



**REQUEST FOR AMENDMENT (RfA)
BY ALL RELEVANT REGULATORY AUTHORITIES OF
THE HANSA CAPACITY CALCULATION REGION**

ON

**CAPACITY CALCULATION METHODOLOGY FOR
THE BALANCING TIMEFRAME IN ACCORDANCE WITH
ARTICLE 37(3) OF COMMISSION REGULATION (EU)
2017/2195 OF 23 NOVEMBER 2017 ESTABLISHING
A GUIDELINE ON ELECTRICITY BALANCING**

12 July 2024

I. Introduction and legal context

This document elaborates an agreement of 12 July 2024 by the German NRA, Bundesnetzagentur (“BNetzA”); the Dutch NRA, Autoriteit Consument & Markt (“ACM”); the Danish NRA, Danish Utility Regulator (“DUR”); the Swedish NRA, Energimarknadsinspektionen (“Ei”); the Polish NRA, Urząd Regulacji Energetyki (“URE”); and the Norwegian NRA, Reguleringsmyndigheten for energi (“NVE-RME”) [hereafter “Hansa NRAs”] to request the German TSOs, TenneT TSO GmbH, 50Hertz Transmission GmbH, and Baltic Cable AB; the Dutch TSO, TenneT TSO NL B.V.; the Danish TSO, Energinet; the Swedish TSO, Svenska kraftnät; the Polish TSO, Polskie Sieci Elektroenergetyczne S.A; and the Norwegian TSO, Statnett [hereafter “Hansa TSOs”], to amend the proposal for a capacity calculation methodology in the balancing timeframe (“BT CCM”) for Capacity Calculation Region Hansa [hereafter “CCR Hansa”].

Article 37(3) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter “EB Regulation”) requires that no later than five years after entry into force of the EB Regulation, all TSOs of a CCR shall develop a methodology for cross-zonal capacity calculation within the balancing timeframe for the exchange of balancing energy or for operating the imbalance netting process. Such methodology shall avoid market distortions and shall be consistent with the cross-zonal capacity calculation methodology applied in the intraday timeframe established under Regulation (EU) 2015/1222 (hereafter “CACM Regulation”).

A draft proposal was consulted by the Hansa TSOs through ENTSO-E from 1 September until 1 October 2022.

The Hansa TSOs’ proposal - dated 16 December 2022 - was received by the last Hansa NRA on 12 January 2023. Following from Article 5(6) of the EB Regulation, the relevant NRAs have six months from the receipt of the proposal to make a decision. On 11 July 2023, the Hansa NRAs reached an agreement to request an amendment of the Hansa TSOs’ proposal.

Due to consistency required with the cross-zonal capacity calculation methodology for the day-ahead and intraday timeframes (hereafter “Hansa DA/ID CCM”), which is expected to be submitted shortly, Hansa NRAs requested ACER to extend the deadline to adopt a decision on 17 January 2024 which was granted by the ACER decision No 01/2024 on 08 March 2024. The new deadline to adopt a decision is 6 August 2024.

Following the submission of the draft proposal of the Hansa DA/ID CCM on 08 April 2024, Hansa NRAs have identified a fundamental need for discussion and a possible adjustment of the BT CCM, in particular with regard to the mathematical descriptions of the capacity calculation and the use of allocation constraints. This is also based on the requirement of consistency with the Hansa DA/ID CCM and at the same time a need to ensure that the decision process is moving forward. Due to these special circumstances Hansa NRAs agreed on 12 July 2024 to request a further amendment of the Hansa TSOs’ proposal.

This agreement of the Hansa NRAs shall provide evidence that a decision on the proposal does not need to be adopted by ACER pursuant to Article 5(7) of the EB Regulation. Therefore, this agreement

is intended to constitute the basis on which the Hansa NRAs will each subsequently request amendments on the Hansa TSOs' proposal for CCR Hansa.

The provisions, which constitute the legal basis for the proposal and Hansa NRAs' agreement on a RfA, can be found in Articles 3, 4, 5, 6, 7, 10, and 37, of the EB Regulation, cf. the latest consolidated version of 19 June 2022.

II. Requests for amendments of the proposal

The Hansa NRAs cannot approve Hansa TSOs' BT CCM proposal for the reasons below. Thus, Hansa NRAs request Hansa TSOs to amend the proposal and to incorporate the following requests of NRAs pursuant to Article 6(1) of the EB Regulation.

Content-wise amendments

Recital (1)

The Hansa NRAs request Hansa TSOs to precisely indicate the reference to the ACER decision (No. of reference and respective article).

