

Nordenergi, the umbrella association of the Nordic electricity industry associations welcomes the consultation on the coordinated methodology for redispatch and countertrade. Our comments to the consultation are as follows:

Whereas (5) reads that “Moreover, better coordination of redispatching and countertrading will ensure optimal use of the transmission infrastructure.” It is Nordenergi’s view, that the methodology described fails to document how this is achieved, and there is not a firm procedure to incentivize TSOs to use redispatch or countertrade in order to increase cross-border capacities, taking into account socio economic efficiency. The methodology draft states that this was dealt with in the CMM methodology, but one of the main points in the CMM consultation answer from Nordenergi was the lack of procedure for use of redispatch/countertrade to facilitate cross-border trade. Hence, in our opinion this is currently not sufficiently dealt with anywhere.

*Whereas (8) reads that “Redispatching and countertrading may be used in capacity calculation for day ahead and intraday”.*

*Whereas (10) reads that “The CCC will after each capacity calculation run the coordinated security analysis. In case this security analysis shows violations of operational security limits it will select remedial actions from the list provided by the TSOs, test whether these relieve the violations, and subsequently propose these remedial actions to TSOs to be used”.*

It seems that the method does not hinder the TSOs from moving internal congestion to the border in the day ahead capacity calculation, and if no violations of operational security limits appear in the subsequent security analysis, nothing further will be done.

As there is no obligation on TSOs to use redispatching/countertrading day ahead, or at least test the economic efficiency of using it in the capacity calculation for day ahead, it remains unclear what mechanism will ensure that costly remedial actions are used to increase the capacity given to the market when it is economically efficient.

A main concern is therefore that we do not view the methodology proposal as sufficiently taking into account ACER’s recommendation that “As a general principle, limitations on internal network elements should not be considered in the cross-zonal capacity calculation methods. If congestion appears on internal network elements, it should be resolved with remedial actions in the short term”.

The TSOs should include a procedure to continuously assess efficiency of the use of costly remedial actions to increase the capacity given to the market – particularly in the day ahead time frame. This procedure should be subject to the regulator’s approval, and the operational choices on including or excluding remedial actions in the capacity calculation should be reported regularly to the regulator.

The documentation and main analyses that form the basis for the operational choices by the TSOs should also be made public to ensure transparency. This is particularly important for stakeholders, as the methodology is new and it is proposed to allow TSOs to deviate from actions proposed by the RSC.

There is a fundamental lack of including remedial actions to avoid undue discrimination. In applying grid constraints on cross-border trade, TSOs must continuously document and justify that it is economically efficient, or ensuring operational security, to curtail interconnectors rather than using remedial actions.

The CACM guidelines refer to “rules for avoiding undue discrimination between internal and cross-zonal exchanges to ensure compliance with point 1.7 of Annex I to Regulation (EC) No 714/2009”. It remains

unclear to us, how it is ensured that the proposed methodology does not discriminate between internal and cross zonal exchanges or involve the moving of internal congestions to the border.