Consultation Report of the Channel CCR TSO's proposal for the Coordinated Redispatching and Countertrading Methodology in accordance with Article 35(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

16 March 2018

1. Introduction

Article 35(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (hereafter referred to as "CACM Regulation") requires that within 16 months after the regulatory approval on capacity calculation regions (hereafter referred to as "CCR") referred to in Article 15, all the TSOs in each capacity calculation region shall develop a proposal for a common methodology for coordinated Redispatching and Countertrading. This proposal shall be subject to public consultation in accordance with Article 12 of CACM Regulation.

All Channel CCR TSOs (hereafter referred to as "Channel TSOs") submitted, by 16 March 2018, to Channel NRAs, the "Channel Capacity Calculation Region TSOs' proposal for the methodology for Coordinated Redispatching and Countertrading in accordance with Article 35(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management" (hereafter referred to as "Channel RD and CT Methodology").
On the same date, the related "Channel Capacity Calculation Region TSOs' proposal for Redispatching and Countertrading cost sharing methodology in accordance with Article 74(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management" (hereafter referred to as "Channel RD and CT Cost Sharing Methodology") was also submitted to Channel NRAs.

Channel TSOs held a public consultation on the Channel RD and CT Methodology from 1 December 2017 until 12 January 2018 on ENTSO-E public consultation website[1].
The Channel RD and CT Cost Sharing Methodology is not subject to public consultation.

This report provides an overview of the comments received during this public consultation, the Channel TSO's assessment on these comments and how the Proposed Channel RD and CT Methodology was amended based on these comments. The full list of comments received is included in section 3 of this document.

Note: Channel TSOs received officially only one response from one stakeholder (hereafter referred to as "the Respondent") during the consultation period. However, CWE TSOs, some of whom are also Channel TSOs, received by email on 30 January 2018 a position paper on Redispatching and Countertrading elaborated jointly by EFET, Eurelectric and the MPP. Even if not received during the consultation period and even if the content of this paper is more related to the coordinated Redispatching and Countertrading in an AC meshed network, Channel TSOs tried to answer to the relevant comments for the Channel Region in chapter 4 of this consultation report.

2. Assessment of stakeholders' comments

2.1. General remarks

On a general comment about Redispatching definition, the Respondent defines Redispatching as being a measure which consists in limiting the possibility to change the schedule of a specific asset

[1] https://consultations.entsoe.eu/markets/channel-redispatchandcountertrd/

or in a request of modification of this schedule. The Respondent notes that a change of dispatch requires complementary actions within the same bidding zone to restore the demand-supply balance in the system concerned.

While this comment is valid for an internal Redispatching where a congestion bid is compensated by a compensation bid elsewhere within the same bidding zone, this is not true in the case of cross-border Redispatching on a bidding zone border that consists of HVDC interconnectors. Indeed, as explained in Article 3(2) and Article 4 of the Proposed Channel RD and CT Methodology, coordinated Redispatching on a bidding zone border of the Channel region consists in a change of physical flow on one or several HVDC interconnector(s) of this bidding zone border, associated with a RD and CT Actions in the Requesting and Participating TSOs' bidding zone.

The Respondent also notes that, in order for countertrading to be cost-effective, the restoration of the demand-supply balance in each bidding zone should be implemented through market-based solutions.

In the context of Channel CCR, the only difference between Coordinated Redispatching and Countertrading is that in case of Coordinated Redispatching the selection of the RD and CT Actions is localised in the Requesting TSO's Control Area because of the congestion-relieving effect this RD and CT Action has. In the case of Countertrading, the selection of RD and CT Actions could be market-based as defined in Article 12(4)(a) of the Proposed Channel RD and CT Methodology. Alternatively, it could also be a specific selection of RD and CT Actions (in this case, without localization, and thus based only on economic criteria) and could also be implemented by other local mechanisms or via cross-border Redispatching.

