

**POSITION PAPER OF THE CENTRAL SOR
REGULATORY AUTHORITIES**

ON

**THE ESTABLISHMENT OF 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**

15 January 2021

I. Introduction and legal context

This document constitutes the agreement of the Regulatory Authorities of the Central Europe System Operation Region (hereinafter: Central SOR NRAs), as voted on 15 January 2021, on the proposal for the establishment of regional coordination centres for the Central SOR (hereinafter: Central SOR RCC establishment proposal) developed by the Transmission System Operators of the Central SOR (hereinafter: Central SOR 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: Electricity Regulation).

This agreement of the Central SOR NRAs shall provide evidence that a decision on the Central SOR RCC establishment proposal does not, at this stage, need to be adopted by ACER pursuant to Article 5(4) 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). It is intended to constitute the basis on which Central SOR NRAs will each subsequently issue a national decision to approve the Central SOR RCC establishment proposal pursuant to Article 5(3) of the recast ACER regulation.

The legal provisions that lie at the basis of the Central SOR RCC establishment proposal, and this Central SOR 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 5 and 6 of the recast ACER Regulation.

Electricity Regulation

Article 35

Establishment and mission of regional coordination centres

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.*

Article 36

Geographical scope of regional coordination centres

1. *By 5 January 2020 the ENTSO for Electricity shall submit to ACER a proposal specifying which transmission system operators, bidding zones, bidding zone borders, capacity calculation regions and outage coordination regions are covered by each of the system operation regions. The proposal shall take into account the grid topology, including the degree of interconnection and of interdependency of the electricity system in terms of flows and the size of the region which shall cover at least one capacity calculation region.*
2. *The transmission system operators of a system operation region shall participate in the regional coordination centre established in that region. In exceptional circumstances, where the control area of a transmission system operator is part of various synchronous areas, the transmission system operator may participate in two regional coordination centres. For the bidding zone borders adjacent to system operation regions, the proposal in paragraph 1 shall specify how the coordination between regional coordination centres for those borders is to take place. For the Continental Europe synchronous area, where the activities of two regional coordination centres may overlap in a system operation region, the transmission system operators of that system operation region shall decide to either designate a single regional coordination centre in that region or that the two regional coordination centres carry out some or all of the tasks of regional relevance in the entire system operation region on a rotational basis while other tasks are carried out by a single designated regional coordination centre.*
3. *Within three months of receipt of the proposal in paragraph 1, ACER shall either approve the proposal defining the system operation regions or propose amendments. In the latter case, ACER shall consult the ENTSO for Electricity before adopting the amendments. The adopted proposal shall be published on ACER's website.*
4. *The relevant transmission system operators may submit a proposal to ACER for the amendment of system operation regions defined pursuant to paragraph 1. The process set out in paragraph 3 shall apply.*

Article 37

Tasks of regional coordination centres

1. *Each regional coordination centre shall carry out at least all the following tasks of regional relevance in the entire system operation region where it is established:*
 - a) *carrying out the coordinated capacity calculation in accordance with the methodologies developed pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;*
 - b) *carrying out the coordinated security analysis in accordance with the methodologies developed pursuant to the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;*
 - c) *creating common grid models in accordance with the methodologies and procedures developed pursuant to the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;*
 - d) *supporting the consistency assessment of transmission system operators' defence plans and restoration plans in accordance with the procedure set out in the emergency and restoration network code adopted on the basis of Article 6(11) of Regulation (EC) No 714/2009;*
 - e) *carrying out regional week ahead to at least day-ahead system adequacy forecasts and preparation of risk reducing actions in accordance with the methodology set out in Article 8*

of Regulation (EU) 2019/941 and the procedures set out in the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;

