

DECISION No 12/2024
OF THE EUROPEAN UNION AGENCY
FOR THE COOPERATION OF ENERGY REGULATORS

of 25 September 2024

**on the amendment of the methodology for calculating scheduled exchanges
resulting from single day-ahead coupling**

THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 Regulators¹, and, in particular, Articles 5(3) and 6(10) thereof,

Having regard to Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management², and, in particular, Articles 9(5), 9(7)(d), 9(11), 9(13) and 43 thereof,

Having regard to the outcome of the consultation of the regulatory authorities, the transmission system operators ('TSOs') and the European Network of Transmission System Operators for Electricity ('ENTSO-E'),

Having regard to the outcome of the consultation with ACER's Electricity Working Group ('AEWG'),

Having regard to the favourable opinion of the Board of Regulators of 18 September 2024, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

1. INTRODUCTION

¹ OJ L158, 14.6.2019, p. 22.

² OJ L 197, 25.7.2015, p.24, as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021, OJ L 62, 23.2.2021, p.24.

- (1) Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management ('the CACM Regulation') laid down a range of requirements for cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets in electricity. In particular, pursuant to Article 43(1) of the CACM Regulation, all transmission system operators ('TSOs') which intend to calculate scheduled exchanges resulting from single day-ahead coupling shall develop a proposal for a common methodology for this calculation, namely the methodology for calculating scheduled exchanges resulting from single day-ahead coupling ('the DA SEC Methodology').
- (2) Pursuant to Articles 9(1), 9(7)(d) and 43(1), TSOs which intend to calculate scheduled exchanges resulting from single day-ahead coupling shall develop a proposal for a common methodology for this calculation and submit it for approval to the regulatory authorities of the concerned region.
- (3) All TSOs developed a proposal for the DA SEC Methodology and submitted it to all regulatory authorities by 14 March 2018. The DA SEC Methodology was approved by all regulatory authorities by 19 March 2019. By Decision 10/2023 of 30 May 2023 ACER approved, after referral from all regulatory authorities, all TSOs proposal for an amendment of the DA SEC Methodology.
- (4) Pursuant to Article 9(13) of the CACM Regulation, the TSOs responsible for developing a proposal for terms and conditions or methodologies may request amendments of these terms and conditions or methodologies.
- (5) Accordingly, on 4 April 2024, all TSOs, through ENTSO-E, submitted to all regulatory authorities a proposal for amendment of the DA SEC Methodology (the 'Proposal'). On 24 May 2024, all regulatory authorities jointly referred this amendment proposal to ACER to adopt a decision, in accordance with the second subparagraph of Article 5(3) and point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942, as well as with Article 9(7)(d) and Article 9(11) of the CACM Regulation.
- (6) This Decision is issued following ACER's revision of the TSOs proposal and includes the following annexes;

Annex I sets out the methodology for calculating scheduled exchanges resulting from single day-ahead coupling, as amended and approved by ACER

Annex Ia provides a tracked changes version of the methodology for calculating scheduled exchanges resulting from single day-ahead coupling, reflecting ACER's amendments, for information.

2. PROCEDURE

- (7) On 30 November 2023, ENTSO-E, on behalf of all TSOs, started a public consultation on the proposed amendments to the DA SEC Methodology, in accordance with Article 9(13) and Article 12 of the CACM Regulation. The consultation finished on 8 January 2024.

- (8) On 4 April 2024, ENTSO-E, on behalf of all TSOs, submitted the Proposal for amending the DA SEC Methodology to the regulatory authorities of all EU Member states for approval.
- (9) On 24 May 2024, all regulatory authorities, jointly referred the Proposal to ACER to adopt a decision, in accordance with the second subparagraph of Article 5(3) and point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942, as well as with Article 9(7)(d) and Article 9(11) of the CACM Regulation.
- (10) Between June and August 2024, ACER engaged in discussions with the TSOs and the regulatory authorities on the proposed amendments, through working meetings with the TSOs and the regulatory authorities, exchanges of documents and regular updates provided to ACER's Electricity Working Group ('AEWG') and the CACM Task Force.
- (11) Between 22 July and 5 August, ACER consulted all TSOs and all regulatory authorities on its preliminary position, by sharing an updated version of the Proposal setting out its suggested amendments and reasoning for these amendments.
- (12) The AEWG provided its advice on 2 September 2024.
- (13) On 18 September 2024, ACER's Board of Regulators issued a favourable opinion pursuant to Article 22(5)(a) of Regulation 2019/942.