This selection of RD and CT Actions could be possibly implemented via tenders as suggested by the Respondent, but this is not the only method of implementation. As explained in Article 12(3), the selection of the RD and CT Actions in each control area is the responsibility of the TSO operating each control area and based on local agreements or via a market-based solution applicable to its control area and approved by the national regulator, while ensuring the economic efficiency of the selected RD and CT Actions. The RD and CT Actions must also respect the operational security constraints (in accordance with Article 12 of the Proposed Channel RD and CT Methodology).

The Respondent wishes also a minimum level of coordination between CCRs in line with the provision of article 35(3) of the CACM Regulation on the progressive harmonisation of these methodologies.

The coordination between CCR is currently safeguarded by the role of RSCs. The provisions of Article 35(3) of the CACM Regulation aim at coordinating and harmonizing the mechanisms and agreements put in place on a control area level to redispatch all available generation units and loads including interconnectors and this, amongst all TSOs of each CCR. The progressive harmonisation of methodologies referred in Article 35(3) of the CACM Regulation is not across CCRs. Indeed, the report should provide the progressive coordination and harmonization inside the Channel CCR only.

Due to the Channel Region specificity, coordinated Redispatching and Countertrading within the region is not identical to coordinated Redispatching and Countertrading on bidding zone borders of other continental regions (as in the Core Region for example). Indeed, in opposition to other regions, no unscheduled flows over the Channel bidding zone borders might be observed since all the bidding zone borders are composed of fully controllable HVDC cables. A harmonization is thus

difficult to reach. However the RSCs will coordinate the coordinated Redispatching and Countertrading process in the Channel Region in parallel of coordinating these actions with the RSCs of other CCRs.

The Respondent regrets that the proposed methodology does not provide any details on the RD and CT Actions initiated by the Requesting and Assisting TSOs to compensate on each side of the interconnector the updated setting.

Channel TSOs have decided to add a specific Article 12 with more information of the selection of RD and CT Actions in the final version of the Channel RD and CT Methodology submitted to NRAs.

Finally, the Respondent wishes to highlight that "*the current practice of National Grid aimed to satisfy part of its system congestion management needs by contracting with balance responsible parties who are able to deliver electricity trading services, is an interesting tool since:*

- *It provides the TSO with a considerable amount of resources;*
- *It ensures transparency on the actions taken by the TSO to manage its system;*
- *It generates relevant price signals by influencing the electricity market price in the bidding zone concerned.*

The implementation of this practice by other TSOs in the Channel region and in other CCRs should therefore be duly considered."

While Channel TSOs recognises that this practice is interesting, they would like to highlight that this mechanism is dependent on explicit intraday allocation on the bidding zone borders of the Channel Region which will not continue under XBID and is not coordinated between TSOs of the region. Alternatives which do not make use of explicit capacity allocation, but achieve the same objective, must be carefully designed to ensure coordination between TSOs, avoid distortion to the Individual Grid Models (used for the coordinated security assessment of RSCs) and ensure that the BRP and Interconnector nominations seen by TSOs are representative of their expected physical output.
The coordination aspect is a strong requirement from Article 35(4) of CACM Regulation and article 78 of SO GL regulations for such remedial actions of cross-border relevance.

2.2. Article 7 - Calculation of the volumes available for countertrading

The Respondent suggests that the determination of volumes available for countertrading doesn't take into account the parameters used to calculate the capacity calculation (IGM, GSK, PTDF) and the market results.

The purpose of the indicative exchange of volume as described in Article 6 of Proposed Channel RD and CT Methodology is to give an indication, after the day-ahead market coupling results, of the available volume that Assisting TSOs could propose based on the production units and load schedules received for its control area.

Each Channel TSO will provide the available volume information daily to the RSCs and bilaterally with the concerned onshore TSOs located in the other side of the bidding zone border of the Channel Region. RSCs will then know the available indicative volume of other Channel TSOs as well as available transmission capacity of bidding zone borders of Channel CCR and other CCRs.

RSCs will then be able to propose a Countertrading (which can be reviewed into a Redispatching if the Requesting TSO proposes it) as remedial action to the Requesting TSOs, based on all these information.

During the coordination process, once the decision to initiate a coordinated Redispatching or a Countertrading is taken by Requesting and Assisting TSOs, both TSOs will confirm the actual availability of the needed local RD and CT Actions volume, potentially increased by the available cross-border RD and CT Actions volumes that neighbouring TSOs could provide upon proposal and analysis of Channel RSCs.

