

Report assessing the progressive coordination and harmonisation of mechanisms and agreements for redispatching and countertrading in accordance with EU Regulation 1222/2015 article 35(3)

22 November 2018

All CCRs shall by 26 months after the regulatory approval of the CCRs publish a report assessing the progressive coordination and harmonisation of the appropriate mechanisms and agreements for redispatching applicable to each TSOs control area, including interconnectors.

As it is unknown if the CCR Hansa redispatching and countertrading proposal according to CACM Regulation article 35(1) will be approved, the TSOs have not actively started working on coordinating and harmonising the agreements by which redispatching is carried out. In general, it is the case that the agreements and mechanisms used by TSOs for countertrading and redispatching are often quite different due to historical reasons. The implementation of CACM is the first step, ever to be taken, to regionally address how countertrading and redispatching is coordinated; also it should be noted that CACM states no requirement for harmonisation of mechanisms and agreements for countertrading and redispatching.

1. The current use of redispatching and countertrading

In this section, the redispatching and countertrading solutions currently in place within the CCR Hansa are described below.

Reason	SE4-PL (HVDC)	DK2-DE/LU (HVDC)	DK1-DE/LU (AC)	NO2-NL (HVDC)
Tech. min. power	CT	N/A	N/A	N/A
Outage of interconnector	CT	CT	CT	CT/RD
Physical congestion in the AC grid	CT/RD	CT/RD	CT/RD	CT

1.1 SE4-PL

Today, "Agreed Supportive Power Countertrading" is used as a countertrading measure for the SwePol Link. It is used to maintain the commercial exchange in case of a disturbance of the SwePol Link (the cable + converter stations) and to guarantee a minimal technical limit for stable operation of the Link (60MW). RD or CT is also used in case of a disturbance in a TSO's subsystem.

At Svenska kraftnät's side of the interconnector, RD and CT resources are traded on the Nordic mFRR market (Nordic balancing platform, NOIS). Svenska kraftnät follows the Nordic merit order list (MOL) and selects the necessary bid volume. Depending on the reason for using RD and CT, bids are marked differently. If resources are needed to solve a problem on the Polish side of the interconnector, the measure is called RD. RD resources is in the MOL marked as special regulation which means that they are not price setting in the Nordic regulation power market (balancing market). If resources are needed to solve a problem with the interconnector or if there is a fault in the Swedish grid limiting the transfer capacity on SwePol link, the needed measure is called CT and bids are selected on the Nordic MOL, but in this case they are treated as normal balancing bids in the Nordic mFRR market (not special regulation).

At PSE's side of the interconnector, RD and CT resources are activated within the Integrated Scheduling Process (ISP) run by PSE based on the volume of remedial measure (RD/CT) agreed with Svenska kraftnät. ISP process is bid-based security constraint unit commitment and economic dispatch, where balancing, reserve procurement and congestion management are co-optimised within one integrated process run by PSE immediately after the day-ahead market closure and continue until real time. Commitment and operational set-points of all centrally controlled generation units in Poland is determined by PSE within the abovementioned ISP, minimising the global cost. The price used in the settlement of remedial measure reflects energy delivery/receipt cost of energy at the balancing market, i.e. it is based on the balancing market price and cost of activated resources when the location of resources is relevant to realise remedial measures.

1.2 DK2-DE/LU

At the time of writing, the SOA of Kontek is under revision. Nevertheless, the following agreement is in place in case of a disturbance of the Kontek cable or its equipment:

Countertrading is used to maintain the commercial exchange in case of a disturbance of the Kontek cable or its equipment. Both TSOs, 50hertz and Energinet, take the necessary measures on either side of the DC link to establish this countertrade. In Energinet's area, i.e. the Danish bidding-zones, are part of the Nordic mFRR market – referred to as the Nordic Regulating Power Market (Nordic RPM). Balance Responsible Parties (BRPs) in the Nordics submit their bids for up- and downward regulation to the Nordic RPM on a voluntary basis, and TSOs combine the bids in a single merit order curve, from which they can activate the regulation in order to secure the physical balance of the power system and to relieve network congestions. If the bids are used to relieve internal network congestions this is referred to as "special regulation.", and function as Countertrade. In Germany, the Intraday market is used for this purpose.

Energinet does not have the possibility to conduct redispatch, as the location of the precise generation or load in the Danish system is not known, so all network congestions are relieved using countertrade.

1.3 DK1-DE/LU

The methodology for coordinated RD and CT currently in place on the border of DK1-DE/LU is considered by both parties (Energinet and TenneT) as a tool for promotion of mutual solidarity and support in order to maintain secure network operation in their respective control areas.

RD and CT can be used in case of (n-1) violations at the tie-lines between Energinet and TenneT and/or at other transmission lines within the control areas TenneT and Energinet.

In Denmark, the mechanism applied is the so-called special regulation which utilises the market participant offers on the Nordic Regulation Power Market. In Germany, the Intraday market will be used, unless it affects already existing congestions. In these cases, specific Generators are instructed to adjust their set points.

The decision for RD or CT is jointly taken by the parties. The selection of the generation units, which will change their generation in the respective transmission network, are jointly agreed, while the instruction for activation of the respective generation unit is in the responsibility of the Party to which the generation is physically connected. RD or CT is only initiated after investigation and implementation of other available measures, e.g. topological measures. The parties align the delivery period, the volume (in MW) and the kind of remedial action, including fall-back solutions.

1.4 NO2-NL

No existing agreement on RD or CT is applied on the NorNed interconnector. RD and CT only occur in situations when there is a fault on the interconnector. Then, Statnett and TenneT NL activate balancing bids on each side of the border to alleviate the problem. Each TSO covers its own costs. There is no agreement on exchange of balancing services.

Statnett solves the problem on the Norwegian side of the interconnector by trading each hour in the Nordic mFRR market (Nordic balancing platform, NOIS). If there are no Nordic grid limitations, Statnett follows a merit order list and selects the cheapest bid(s). This is then in practice a balancing regulation in Norway and in this situation, costs are volume multiplied by imbalance price for the bidding zone NO2. Usually there are grid limitations, and in those situations, specific bids are picked in the mFRR market according to geographic location, outside the normal merit order. This is then in practice a redispatch in Norway ("Special Regulation"). In this situation, costs are volume multiplied by the offered price for the specific bids selected.

2. Future

At the time of writing, the CCR Hansa TSOs do not yet have an approved methodology for coordination of redispatching and countertrading or a methodology for cost sharing of redispatching and countertrading, therefore it is premature to decide upon which measures and mechanisms will be best suited to solve the future needs. The CCR Hansa TSOs will at a later stage evaluate the need for harmonising which measures are used for countertrading and will evaluate the possible means for this, including different European market platforms and auctioning.