

**DECISION OF THE ITALY NORTH REGULATORY
AUTHORITIES**

ON

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

16 December 2021

I. Introduction and legal context

This document elaborates an agreement of the Italy North Regulatory Authorities (hereinafter: IN NRAs), agreed on 16 December 2021 at Italy North Energy Regulators' Regional forum, on the methodology for regional operational security coordination (hereinafter: IN ROSC) developed by the Transmission System Operators of Italy North CCR (hereinafter: IN TSOs), in accordance with Article 76 of Commission Regulation 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereinafter: SOGL)

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

The legal provisions that lie at the basis of the IN ROSC, and this IN NRAs agreement on the above mentioned methodology, can be found in Articles 4, 6, 20, 21, 22, 23, 25, 29, 30, 31, 32, 33, 34, 35, 38, 39, 72, 73, 74, 75, 76, 77, 78, of SOGL as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021 (in the following Regulation 2021/280).

II. The Italy North TSOs proposal

The IN ROSC was developed by the IN TSOs and submitted to the IN NRAs in accordance with Article 76 of SOGL. A first version of the methodology was adopted by the IN NRAs on 17 September 2021 (last IN NRA decision) on the basis of an agreement of all IN NRAs on 24 July 2020. This version mandated the IN TSOs to submit a further release within 12 months in order to:

- a) align the implementation plan with the implementation plan for ROSC methodology in Core region;
- b) clarify some points about remedial actions initialization left open in the first release, pending some investigations and discussions with the IN NRAs; and
- c) define a list of information to be provided to the NRAs of the region for the monitoring of the regional CSA process.

The TSOs consulted the new release consulted through the website of ENTSO-E for one month from 10 June 2021 to 11 July 2021, in line with Article 11 of SOGL¹. The new IN ROSC proposal was received by the last Regulatory Authority of the Italy North Capacity Calculation Region on 27 September 2021.

Article 6(7) of SOGL requires IN NRAs to consult and closely cooperate and coordinate with each other in order to reach an agreement and take a decision within six months of the receipt of the submission by the last Regulatory Authority concerned. This provision applies also to new releases of already approved methodologies. A decision is therefore required by 27 March 2022.

The IN ROSC relies on a full coordination among all the TSOs involved in Italian Northern borders: for this reason, the methodology foresees the participation of non-EU TSOs (i.e. Swissgrid) as a technical counterparty on the basis of the same conditions already adopted for the common grid model methodology.

With respect to the first releases:

- a) IN TSOs clarified the criteria for the initialization of remedial actions: when Italy is importing from all the four Northern borders, the remedial actions already agreed for capacity calculation are used; otherwise, for at least 18 months remedial actions consistent with

¹ The public consultation is available on the ENTSO-e website: <https://consultations.entsoe.eu/markets/italy-north-tsos-amended-proposal-for-a-common-met/>

- existing operational agreements are used, then when the export corner proves to be reliable, remedial actions agreed for capacity calculation for this corner will be used;
- b) IN TSOs adapted the concept of Regional Security Coordinator (hereinafter: RSC) appointed pursuant to SOGL to the Regional Coordination Centre (hereinafter: RCC) concept pursuant to the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity;
 - c) The proposal includes a timescale for the implementation up to 54 months. The main novelty with respect to the first release is the development of the target solution into two different steps, in coherence with the implementation plan for Core region. In particular the IN TSOs intend to perform only the experimentation phase for the first step, in parallel with the development of the second and final step, without any formal go-live of this step. This will allow the TSOs to test some aspects of the methodology already in the development phase, without waiting for the final version to be released, while avoiding to define all the details of this first step as it would be needed in case a go-live is planned; and
 - d) The proposal also defines the list of information required for the monitoring to be carried out on a three-month basis.

A description of the expected impact on the objectives of SOGL, in line with Article 6(6) of SOGL is enclosed as well.

III. The Italy North Regulatory Authorities position

NRAs shadow opinion

In July 2021 the IN NRAs sent a shadow opinion to the IN TSOs addressing a number of issues to be incorporated in the new version of the IN ROSC before formal submission.

The IN TSOs effectively improved the methodology taking into account all the IN NRAs' comments, in particular updating the RSC concept to the RCC one, adapting the implementation plan as recommended and clarifying that pending the implementation of the IN ROSC all remedial actions are activated according to the agreed operational procedures currently in force.

NRAs position

IN NRAs are satisfied with the new version of the IN ROSC that now includes all the details for the optimization of the remedial actions, in coherence with the criteria included in the methodology about coordinated security analysis developed pursuant to Article 75 of SOGL (hereinafter: CSAm) and approved by ACER.

The implementation plan and the relevant timeline are consistent with the ones for Core region and this will allow the IN TSOs to exploit synergies while implementing the ROSC methodology in cooperation with the RCC (in particular considering the same RCC are established for both Italy North and Core CCRs, since both belonging to the Central System Operation Region).

Nonetheless the IN NRAs deem that even better synergies may be got if the definition of the cross-border relevant remedial actions (hereinafter: XRAs) is fully aligned between the regions as well. For this reason, IN NRAs intend to exploit the provisions in the Article 6(1) of SOGL, as amended pursuant to Regulation 2021/280 requiring regulatory authorities to revise the terms and conditions and methodologies where necessary.

NRAs amendments

The IN NRAs included the definition of XRAs used in Core region in Article 8. This change led to amend Articles 9 and 10 (qualitative and quantitative assessment of XRAs), 14 and 16 (validation and activation of XRAs) for sake of consistency.

Moreover IN NRAs included some further minor and mostly editorial issues:

- a) Removal of the word proposal since the methodology is directly changed by the NRAs and can no longer be considered as a TSOs proposal;
- b) Description of the RCC regulatory framework in the whereas;
- c) Clarification that the cost sharing proposal to be applied when IN ROSC is implemented shall be consistent with the criteria about the management of the overlapping cross-border relevant network elements recently approved by ACER as amendments to CSAm, independent of the timeline of the implementation of the cross-CCR optimization pursuant to the amendments to CSAm;
- d) Clarification of the role of Coreso and TSCNET as established RCC for the Central System Operation Region;
- e) Clarification of the role of Technical Counterparties with same duties as the IN TSOs;
- f) Inclusion of the NRAs competent for Technical Counterparties among the recipients of the report;

The amendments were scrutinised by IN TSOs that asked to shift back the provisions about assessment of cross-border relevance against the last agreed state to Article 10 about quantitative assessment, since this provision is mainly related to that process.

NRAs accommodated the TSOs' request and clarified that the quantitative assessment shall be performed on the year ahead common grid model for potential remedial actions identified on a yearly basis, while the last agreed state (meaning the last available CGM) shall be used as default for all the other remedial actions.

IV. Conclusions

IN NRAs have consulted and closely cooperated and coordinated to reach agreement that they amend and adopt the IN ROSC proposal submitted by IN TSOs pursuant to Article 76 of SOGL.

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