- f) carrying out regional outage planning coordination in accordance with the procedures and methodologies set out in the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;*
 - g) training and certification of staff working for regional coordination centres;*
 - h) supporting the coordination and optimisation of regional restoration as requested by transmission system operators;*
 - i) carrying out post-operation and post-disturbances analysis and reporting;*
 - j) regional sizing of reserve capacity;*
 - k) facilitating the regional procurement of balancing capacity;*
 - l) supporting transmission system operators, at their request, in the optimisation of inter-transmission system operators settlements;*
 - m) carrying out tasks related to the identification of regional electricity crisis scenarios if and to the extent they are delegated to the regional coordination centres pursuant to Article 6(1) of Regulation (EU) 2019/941;*
 - n) carrying out tasks related to the seasonal adequacy assessments if and to the extent that they are delegated to the regional coordination centres pursuant to Article 9(2) of Regulation (EU) 2019/941;*
 - o) calculating the value for the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms for the purposes of issuing a recommendation pursuant to Article 26(7);*
 - p) carrying out tasks related to supporting transmission system operators in the identification of needs for new transmission capacity, for upgrade of existing transmission capacity or their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) No 347/2013 and included in the ten-year network development plan referred to in Article 51 of Directive (EU) 2019/944. The tasks referred to in the first subparagraph are set out in more detail in Annex I.*
- 2. On the basis of a proposal by the Commission or a Member State, the Committee established by Article 68 of Directive (EU) 2019/944 shall issue an opinion on the assignment of new advisory tasks to regional coordination centres. Where that Committee issues a favourable opinion on the assignment of new advisory tasks, the regional coordination centres shall carry out those tasks on the basis of a proposal developed by the ENTSO for Electricity and approved by ACER in accordance with the procedure set out in Article 27.*
 - 3. Transmission system operators shall provide their regional coordination centres with the information necessary to carry out its tasks.*
 - 4. Regional coordination centres shall provide transmission system operators of the system operation region with all information necessary to implement the coordinated actions and recommendations issued by regional coordination centres.*
 - 5. For the tasks set out in this Article and not already covered by the relevant network codes or guidelines, the ENTSO for Electricity shall develop a proposal in accordance with the procedure set out in Article 27. Regional coordination centres shall carry out those tasks on the basis of the proposal following its approval by ACER.*

Article 38

Cooperation within and between regional coordination centres

The day-to-day coordination within and between regional coordination centres shall be managed through cooperative processes among the transmission system operators of the region, including arrangements for coordination between regional coordination centres where relevant. The cooperative process shall be based on:

- a) working arrangements to address planning and operational aspects relevant to the tasks referred to in Article 37;*

- b) a procedure for sharing analysis and consulting on regional coordination centres' proposals with the transmission system operators in the system operation region and relevant stakeholders and with other regional coordination centres, in an efficient and inclusive manner, in the exercise of the operational duties and tasks, in accordance with Article 40;*
- c) a procedure for the adoption of coordinated actions and recommendations in accordance with Article 42.*

Article 39

Working arrangements

- 1. Regional coordination centres shall develop working arrangements that are efficient, inclusive, transparent and facilitate consensus, in order to address planning and operational aspects related to the tasks to be carried out, taking into account, in particular, the specificities and requirements of those tasks as specified in Annex I. Regional coordination centres shall also develop a process for the revision of those working arrangements.*
- 2. Regional coordination centres shall ensure that the working arrangements referred to in paragraph 1 contain rules for the notification of parties concerned.*

Article 40

Consultation procedure

- 1. Regional coordination centres shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators in the system operation region, other regional coordination centres and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.*
- 2. Regional coordination centres shall consult the Member States in the system operation region and, where there is a regional forum, their regional forums on matters of political relevance excluding the day-to-day activities of regional coordination centres and the implementation of their tasks. Regional coordination centres shall take due account of the recommendations of the Member States and where applicable, of their regional forums.*

Article 41

Transparency

- 1. Regional coordination centres shall develop a process for stakeholder involvement and shall organise regular meetings with stakeholders to discuss matters relating to the efficient, secure and reliable operation of the interconnected system and to identify shortcomings and propose improvements.*
- 2. The ENTSO for Electricity and regional coordination centres shall operate in full transparency towards stakeholders and the general public. They shall publish all relevant documentation on their respective websites.*