3. ACER'S COMPETENCE TO DECIDE ON THE PROPOSAL

- (14) Pursuant to point (b) of the first subparagraph of Article 5(3) of Regulation (EU) 2019/942, all regulatory authorities of the region concerned shall unanimously agree on proposals for terms and condition or methodologies for the implementation of those network codes or guidelines that were adopted before 4 July 2019 and require the approval of all the regulatory authorities of the region concerned; pursuant to the second subparagraph of Article 5(3) of Regulation (EU) 2019/942, those regulatory authorities may refer the proposals to ACER for approval pursuant to point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (15) Pursuant to Article 9(5) and 9(7)(d) of the CACM Regulation, which initially was adopted as a guideline before 4 July 2019, the proposal for the DA SEC Methodology in accordance with Article 43 of the same Regulation, shall be subject to approval by all regulatory authorities of the concerned region.
- (16) Pursuant to Article 9(11) of the CACM Regulation, upon the joint request of the regulatory authorities, ACER shall adopt a decision concerning the submitted proposal for terms and conditions or methodologies within 6 months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942.
- (17) According to Article 9(13) of the CACM Regulation, the TSOs responsible for developing a proposal for methodologies may propose amendments of these methodologies. Those proposals shall be approved in accordance with the procedure set out in Article 9 of the CACM Regulation.

- (18) Pursuant to Article 5(6) of Regulation (EU) 2019/942 and Article 9(5) of the CACM Regulation, ACER, before approving the terms and conditions or methodologies, shall revise the submitted proposals where necessary, after consulting the respective TSOs and ENTSO-E, in order to ensure that they are in line with the purpose of the CACM Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.
- (19) On 24 May 2024, all regulatory authorities jointly referred the Proposal to ACER to adopt a decision on the DA SEC Methodology pursuant to Article 43 of the CACM Regulation.
- (20) Therefore, ACER is competent to decide on the Proposal based on Article 5(3) and point (b) of the second subparagraph of Article 6(10) of Regulation (EU) 2019/942 as well as Articles 9(5), 9(7)(d), 9(11) and 9(13) of the CACM Regulation.

4. SUMMARY OF THE PROPOSAL

- (21) The Proposal referred to ACER on 24 May 2024 includes a ‘Whereas’ section and the following articles and annex:

- Article 1 subject matter and scope;
- Article 2 definitions and interpretation;
- Article 3 general principles for the Scheduled Exchanges Calculation;
- Article 4 calculation of Scheduled Exchanges between bidding zones;
- Article 5 calculation of Scheduled Exchanges between scheduling areas;
- Article 6 calculation of Scheduled Exchanges between NEMO trading hubs;
- Article 7 information provided by Scheduled Exchanges Calculator;
- Article 8 implementation of the DA SEC Methodology;
- Article 9 language; and
- Annex 1 list of TSOs subject to the approved DA SEC methodology

- (22) The Proposal includes the following proposed amendments to the DA SEC Methodology:

- a) In the ‘Whereas’ section of the Proposal, included a recital explaining why the methodology needs to be amended before the 15-minute MTU go-live in SDAC and summarising the main amendments of the methodology.
- b) In the ‘Whereas’ section of the Proposal, included a new recital explaining what the TSOs intend to use the calculated day-ahead scheduled exchanges for.

- c) In the new Article 4(5) of the Proposal, included a backup calculation method for the calculation of scheduled exchanges between bidding zones.
 - d) In the new Article 7(1)(f) of the Proposal, clarified that scheduled exchange calculator for each market time unit shall inform relevant NEMOs, central counter parties, shipping agents and TSOs about the calculation method.
 - e) In Article 7(3) of the Proposal, changed the timing for when scheduled exchange calculator shall notify the results of the day-ahead scheduled exchange calculation. The timing is changed from 13:00 to 13:01.
 - f) In Article 8 of the Proposal, included that the TSOs shall implement the methodology no later than the date of the implementation of the day-ahead 15-minute MTU.
 - g) In Annex 1 of the Proposal, included the Norwegian TSO, Statnett SF, as one of the TSOs that are subject to the approved methodology.
- (23) The Proposal is accompanied by a submission letter from ENTSO-E which on behalf of all TSOs the Proposal is submitted and an explanatory note to the methodology, for information.

5. SUMMARY OF THE OBSERVATIONS RECEIVED BY ACER

- (24) ACER initiated the hearing on 22 July 2024 by providing all TSOs and all regulatory authorities with ACER's preliminary position containing ACER's proposed amendments to the Proposal, as well as the reasoning for these amendments. The hearing lasted until 5 August 2024. During this period, ACER did not receive any requests for oral hearing.
- (25) ACER received a written reply from ENTSO-E, on behalf of all TSOs. The reply confirmed that the TSOs had no comments to ACER's preliminary position and that no oral hearing would be requested by TSOs.
- (26) The AEWG provided its advice on 2 September 2024.