If we add the fact that Channel bidding zone border interconnectors are all HVDC lines where the expected final flow is determined univocally by the commercial and Countertrading nominations, the use of IGM, GSK and PTDF is thus useless for the exchange of volume available for Coordinated Redispatching and Countertrading. Nevertheless, those parameters will be used by the RSC to determine the volume to activate in order to solve congestion.

2.3. Article 8 - Calculation of the prices of the volumes available for countertrading

The Respondent requests that TSOs provide more details on the methodology and parameters used to calculate the price of the resources available for Countertrading and recommends in particular that TSOs rely on observed intraday prices for the imbalance settlement periods under consideration to predict the balancing of each bidding zone when Redispatching or Countertrading actions are triggered.

The purpose of the indicative exchange of volume as described in Article 7 is to give information and a forecast of the RD and CT Actions prices that could be activated if Redispatching or Countertrading is initiated. This indicative price should help the RSCs to propose the most economically efficient remedial action able to solve the congestion, while taking into account operational security.
The final price, used for settlement of the coordinated Countertrading and Redispatching process, will be determined by Participating TSOs after the coordination process, based on the information provided ex-ante by the Generation units and loads via the national agreements, as required by Article 35(6) of CACM Regulation. As such, the final price cannot be described directly within the Channel RD and CT Methodology.

2.4. Article 12 - Activation of Countertrading

The Respondent believes that, as far as congestion can be scheduled, it is more relevant to address them as soon as possible, e.g. shortly after the DA auction or during the ID continuous trading market, as this broadens the range of available resources.

Congestion depends on renewable energy that can fluctuate throughout the day, in contrast to the forecast. Later activation is to be preferred in case of sufficient available resources in order to increase the grid safety (i.e. less uncertainty...). However in case of insufficient volumes (or large needs), activation might be better earlier Therefore, the methodology allows also to address the issue as soon as possible after the Day-ahead market results, if a congestion problem is

immediately detected (for instance in case of physical congestion created by full flow reversal compared to the forecasted flow on Channel interconnector used as input for the Day-ahead capacity calculation). Practically, Article 5 explains that the range of time for activation of coordinated Redispatching and Countertrading is between the Day-ahead market results and the Interconnector Countertrading Deadline which is defined in the Annex of the Channel CT and RD Methodology.

2.5. Article 14 – Transparency and reporting

The Respondent highlights that both Redispatching and Countertrading Actions have an influence on price formation at regional level and may be considered to be subject to REMIT Regulation and the corresponding information should be published, not only "no later than one hour after the operating period" as foreseen by the Transparency Regulation, but as soon as the action is decided: i.e. before the corresponding operating period.

Channel TSOs agree with this comment and have modified the reporting requirement (now in Article 5(1)(a) of the Proposed Channel RD and CT Cost Sharing Methodology) with the new wording: "In line with the REMIT Regulation, all coordinated Redispatching and Countertrading will be reported within 1 hour from the activation of the Countertrading", and no more 1 hour after the operating period.

2.6. Annex

The Respondent suggests that the ICRTU should be consistent with the Imbalance Settlement Period (ISP) in force in the relevant electricity markets. The ICRTU will reflect the shortest capacity products available on each interconnector. Therefore, the future evolutions towards a 15 minutes ISP, as foreseen by the Guideline on Electricity Balancing, should be reflected by shorter ICRTU on interconnectors GB-FR and NL-GB, once the new ISP will be in force.

The ICRTU have been amended in the submitted version of the proposed RD and CT Methodology. On the GB-BE border, the ICRTU was already 15 minutes, being the minimum granularity period between the Imbalance Settlement Period in Belgium (15 minutes) and in GB (30 minutes).
On the GB-FR border, the ICRTU has been set to 30 minutes as the current Imbalance Settlement Period for the French and GB areas.
For the GB-NL border, ICRTY has been set to 15 minutes as the current Imbalance Settlement Period in the Netherlands, with a minimum activation time of 4 ISPs. Activation time of multiple of 15 minutes is then possible if this activation Period is minimum 60 minutes.