Article 42

Adoption and review of coordinated actions and recommendations

- 1. The transmission system operators in a system operation region shall develop a procedure for the adoption and revision of coordinated actions and recommendations issued by regional coordination centres in accordance with the criteria set out in paragraphs 2, 3, and 4.*
- 2. Regional coordination centres shall issue coordinated actions to the transmission system operators in respect of the tasks referred to in points (a) and (b) of Article 37(1). Transmission system operators shall implement the coordinated actions except where the implementation of the coordinated actions would result in a violation of the operational security limits defined by each transmission system operator in accordance with the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009.*

Where a transmission system operator decides not to implement a coordinated action for the reasons set out in this paragraph, it shall transparently report the detailed reasons to the regional coordination centre and the transmission system operators of the system operation region without undue delay. In such cases, the regional coordination centre shall assess the impact of that decision on the other transmission system operators of the system operation region and may propose a different set of coordinated actions subject to the procedure set out in paragraph 1.

3. *Regional coordination centres shall issue recommendations to the transmission system operators in relation to the tasks listed in points (c) to (p) of Article 37(1) or assigned in accordance with Article 37(2).*

Where a transmission system operator decides to deviate from a recommendation as referred to in paragraph 1, it shall submit a justification for its decision to regional coordination centres and to the other transmission system operators of the system operation region without undue delay.

4. *The review of coordinated actions or a recommendation shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the review of the coordinated action or recommendation, regional coordination centres shall confirm or modify the measure.*
5. *Where a coordinated action is subject to review in accordance with paragraph 4 of this Article, the request for review shall not suspend the coordinated action except where the implementation of the coordinated action would result in a violation of the operational security limits defined by each individual transmission system operator in accordance with the system operation guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009.*
6. *Upon the proposal of a Member State or the Commission and following consultation with the Committee established by Article 68 of Directive (EU) 2019/944, the Member States in a system operation region may jointly decide to grant the competence to issue coordinated actions to their regional coordination centre for one or more of the tasks provided for in points (c) to (p) of Article 37(1) of this Regulation.*

Article 43

Management board of regional coordination centres

1. *In order to adopt measures related to their governance and to monitor their performance, the regional coordination centres shall establish a management board.*
2. *The management board shall be composed of members representing all the transmission system operators that participate in the relevant regional coordination centre.*
3. *The management board shall be responsible for:*
 - a) *drafting and endorsing the statutes and rules of procedure of regional coordination centres;*
 - b) *deciding upon and implementing the organisational structure;*
 - c) *preparing and endorsing the annual budget;*
 - d) *developing and endorsing the cooperative processes in accordance with Article 38.*
4. *The competences of the management board shall exclude those that are related to the day-to-day activities of regional coordination centres and the performance of its tasks.*

Article 44

Organisational structure

1. *The transmission system operators of a system operation region shall establish the organisational structure of regional coordination centres that supports the safety of their tasks. Their organisational structure shall specify:*
 - a) *the powers, duties and responsibilities of the personnel;*
 - b) *the relationship and reporting lines between different parts and processes of the organisation.*

2. *Regional coordination centres may establish regional desks to address sub-regional specificities or establish back-up regional coordination centres for the efficient and reliable exercise of their tasks where proven to be strictly necessary.*

Article 45

Equipment and staff

Regional coordination centres shall be equipped with all human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their tasks independently and impartially.