6. ASSESSMENT OF THE PROPOSAL

6.1. Legal framework

- (27) Article 43 of the CACM Regulation sets out specific substantive requirements for the DA SEC Methodology.
- (28) According to Article 43(2) of the CACM Regulation, the DA SEC Methodology shall describe the calculation and shall list the information which shall be provided by the relevant NEMOs to the scheduled exchange calculator and the time limits for delivering this information. The time limit for delivering information shall be no later than 15.30 market time day-ahead.

- (29) According to Article 43(3) of the CACM Regulation, the calculation shall be based on net positions for each market time unit.
- (30) Article 49 of the CACM Regulation requires that each scheduled exchange calculator calculates scheduled exchanges between bidding zones for each market time unit in accordance with the methodology established in Article 43. The scheduled exchange calculator shall notify the relevant NEMOs, the central counter parties, the shipping agents and TSOs of the agreed scheduled exchanges.
- (31) The scheduled exchange calculator is defined in Article 2(33) of the CACM Regulation as the entity or entities with the task of calculating scheduled exchanges and shall, pursuant to Article 8(2)(g) of the CACM Regulation and where required, be established by TSOs for calculating and publishing scheduled exchanges on borders between bidding zones.
- (32) Pursuant to Article 9(9) of the CACM Regulation, all proposals for terms and conditions or methodologies, shall include a proposed timescale for their implementation and a description of their expected impact on the objectives of the CACM Regulation. These objectives are listed in Article 3 of the CACM Regulation.
- (33) According to Article 9(13), Article 12 and Article 43(1) of the CACM Regulation, a proposal for amendment of the DA SEC Methodology shall be subject to a consultation of stakeholders, including the relevant authorities of each Member State, for a period of not less than one month.

6.2 Assessment of the Proposal

- (34) The Proposal for amendment includes not only specific amendments to the DA SEC Methodology approved by ACER Decision No 10/2023, but also the rest of the approved DA SEC Methodology. To avoid duplication and because in this case ACER does not see the need to reassess the Proposal for amendment in its entirety, ACER will focus on the TSOs proposed amendments.
- (35) The Proposal fulfils the requirements of Article 9(7)(d), Article 9(13) and Article 43 of the CACM Regulation, as all TSOs which intend to calculate scheduled exchanges resulting from SDAC developed the Proposal and submitted it to all regulatory authorities of the concerned region for revision and approval.
- (36) The Proposal was publicly consulted via ENTSO-E's web-based consultation between 30 November 2023 and 8 January 2024. Therefore, ACER considers that the Proposal meets the requirements of Article 12 of the CACM Regulation and complies with Article 9(13) of the same Regulation.
- (37) The TSOs included, in line with Article 9(9) of the CACM Regulation, in the Proposal a new timeline for implementing the methodology, related to the 15-minute (15') MTU go-live in SDAC. Since the reason for the proposed amendments by the TSOs are related to the 15' MTU go-live in SDAC, ACER considers it appropriate to include an adjusted implementation timeline for the amendments that relates to the 15' MTU go-live in SDAC. However, since not all proposed amendments from TSOs or the

revisions made by ACER are related to the 15' MTU go-live in SDAC, those other parts of the methodology can be applied after its approval. Therefore, ACER has amended the Proposal and specified in Article 8(3) the Articles in the methodology that shall be applied by the go-live of 15' MTU in SDAC. Furthermore, to make the Proposal in line with the requirement in Article 9(14) of the CACM Regulation, ACER has clarified in Article 8(1) that TSOs shall, upon approval of the methodology, publish the methodology on the internet.