3. Full list of comments

Below is the full list of comments received via the public consultation (only one response, received on 12 January 2018)

Article	Comment
General remarks	The elaboration of a coordinated methodology for redispatching and countertrading by TSOs in each capacity calculation region (CCR) is an important step towards the optimisation of the actions taken by TSOs to effectively relieve physical congestions. In particular, the possibility for TSOs to rely on a large scope of remedial actions, preferably market-based, would allow to maximise the cross-zonal capacity made available to market participants while limiting congestion management costs. In particular, two different types of measure are available to TSOs to solve congestions: i) Redispatching: this measure consists in limiting the possibility to change the schedule of a specific asset or in a request of modification of this schedule. The Respondent notes that a change of dispatch requires complementary actions within the same bidding zone to restore the demand-supply balance in the system concerned. ii) Countertrading: this measure consists in updating the net export/import of two bidding zones, by simultaneously i) updating the scheduled cross-border exchanges, ii) updating the NTC or FB domain for the subsequent markets, and iii) opening opposite balance positions in the corresponding bidding zones. In order for countertrading to be cost-effective the restoration of the demand-supply balance in each bidding zone should be implemented through market-based solutions. In Respondent 's view, in case of congestion, TSOs should systematically compare the costs of all the possible combinations of redispatching and countertrading options and choose the most efficient, in line with Art. 35(4) of the CACM Regulation. For example, cross-zonal redispatching can be managed by countertrading plus local redispatching in both bidding zones. After both redispatching and countertrading actions, it is key that TSOs balance their system as swiftly as possible with a market-based approach. In this regard, The Respondent tends to favour that TSOs contract (through tenders) balance restoration actions with BRPs participating in the electricity markets. This solution would allow a transparent selection of the available resources based on a merit order and the early emergence of electricity prices more consistent with the actual status of the system and able to trigger efficient operational decisions. In addition, the Respondent wishes to draw TSOs' attention on the need to ensure a minimum level of harmonisation and consistency of coordinated redispatching and countertrading methodologies, in particular in control areas whose borders belong to multiple CCRs, as it is the case of France. A minimum level of coordination between CCRs as from this first stage of the elaboration of the different methodologies for coordinated redispatching and countertrading would therefore be welcome and in line with the provision of article 35(3) of the CACM Regulation on the progressive harmonisation of these methodologies. This is all the more important as redispatching and countertrading methodologies can have an impact on the level of market prices and on the dimensioning of reserves in each bidding zone/control area. Concerning the coordinated redispatching and countertrading methodology proposed for the Channel CCR, the Respondent regrets that it is focused only on the process for changing the flow over HVDC interconnectors and updating the NTC. The proposed