Article 46

Monitoring and reporting

1. *Regional coordination centres shall establish a process for the continuous monitoring of at least:
 - a) *their operational performance;*
 - b) *the coordinated actions and recommendations issued, the extent to which the coordinated actions and recommendations have been implemented by the transmission system operators and the outcome achieved;*
 - c) *the effectiveness and efficiency of each of the tasks for which they are responsible and, where applicable, the rotation of those tasks.**
2. *Regional coordination centres shall account for their costs in a transparent manner and report them to ACER and to the regulatory authorities in the system operation region.*
3. *Regional coordination centres shall submit an annual report on the outcome of the monitoring provided for in paragraph 1 and information on their performance to the ENTSO for Electricity, ACER, the regulatory authorities in the system operation region and the Electricity Coordination Group.*
4. *Regional coordination centres shall report any shortcomings that they identify in the monitoring process under paragraph 1 to the ENTSO for Electricity, the regulatory authorities in the system operation region, ACER and the other competent authorities of Member States responsible for the prevention and management of crisis situations. On the basis of that report, the relevant regulatory authorities of the system operation region may propose measures to address the shortcomings to the regional coordination centres.*
5. *Without prejudice to the need to protect security and the confidentiality of commercially sensitive information, regional coordination centres shall make public the reports referred to in paragraphs 3 and 4.*

Article 47

Liability

In proposals for the establishment of regional coordination centres in accordance with Article 35, the transmission system operators in the system operation region shall include the necessary steps to cover liability related to the execution of regional coordination centres' tasks. The method employed to provide the cover shall take into account the legal status of regional coordination centres and the level of commercial insurance cover available.

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.*

[...]

Article 6

Tasks of ACER as regards the regulatory authorities

[...]

10. *ACER shall be competent to adopt individual decisions on regulatory issues having effects on cross-border trade or cross-border system security which require a joint decision by at least two regulatory authorities, where such competences have been conferred on the regulatory authorities under one of the following legal acts:*

- a) a legislative act of the Union adopted under the ordinary legislative procedure;*
- b) network codes and guidelines 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.*

ACER shall be competent to adopt individual decisions as specified in the first subparagraph in the following situations:

- a) where the competent regulatory authorities have not been able to reach an agreement within six months of referral of the case to the last of those regulatory authorities, or within four*

months in cases under Article 4(7) of this Regulation or under point (c) of Article (59)(1) or point (f) of Article 62(1) of Directive (EU) 2019/944; or

b) on the basis of a joint request from the competent regulatory authorities.

The competent regulatory authorities may jointly request that the period referred to in point (a) of the second subparagraph of this paragraph be extended by a period of up to six months, except in cases under Article 4(7) of this Regulation or under point (c) of Article 59(1) or point (f) of Article 62(1) of Directive (EU) 2019/944.

Where the competences to decide on cross-border issues referred to in the first subparagraph have been conferred on the regulatory authorities in new network codes or guidelines adopted as delegated acts after 4 July 2019, ACER shall only be competent on a voluntary basis pursuant to point (b) of the second subparagraph of this paragraph, upon a request from at least 60 % of the competent regulatory authorities. Where only two regulatory authorities are involved, either one may refer the case to ACER.

By 31 October 2023, and every three years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the possible need to further enhance ACER's involvement in solving cases of disagreement between regulatory authorities concerning joint decisions on matters for which the competences were conferred on those regulatory authorities by a delegated act after 4 July 2019. Where appropriate, the report shall be accompanied by a legislative proposal to modify such powers or to transfer the necessary powers to ACER.

[...]

II. The Central SOR TSOs proposal

The Central SOR RCC establishment proposal was developed by the Central SOR TSOs and submitted to Central SOR NRAs in accordance with Article 35 of the Electricity Regulation. The Central SOR RCC establishment proposal was received by the last Central SOR NRAs on 20 July 2020. An agreement by the Central NRAs is therefore required by 20 January 2020, according to Article 6(10) of the Recast Acer Regulation

The Central SOR TSOs proposed to establish the two existing Regional Security Coordinators (RSCs) Coreso and TSCNET as Central SOR RCCs, as allowed by Article 36(2) of the Electricity Regulation.

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 Central SOR TSOs have proposed to define all the current shareholders of Coreso and TSCNET, even TSOs not belonging to the Central SOR, as participating TSOs in the future two RCCs.

