- correction of some wrong references in particular related to the methodologies governing the RCC tasks already approved by ACER pursuant to Article 37 of the Electricity Regulation.

Moreover, some editorial changes have been made to improve the clarity of the document.

The amendments were scrutinised by the Central TSOs that suggested a few further editorial changes that have been accommodated.

Moreover, the Central NRAs incorporated a last minute addition in Article 12, referring to the specific Articles of the ACER Decision No 05/2022 in accordance with the same addition included by the NRAs of the SWE SOR in their RCC establishment provisions.

IV. Conclusions

The Central NRAs have consulted and closely cooperated and coordinated with each other and with the relevant TSOs and ENTSO-E in order to ensure that the amended Central RCC establishment provisions are in line with the purpose of the Electricity Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.

The Central NRAs have hereby reached the agreement among themselves that they adopt the amended Central RCC establishment provisions as annexed to this position paper in both clean and track change versions.

The Central NRAs have to issue their national decisions to approve the amended Central RCC establishment provisions on the basis of this agreement. The Central NRAs commit to issue the national decision as soon as possible.

Following the national decisions by the concerned Regulatory Authorities, starting from 1st July 2022 the regional coordination centres CORESO and TSCNET shall replace the regional security coordinators established pursuant to the System Operation Guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009.