	methodology does not provide any details on the RD and CT Actions initiated by the Requesting and Assisting TSOs to compensate on each side of the interconnector the updated setting. The Respondent considers indeed, that the implementation of RD and CT Actions is key for managing congestions efficiently, by appropriately remunerating units which contribute to address congestions and by delivering reliable signals through energy markets. Moreover, the Respondent considers that the proposed methodology should be accompanied by an impact assessment of the proposal to enable market participants to provide an informed opinion. Thus, in Respondent 's view, the proposed methodology has to be completed with the RD and CT processes that TSOs of the Channel CCR intend to use in their control areas following an update of HVDC and NTC settings. In particular, the Respondent wishes to highlight that the current practice of National Grid aimed to satisfy part of its system congestion management needs by contracting with balance responsible parties who are able to deliver electricity trading services, is an interesting tool since: • It provides the TSO with a considerable amount of resources; • It ensures transparency on the actions taken by the TSO to manage its system; • It generates relevant price signals by influencing the electricity market price in the bidding zone concerned. The implementation of this practice by other TSOs in the Channel region and in other CCRs should therefore be duly considered.
Article 7 – Calculation of the volumes available for countertrading	The Respondent believes that the current methodology does not make sufficient reference to the opportunity to use the up-to-date results of the day-ahead (or intraday) capacity calculation process as an input for the determination of the volumes available for countertrading. Taking into account the updated parameters used for cross-zonal capacity calculation (ex. the updated Common Grid Models, GSK and PTDF values, etc.) in the coordinated redispatching and countertrading process will ensure the consistency of the data used in both processes. This will lead to a consistent framework for the selection of the remedial actions used in the capacity calculation process and the redispatching and countertrading actions decided afterward. In particular, for a border where X GW have been allocated from bidding zone A to bidding zone B, and where the latest capacity calculation determined that the exchange capacity from B to A would be Y GW, the Respondent recommends that TSOs consider a countertrading potential from B to A of X+Y, unless region B faces scarcity.
Article 8 – Calculation of the prices of the volumes available for countertrading	TSOs should provide more details on the methodology and parameters used to calculate the price of the resources available for countertrading. The proposed methodology does not go beyond what is already foreseen by the CACM Regulation without giving stakeholders further information on practices that TSOs intend to follow. The Respondent recommends in particular that TSOs rely on observed intraday prices for the imbalance settlement periods under consideration to predict the balancing costs of each bidding zone when redispatching or countertrading actions are triggered. A premium factor may be accounted for depending on the depth of the needed balancing action.
Article 12 – Activation of Countertrading	The Respondent believes that, as far as congestions can be scheduled, it is more relevant to address them as soon as possible, e.g. shortly after the DA auction or during the ID continuous trading market, as this broadens the range of available resources. Furthermore, the Respondent supports a more coordinated approach for the whole redispatching and countertrading actions taken by TSOs whose control area's borders

	belong to different CCRs. In Respondent 's view, it is important to consider all the available resources on an equal footing, including the ones located across borders and across different CCRs, as far as their activation could have an impact on the level of market prices and on the dimensioning of reserves in each bidding zone/control area. Hence, TSOs' redispatching and countertrading decisions should be the result of the selection of all available resources according to their merit order, including cross-border redispatching and countertrading actions across different CCRs. This approach would allow TSOs to activate the cheapest resources able to meet their system requirements. Yet, the process described in Article 12(10) does not seem to be in line with this principle, since it envisages the possibility for TSOs to consider cross-border exchange of energy on other Interconnectors/borders, only if local RD and CT Actions are not sufficient, thus without implementing a unique optimisation process.
Article 14 – Transparency and reporting	The Respondent wishes to highlight that both redispatching and countertrading actions have an influence on price formation at regional level. From this perspective, the related TSOs' decisions may be considered to be subject to REMIT Regulation (Regulation (EU) n°1227/2011) and the corresponding information should be published, not only "no later than one hour after the operating period" as foreseen by the Transparency Regulation (Regulation (EU) n°543/2013), but as soon as the action is decided: i.e. before the corresponding operating period. Such publications will then allow market participants to forecast more accurately imbalance energy prices in each bidding zone taking into account the remedial actions initiated by TSOs.
Annex	In the Respondent view the ICRTU should be consistent with the Imbalance Settlement Period (ISP) in force in the relevant electricity markets. Therefore, the future evolutions towards a 15 minutes ISP, as foreseen by the Guideline on Electricity Balancing (Regulation (EU) 2017/2195), should be reflected by shorter ICRTU on interconnectors GB-FR and NL-GB, once the new ISP will be in force.

4. Answers to EFET, Eurelectric and the MPP letter

CWE TSOs received on 30 January 2018 an email from the Market Parties Platform providing a position paper (dated 29 January 2018), on Redispatching and Countertrading elaborated jointly by EFET, Eurelectric and the MPP and entitled "Principles for Coordinated Re-dispatching & Countertrading for congestion management - Response of EFET, EURELECTRIC and the Market Parties Platform to the TSOs' regional consultations". This letter is included in section 4.2.

This response was not sent to Channel TSOs and some parts of this paper are not relevant for the Channel Region. However, Channel TSOs have chosen to answer to the relevant comments for the Channel Region in this chapter.