Accordingly, the Central SOR TSOs have proposed that the participating TSOs of the future RCCs include the following subset of Central SOR TSOs:

- for Coreso: 50Hertz, Elia, REE, REN, RTE and Terna; and
- for TSCNET: Amprion, APG, ČEPS, ELES, HOPS, MAVIR, PSE, SEPS, TenneT DE, TenneT NL, Transeletrica and TransnetBW.

Creos and VUEN, which are currently neither participating in Coreso nor in TSCNET, will have to participate in Coreso or TSCNET by July 2022 according to Article 36(2) of the Electricity Regulation.

The Central SOR TSOs proposed to define the organisational arrangements for the RCCs in accordance with the already established working frameworks of the existing RSCs. RCCs can hire personnel directly or receive personnel from TSOs on the basis of a contractual secondment.

The Central SOR TSOs proposed that the Statutes and Rules of procedure of Coreso and TSCNET are defined by their respective shareholders.

Regarding the financial arrangements, the proposal defines two types of fees to be paid by TSOs:

- a service fee per service received by a given TSO from a RCC; and
- an annual fee paid by the shareholders for the proper functioning of the RCC, if agreed by the shareholders.

RCCs should perform their tasks:

- in accordance with the already established and future methodologies for the tasks already covered by the relevant network codes or guidelines or by the Electricity Regulation; or
- in accordance with future proposals according to Article 37(5) of the Electricity Regulation when developed by the ENTSO for Electricity and approved by ACER.

For tasks to be performed by RCCs on a rotational basis, one RCC is responsible over a given period (which might be different for each task) and the second RCC supports the first over the defined period as a backup.

Some tasks are to be executed on a rotational basis for the whole EU, and not just for the Central SOR:

- creation of the common grid model: Coreso and TSCNET will participate in the pan-European rotation. It is not yet defined up to which extent RCCs from other SORs will also participate in this rotation;
- coordination of outage planning: TSCNET will participate in rotation with at least one RCC from another SOR; and
- short-term adequacy: Coreso will participate in rotation with at least one RCC from another SOR.

According to the Central SOR RCC establishment proposal submitted, each TSO receiving services from a RCC from the Central SOR (hereinafter: Central RCC) shall conclude a service level agreement with this RCC. This service level agreement shall provide details on the RCC's liability towards TSOs and in relation to third party claims, but only to the extent that it affects the TSOs and third parties.

III. The Central SOR Regulatory Authorities position

NRAs position

The Central SOR 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 proposal, which will ensure an efficient execution of the tasks assigned to the RCCs and improve the coordinated processes between TSOs.

The division of tasks and the rotation between Coreso and TSCNET, already defined in a number of regional methodologies, seems adequate and allows to have a backup for most tasks.

Regarding the definition of the participating TSOs, the NRAs consider that all the TSOs listed as part of the Central SOR in Article 3(5)(d) of Annex I of the SOR Decision¹ shall be considered as participating TSOs of the Central SOR RCCs, regardless of whether they are shareholders of an existing RSC or not. Although a RCC established in the Central SOR can also be established as a

¹ Decision n° 10/2020 of the European Union Agency for the cooperation of energy regulators of 6 April 2020 on the definition of system operation regions

RCC of another SOR, the proposal concerning the Central SOR should only deal with the TSOs of the Central SOR. Thus, the NRAs have decided to remove the IU SOR TSOs from the list of TSOs participating in Coreso and consider that the conditions for the participation of the IU SOR TSOs in Coreso should be defined in the RCC establishment proposal of the IU SOR. Likewise, the NRAs consider that Swissgrid, which is not included in the Central SOR according to Annex I of the SOR decision, should be removed from the list of participating TSOs in TSCNET. However, the NRAs believe that it is not their competence to decide on the shareholding of the RCCs, which are private companies and the number of shareholders may be larger than the number of participating TSOs.

The NRAs also consider it essential to recall that RCCs must act in a non-discriminatory manner and perform their tasks equally for all parties concerned.