- (38) The recitals of the Proposal describe the expected impact of the DA SEC Methodology on the objectives listed in Article 3 of the CACM Regulation. The Proposal therefore meets the requirement of Article 9(9) of the CACM Regulation.
- (39) The Proposal includes a new Recital (12) in the Whereas section that explains what the TSOs intend to use the calculated day-ahead scheduled exchanges for. ACER has amended this Recital in order to clarify that it does not introduce new requirements for the TSOs.
- (40) The TSOs included in the Proposal a backup calculation method for the calculation of scheduled exchanges between bidding zones in Article 4(5). ACER considers that including the proposed backup calculation method is reasonable and would enhance the robustness of the price coupling algorithm as well as, in certain instances, mitigate the risk of decoupling. Therefore, ACER deems the inclusion of the backup calculation method for the calculation of scheduled exchanges between bidding zones to be in line with the objectives of the CACM Regulation. While ACER considers the amendment justified as such, ACER deems it necessary to rephrase Article 4(5) to improve its readability and make it more consistent with the rest of the methodology, without changing its content.
- (41) The Proposal describes the calculation for the backup calculation method and the required equations and therefore complies with the requirement of Article 43(2) of the CACM Regulation that the methodology shall describe the calculation.
- (42) The Proposal specifies in Article 7(1)(f), in line with Article 49(2) of the CACM Regulation, that the Scheduled Exchange Calculator, for each market time unit, shall provide the relevant NEMOs, central counter parties, shipping agents and TSOs about the calculation method.
- (43) Article 7(3) of the Proposal includes an amendment of the timing for when the Scheduled Exchange Calculator shall notify the results of the day-ahead scheduled exchange calculation. The timing is changed from 13:00 to 13:01. ACER finds this adjustment reasonable due to the increase of the calculation time of the price coupling algorithm when the MTU is changed to 15-minutes.
- (44) The TSOs included in Annex 1 the Norwegian TSO, Statnett SF, as one of the TSOs that shall be subject to the approved methodology. ACER has deleted Statnett SF from the list of TSOs that are subject to the approved methodology since ACER does not have the competence to decide on the DA SEC Methodology for Statnett SF.

- (45) ACER has introduced several editorial amendments to improve the wording and clarity of the Proposal, while preserving the intended meaning of the content.

7. CONCLUSION

- (46) For the above reasons, ACER considers that the amendments detailed in section 6 are necessary in order to ensure that the Proposal is in line with the requirements and the objectives of the CACM Regulation, as well as improve the editorial quality.
- (47) Therefore, ACER approves the Proposal subject to the necessary substantive and editorial amendments. Annex I to this Decision sets out the methodology for calculating scheduled exchanges resulting from single day-ahead coupling as amended and approved by ACER,

HAS ADOPTED THIS DECISION:

Article 1

The methodology for calculating scheduled exchanges resulting from single day-ahead coupling in accordance with Article 43 of Regulation (EU) 2015/1222 is amended and approved as set out in Annex I of this Decision.

Article 2

This Decision is addressed to:

APG – Austrian Power Grid AG
Elia – Elia System Operator S.A
ESO – Electroenergien Sistemen Operator EAD
HOPS - Croatian Transmission System Operator Ltd
ČEPS - ČEPS, a.s.
Energinet – Energinet
Elering – Elering AS
Fingrid – Fingrid OyJ
Kraftnät Åland Ab
RTE - Réseau de Transport d'Electricité, S.A
Amprion – Amprion GmbH
Baltic Cable AB
TransnetBW -TransnetBW GmbH
TenneT GER – TenneT TSO GmbH
50Hertz – 50Hertz Transmission GmbH
IPTO – Independent Power Transmission Operator S.A.
MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt.
EirGrid – EirGrid plc
Terna – Terna SpA
Augstsprieguma tīkls - AS Augstsprieguma tīkls

LITGRID – LITGRID AB
CREOS Luxembourg – CREOS Luxembourg S.A.
TenneT TSO – TenneT TSO B.V.
PSE – PSE S.A.
REN - Rede Eléctrica Nacional, S.A.
Transelectrica - C.N. Transelectrica S.A.
SEPS - Slovenská elektrizačná prenosová sústava, a.s.
ELES – ELES, d.o.o.
REE - Red Eléctrica de España S.A.U.
Svenska kraftnät - Affärsverket Svenska Kraftnät
SONI System Operator for Northern Ireland Ltd.

Done at Ljubljana, on 25 September 2024.

- SIGNED -

*For the Agency
The Director*

C. ZINGLERSEN

Annexes:

Annex I – Methodology for calculating scheduled exchanges resulting from single day-ahead coupling.

Annex Ia – Methodology for calculating scheduled exchanges resulting from single day-ahead coupling (track-change version, for information only).

In accordance with Article 28 of Regulation (EU) 2019/942, the addressees may appeal against this Decision by filing an appeal, together with the statement of grounds, in writing at the Board of Appeal of the Agency within two months of the day of notification of this Decision.

In accordance with Article 29 of Regulation (EU) 2019/942, the addressees may bring an action for the annulment before the Court of Justice only after the exhaustion of the appeal procedure referred to in Article 28 of that Regulation.