4.1. Channel TSOs answers to questions relevant to the Channel region

In addition to the answers already provided in the previous pages, here is complementary feedbacks for the questions relevant to the Channel Region:

For the comment 2 (on scheduled exchanges, NTC and balance positions handling), these actions are described in Article 11(7): "Coordinated Redispatching and Countertrading nomination on the Interconnector will be netted with the existing market nominations on the Nomination Platform" and Article 12 of the proposed Channel RD and CT Methodology. More details are also available in the explanatory note.

Concerning third comment, regarding the reporting requirements for compliance with Transparency and REMIT Regulations, these topics are addressed in the Article 5 of the Channel RD and CT Cost Sharing Methodology.

Concerning the fourth comment, on the RD and CT Actions used to restore the balance of the Requesting and Assisting TSO's area; the Channel TSOs agree that the different listed options listed in the letter are possible, and have defined them in Article 12(4) of the Channel RD and CT Methodology.

Regarding the fifth comment on financial compensation of the redispatched assets resulting of a RD and CT Actions, this is dependent on local mechanisms and agreements applicable to each Channel TSO's control area, while being compliant with Article 35(5) and 35(6) of the CACM Regulation.

In response to the comments regarding the Redispatching and Countertrading Actions, Channel TSOs refer to the explanatory note where the specifics of coordinated Redispatching and Countertrading in the Channel region are detailed.

4.2. Full letter

EFET European Federation of Energy Traders SO YOU CAN RELY ON THE MARKET

eurelectric ELECTRICITY FOR EUROPE

MARKET PARTIES PLATFORM
Linking the CWE Market

Principles for Coordinated Re-dispatching & Countertrading for congestion management

Response of EFET, EURELECTRIC and the Market Parties Platform to the TSOs' regional consultations

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29 January 2018

EFET, EURELECTRIC and the Market Parties Platform thank the TSOs for the opportunity to provide their views on the regional methodologies for redispatching and countertrading.

According to the CACM GL, TSOs shall propose by March 2018 methodologies for coordinated redispatching and countertrading in every capacity calculation region. In the daily management of transmission networks, redispatching and countertrading are measures taken by TSOs to manage congestions alongside topology measures and limitations of cross-border capacities offered to the market. For this reason, we believe that a holistic approach is necessary when considering redispatching and countertrading.

We believe that European TSOs can effectively manage congestions in the most efficient way by relying on a combination of topology measures, countertrading and redispatch actions, and buyback of transmission rights. Properly applied, this is a key aspect of an efficient zonal market design.

Our primary concerns lie in the manner in which TSOs choose to initiate redispatching and countertrading, what level of transparency accompanies these actions, and how they are remunerated.

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Therefore, the redispatching and countertrading methodologies to be developed on the basis of the CACM and SO Guidelines need to detail:

1. How redispatching and countertrading on the one hand, and restrictions of cross-border capacities allocated to the market on the other hand are treated on an equal footing. In our joint response to the consultations on regional capacity calculation methodologies[1], we insisted on the importance for TSOs to systematically consider redispatching and countertrading when still facing congestion after applying non-costly remedial actions: indeed, any decision to restrict cross-border transmission capacities for reasons other than system security should be based on an analysis comparing the costs/benefits of applying redispatching or countertrading vs. limiting the availability of cross-border capacities to the market, in order to achieve a welfare optimum. This requires that both redispatching and countertrading are fully part of the possible means for TSOs to deal with congestions in each CCR, and mandatorily considered by the TSOs alongside topology measures.

2. How the scheduled exchanges, NTC/FB domain, and balance positions are simultaneously generated and handled by the relevant market and system operators.

3. How the operation scheme ensures full transparency and conforms to Transparency (ex-post) and REMIT Regulations, in terms of how much redispatching and countertrading is activated. This information should be available to market participants as soon as those actions are decided; full transparency on deviations from merit order activation (in case of joint congestion management and balancing) is also required.

4. How open positions generated by redispatching or countertrading are to be counterbalanced in a market-based manner to deliver appropriate economic signals. In this regard, we see three main options:
   a. TSOs managing the counterbalance in the framework of the balancing mechanism
   b. TSOs managing the counterbalance within the intraday markets
   c. Activation through a dedicated congestion management mechanism

   The methodologies to be developed on the basis of the CACM and SO Guidelines need to assess the pros and cons of these options as well as justify the choice of the option(s) that has (have) been retained.