Article 2 (1)

The Hansa NRAs request Hansa TSOs to use, if applicable, a consistent terminology and descriptions to the Hansa DA/ID CCM. Please also consider to give a justification for possible new wording.

Article 3

The Hansa NRAs request Hansa TSOs to use, if applicable, consistent descriptions to the Hansa DA/ID CCM, including the provisions for KF CGS. Please also consider to give a justification for possible new wording.

Article 4

The Hansa NRAs request Hansa TSOs to use, if applicable, consistent descriptions to the Hansa DA/ID CCM, including the provisions for KF CGS. Please also consider to give a justification for possible new wording.

Article 4(1) and 4(2)

The Hansa NRAs observe that the parameter $P_{i,max}$ thermal in article 4(1) is defined as "Thermal capacity for a DC line". The Hansa NRAs understand that with Advanced Hybrid Coupling (AHC) applied on both sides of the DC line, $P_{i,max}$ thermal would be the technical limit (operational security limit) of the DC line, i.e. the maximum thermal limit of the interconnector. The Hansa NRAs request Hansa TSOs to amend the definition of $P_{i,max}$ thermal to clarify that it is the maximum thermal limit of the DC line.

The mathematical description for DC lines in article 4(1) includes a loss factor for explicit grid loss handling. We ask Hansa TSOs to clarify on which interconnectors they currently still apply explicit grid loss handling. Furthermore, the Hansa NRAs request Hansa TSOs to state the legal basis for

including explicit grid loss in the capacity calculation. If it cannot be legally justified it should be removed from the formula in article 4(1).

The term “equipment” needs to be further specified in the methodology.

Article 6(1)(a) deletion

The Hansa NRAs request Hansa TSOs to give a justification of the deletion in the explanatory note.

Article 6(1)(a) new

The Hansa NRAs request Hansa TSOs to align the specification (time limitation) of this allocation constraint with specifications of the same allocation constraint in the adjacent CCR CORE.

Article 6(1)(b) new

The Hansa NRAs request the Hansa TSOs to include a reference to the applicable ramping methodology in accordance with the Commission Regulation (EU) 2017/1485 (“SO GL”).

Article 6(1)(c) new

The Hansa NRAs observe that article 6(1)(c) does not include a formula showing how the implicit loss factors on DC lines shall be calculated. The Hansa NRAs request the Hansa TSOs to include this in the amended proposal. It is not requested to include the individual loss factors, but a general formula.

In addition, the Hansa NRAs request the Hansa TSOs to include a requirement where EU-wide net benefits, i.e. an increase of economic surplus, should be demonstrated to the Hansa NRAs to ensure that the requirements given in article 23(3)(b) CACM are fulfilled and adhered to. In addition, the methodology should contain a rule to consult market participants for at least a period of one month in order to take market participants’ considerations into account. The report along with the market participants’ considerations should be submitted to the Hansa NRAs.

Article 6(1)(d-f) new

The Hansa NRAs requests the Hansa TSOs to include further justification and specification regarding the new allocation constraints d, e, and f. In addition, these specifications should be part of the methodology.

Article 6(3)

The Hansa NRAs request the Hansa TSOs to add a justification for using ramping restrictions for other than frequency purposes as given in article 137(3) SO GL.

Article 13 (new)

The Hansa NRAs request that Hansa TSOs elaborate the stepwise implementation period of 48 months and the projects that need to be in place in order for the BT CCM to be fully implemented. This should be accompanied by a motivation and justification as to why an implementation time of 48 months is required in contrast to the 12 months that was previously proposed.

III. Conclusion

Hansa NRAs have assessed, consulted, closely cooperated and coordinated to reach the agreement that Hansa NRAs cannot approve the Hansa TSOs' proposal, cf. Article 37(3) of the EB Regulation.

Pursuant to Article 6(1) of the EB Regulation, Hansa NRAs hereby request Hansa TSOs to amend the BT CCM proposal, which shall take into account the comments stated above and shall be submitted by Hansa TSOs no later than two months after receiving the request for amendment.

In addition, Hansa NRAs request Hansa TSOs to submit an amended proposal in two versions,
- a version, showing track-changes in respect of the specific requests for amendments, and
- a "clean" version, not showing track-changes in respect of the specific requests for amendments.

Hansa NRAs have agreed to inform their respective TSOs on the request for amendment of Hansa TSOs' proposal on the basis of this agreement by no later than 6 August 2024.