In addition, the NRAs remind that Art. 35(1)(d) Electricity Regulation requires the statutes and rules of procedure of the RCCs should be part of the proposal and be approved.

Last but not least, the Central SOR NRAs deem it essential to monitor the transition from existing RSCs to future RCCs by 1 July 2022 due to the importance of this RCC establishment proposal which impacts all European TSOs whose coordination is essential for the proper functioning of the electrical system.

NRAs amendments

The Central SOR NRAs exploited the provisions of Article 5(6) of the recast ACER regulation, requiring the NRAs to revise the terms and conditions and methodologies, where necessary.

The main changes to the proposal incorporated by the Central SOR NRAs in close coordination with the Central SOR TSOs² are:

- clarification that as private companies seated in EU Member States, the RCCs determine the composition of their shareholding autonomously, taking into account any applicable EU and national laws;
- change in the definition of “participating TSO”: a shareholder of a RCC is not necessarily a “participating TSO”, a term which designates, instead, the TSOs belonging to the Central SOR as defined in Annex I of ACER’s SOR Decision (as a result, the lists of participating TSOs in Coreso and TSCNET and the references to “shareholders” or “participating TSOs” throughout the proposal have been aligned with this new definition of “participating TSO”), in line with Article 36(2) of the Electricity Regulation;
- clarification that the organisational, operational and financial arrangements shall be defined according to the relevant company law applicable in the location where the RCC is seated and that RCC shall act in a non-discriminatory way;
- definition of the implementation monitoring requirements: Central SOR TSOs shall submit a first report by 1 April 2021 and further quarterly reports until the final implementation on 1 July 2022;
- inclusion of the full Statutes and Rules of procedure of Coreso and TSCNET as annexes, which have to be approved as well, and addition of a requirement for the Central SOR TSOs to submit to their NRA for approval any changes, as required by the Electricity Regulation;
- inclusion of a limitation of the Central RCCs liability in case of catastrophic events resulting from force majeure; and
- inclusion of a language clause.

² Since the first draft of the RCC establishment proposal, Central TSOs and NRAs engaged in a joint process to regularly discuss, review and amend the original proposal in a collaborative spirit with the aim to avoid a formal NRAs’ request for amendment, which would have led to unnecessary delays.

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

The amendments were scrutinised by the Central SOR TSOs that suggested:

- deleting the reference to the fact that Coreso and TSCNET maintains the current registered addresses; if not changed, this would prevent any further relocation event within the same town; the Central SOR NRAs accepted the suggestion: the seat of the RCC remains firm as set in Article 3(1) of the RCC establishment provisions, but the registered address may indeed change if required to accommodate organizational issues; any change, should nonetheless lead to an amendment of the RCC establishment provisions
- foreseeing the approval of the Statutes and of the Rules of Procedure only at the first stage, while any subsequent changes are only submitted for information; the Central SOR NRAs rejected the suggestion because the approval of any versions of the Statutes and of the Rules of Procedure is explicitly required by the Regulation; and
- clarifying that the task h (supporting the coordination and optimisation of regional restoration) is not requested by the Central SOR TSOs, and thus no working arrangement is developed; the Central SOR NRAs acknowledged the issue and changed the wording in order to accommodate the Central TSOs' concerns, but preserving a reference to a future ENTSO-E proposal to be developed if this task is explicitly requested in the future.

IV. Conclusions

In accordance with Article 5(6) of the recast ACER Regulation, the Central SOR NRAs have consulted and closely cooperated and coordinated with each other and with the relevant TSOs and ENTSOE in order to ensure that the 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 SOR NRAs have hereby reached the agreement among themselves that they amend and adopt the original Central SOR RCC establishment proposal submitted by the Central SOR TSO as outlined above and annexed to this decision paper in both clean and track change versions.

The Central SOR NRAs have to issue their national decisions to approve the Central SOR RCC establishment proposal, on the basis of this agreement. The Central SOR NRAs commit to issue the national decision by end February 2021