5. How actions on specific assets based on their location are remunerated. In our view, any network user being redispatched or constrained must be fully financially compensated (full costs and opportunity loss) so as to leave the asset owner is left financially indifferent to the TSO action.

[1] EFET, Eurelectric, MPP and Nordenergi response to the TSOs' consultations on regional capacity calculation methodologies, dated 19 July 2017 and last updated on 14 December 2017, available at: http://www.efet.org/Files/Documents/Downloads/EFET_Eurelectric_MPP_Nordenergi-TSOs%20consultation%20CCM_14122017.pdf.

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Going more in depth into redispatching and countertrading actions themselves, we believe that the proposals should be accompanied by a thorough evaluation of the advantages and drawbacks of the various options, so as to justify the choice of the preferred one (or the preferred combination of options). In our view, there are three basic types of redispatching and countertrading (in the following part of the document, "asset" should be understood as a generic/technology neutral term covering all sources of flexibility – generation, demand, storage):

- Constraining the dispatch of a specific asset:
  This means part of the flexibility of the asset around its scheduled set point is disabled by the relevant network operator.
  This may represent a loss of opportunity for the asset that should be fully financially compensated (full costs and opportunity loss), for instance in case offers for standard balancing products are "filtered" and consequently not shared on the European balancing platforms.
  In terms of system balance, such an intervention has no immediate impact on the asset and does not require any complementary action.
  We note however that the measure may have an impact on balancing markets, as some assets potentially contracted as reserves may be disabled because of the measure, leading to more expensive balancing activations or potentially to a lack of reserves, affecting subsequently imbalance settlement prices. When it has a potential to affect balancing reserves or balancing energy activation, the congestion management process needs to ensure that there is sufficient transparency on what is used for which purpose, that balancing energy bids activated for congestion management purposes do not impact the imbalance price, and that full compensation for congestion management actions is ensured.

- Modifying the scheduled dispatch of a specific asset:
  This means requesting a set point different than the scheduled one for a specific asset based on its location within a bidding zone.
  This may represent extra costs and/or loss of opportunity for the asset that must be fully financially compensated (full costs and opportunity loss).
  In terms of system balance, the activation of a specific asset opens a balance position in the same bidding zone that should be counterbalanced as discussed in point 4.

- Countertrading:
  This means updating the net export/import of two bidding zones, by simultaneously updating the scheduled cross-border exchanges, updating the NTC or FB domain for the same market time units, and opening opposite balance positions in the corresponding bidding zones.
  In terms of system balance, the opened balance position in each bidding zone will have to be managed as discussed in point 4.

Unfortunately, the methodologies already submitted by TSOs in several CCRs as part of the CACM implementation do not include such an evaluation so far. In our view, this evaluation is a pre-requisite to allow real progress on the optimisation of countertrading and redispatching and the improvement of market functioning at European level.

5. Changes made to the Proposal after the consultation

After the public consultation, Channel TSOs made some improvements to the proposed methodology, especially on the structure, leading to a new, leaner structure and a better synergy with the related proposed "Channel RD and CT Cost Sharing Methodology" by:

- Transferring the content of the old Articles 13 (Total Cost Calculation) and 14 (Reporting) from the Channel RD and CT Methodology to Articles 4 (Principles) and 5 (Monitoring and Reporting) of the proposed Channel RD and CT Cost Sharing Methodologies, as these topics are related to Article 74 and not Article 35 of CACM Regulation;
- Merging of TITLE 2 (Coordinated Redispatching) and TITLE 3 (Coordinated Countertrading Process), as both processes are quite similar in the Channel Region with the only difference being that the RD and CT Actions is localised in the Control Area of the Requesting TSO in the case of a Coordinated Redispatching;
- A new Article 12 was created "Selection of RD and CT Actions" in order to provide more information of this process following the change of flow on the HVDC interconnector (in the consultation version, it was included in the "Activation of Countertrading" Article).