

**AGREEMENT ON APPROVAL BY THE IRELAND-UK
(IU) REGULATORY AUTHORITIES**

OF

**THE IU TSO's PROPOSAL FOR THE
IU REGIONAL OPERATIONAL SECURITY
COORDINATION METHODOLOGY**

18 June 2020

I. Introduction and legal context

This document establishes an agreement of the Regulatory Authorities of the Ireland-United Kingdom (IU) Capacity Calculation Region (CCR) for approving the IU Transmission System Operators' (IU TSOs) proposal for an IU regional operational security coordination (IU ROSC) Methodology in accordance with Article 76 of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter, 'Regulation 2017/1485').

The IU ROSC Methodology considers the general principles and goals of Regulation 2017/1485 as well as Commission Regulation (EC) 2015/1222 establishing a guideline on capacity allocation and congestion management (Regulation 2015/1222).

This agreement of the IU Regulatory Authorities shall provide evidence that a decision on the IU ROSC Methodology does not, at this stage, need to be adopted by the Agency for the Cooperation of Energy Regulators (ACER) pursuant to Article 6(8) of Regulation 2017/1485.

This agreement is intended to constitute the basis on which the IU Regulatory Authorities will each subsequently make individual decisions pursuant to Article 6(3)(b) of Regulation 2017/1485.

The legal provisions relevant to the submission and approval of the proposal, and this IU Regulatory Authority agreement can be found in Articles 4, 5, 6, 76 and 77 of Regulation 2017/1485. They are set out below for reference.

Article 4 of Regulation 2017/1485:

1. *This Regulation aims at:*

- (i) *determining common operational security requirements and principles;*
- (ii) *determining common interconnected system operational planning principles;*
- (iii) *determining common load-frequency control processes and control structures;*
- (iv) *ensuring the conditions for maintaining operational security throughout the Union;*
- (v) *ensuring the conditions for maintaining a frequency quality level of all synchronous areas throughout the Union;*
- (vi) *promoting the coordination of system operation and operational planning;*
- (vii) *ensuring and enhancing the transparency and reliability of information on transmission system operation;*
- (viii) *contributing to the efficient operation and development of the electricity transmission system and electricity sector in the Union.*

Article 5 of Regulation 2017/1485:

1. *TSOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the competent regulatory authorities in accordance with Article 6(2) and (3) or for approval to the entity designated by the Member State in accordance with Article 6(4) within the respective deadlines set out in this Regulation.*

2. *Where a proposal for terms and conditions or methodologies pursuant to this Regulation needs to be developed and agreed by more than one TSO, the participating TSOs shall closely cooperate. TSOs, with the assistance of ENTSO for Electricity, shall regularly inform the regulatory authorities and the Agency about the progress of developing those terms and conditions or methodologies.*

Article 6 of Regulation 2017/1485:

1. *Each regulatory authority shall approve the terms and conditions or methodologies developed by TSOs under paragraphs 2 and 3. The entity designated by the Member State shall approve the terms and conditions or methodologies developed by TSOs under paragraph 4. The designated entity shall be the regulatory authority unless otherwise provided by the Member State.*
2. (...)
3. *The proposals for the following terms and conditions or methodologies shall be subject to approval by all regulatory authorities of the concerned region, on which a Member State may provide an opinion to the concerned regulatory authority:*
 - (a) (...)
 - (b) *common provisions for each capacity calculation region for regional operational security coordination in accordance with Article 76;*
 - (c) (...)
4. (...)
5. (...)
6. *The proposal 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 this Regulation. Proposals on terms and conditions or methodologies subject to the approval by several or all regulatory authorities shall be submitted to the Agency at the same time that they are submitted to regulatory authorities. Upon request by the competent regulatory authorities, the Agency shall issue an opinion within 3 months on the proposals for terms and conditions or methodologies.*
7. *Where the approval of the terms and conditions or methodologies requires a decision by more than one regulatory authority, the competent regulatory authorities shall consult and closely cooperate and coordinate with each other in order to reach an agreement. Where the Agency issues an opinion, the competent regulatory authorities shall take that opinion into account. Regulatory authorities shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs (2) and (3), within 6 months following the receipt of the terms and conditions or methodologies by the regulatory authority or, where applicable, by the last regulatory authority concerned.*

Article 76 of Regulation 2017/1485:

1. *By 3 months after the approval of the methodology for coordinating operational security analysis in Article 75(1), all TSOs of each capacity calculation region shall jointly develop a proposal for common provisions for regional operational security coordination, to be applied by the regional security coordinators and the TSOs of the capacity calculation region. The proposal shall respect the methodologies for coordinating operational security analysis developed in accordance with Article 75(1) and complement where necessary*

the methodologies developed in accordance with Articles 35 and 74 of Regulation (EU) 2015/1222. The proposal shall determine:

- (a) conditions and frequency of intraday coordination of operational security analysis and updates to the common grid model by the regional security coordinator;*
 - (b) the methodology for the preparation of remedial actions managed in a coordinated way, considering their cross-border relevance as determined in accordance with Article 35 of Regulation (EU) 2015/1222, taking into account the requirements in Articles 20 to 23 and determining at least:*
 - (i) the procedure for exchanging the information of the available remedial actions, between relevant TSOs and the regional security coordinator;*
 - (ii) the classification of constraints and the remedial actions in accordance with Article 22;*
 - (iii) the identification of the most effective and economically efficient remedial actions in case of operational security violations referred to in Article 22;*
 - (iv) the preparation and activation of remedial actions in accordance with Article 23(2);*
 - (v) the sharing of the costs of remedial actions referred to in Article 22, complementing where necessary the common methodology developed in accordance with Article 74 of Regulation (EU) 2015/1222. As a general principle, costs of non-cross-border relevant congestions shall be borne by the TSO responsible for the given control area and costs of relieving cross-border-relevant congestions shall be covered by TSOs responsible for the control areas in proportion to the aggravating impact of energy exchange between given control areas on the congested grid element.*
- 2. In determining whether congestion have cross-border relevance, the TSOs shall take into account the congestion that would appear in the absence of energy exchanges between control areas.*

Article 77 of Regulation 2017/1485:

- 1. The proposal of all TSOs of a capacity calculation region for common provisions for regional operational security coordination pursuant to Article 76(1) shall also include common provisions concerning the organisation of regional operational security coordination, including at least:*
 - (a) the appointment of the regional security coordinator(s) that will perform the tasks in paragraph 3 for that capacity calculation region;*
 - (b) rules concerning the governance and operation of regional security coordinator(s), ensuring equitable treatment of all member TSOs;*
 - (c) where the TSOs propose to appoint more than one regional security coordinator in accordance with subparagraph (a):*
 - (i) a proposal for a coherent allocation of the tasks between the regional security coordinators who will be active in that capacity calculation region. The proposal shall take full account of the need to coordinate the different tasks allocated to the regional security coordinators;*
 - (ii) an assessment demonstrating that the proposed setup of regional security coordinators and allocation of tasks is efficient, effective and consistent with the*

regional coordinated capacity calculation established pursuant to Articles 20 and 21 of Regulation (EU) 2015/1222;

- (iii) an effective coordination and decision making process to resolve conflicting positions between regional security coordinators within the capacity calculation region.*
- 2. When developing the proposal for common provisions concerning the organisation of regional operational security coordination in paragraph 1, the following requirements shall be met:*
 - (a) each TSO shall be covered by at least one regional security coordinator;*
 - (b) all TSOs shall ensure that the total number of regional security coordinators across the Union is not higher than six.*
- 3. The TSOs of each capacity calculation region shall propose the delegation of the following tasks in accordance with paragraph 1:*
 - (a) regional operational security coordination in accordance with Article 78 in order to support TSOs fulfil their obligations for the year-ahead, day-ahead and intraday time-frames in Article 34(3) and Articles 72 and 74;*
 - (b) building of common grid model in accordance with Article 79;*
 - (c) regional outage coordination in accordance with Article 80, in order to support TSOs fulfil their obligations in Articles 98 and 100;*
 - (d) regional adequacy assessment in accordance with Article 81 in order to support TSOs fulfil their obligations under Article 107.*
- 4. In executing its tasks, a regional security coordinator shall take account of data covering at least all capacity calculation regions for which it has been allocated tasks, including the observability areas of all TSOs in those capacity calculation regions.*
- 5. All regional security coordinators shall coordinate the execution of their tasks in order to facilitate the fulfilment of the objectives of this Regulation. All regional security coordinators shall ensure the harmonization of processes and, where duplication is not justified by reasons of efficiency or by the need to ensure continuity of service, the creation of joint tools to ensure efficient cooperation and coordination between the regional security coordinators.*

II. The IU TSOs proposal

Background

Under Article 76 of Regulation 2017/1485, by 3 months after the approval of the Methodology for coordinating operational security analysis (CSAM) developed pursuant Article 75 of Regulation 2017/1485, TSOs must develop at a regional level a proposal for common provisions for regional operational security coordination (ROSC).

The IU TSOs (EirGrid, SONI and National Grid ESO) consulted on their proposal for the IU ROSC Methodology from 11 October 2019 until 11 November 2019 in accordance with Article 11(1) of Regulation 2017/1485.

The final proposal of the IU ROSC Methodology, dated 18 December 2019, was received by the last relevant IU Regulatory Authority on 18 December 2019. The proposal includes suggested timescales for its implementation and a description of its expected impact on the objectives of Regulation 2017/1485, in line with Article 6(6) of Regulation 2017/1485.

Article 6(7) of Regulation 2017/1485 requires IU Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach agreement and make decisions concerning the proposed Methodology within six months following receipt of the submission by the last relevant Regulatory Authority concerned. A decision is therefore required by each IU Regulatory Authority by 18 June 2020.

Overview of IU ROSC Methodology

The IU ROSC Methodology addresses day-ahead and intraday regional security coordination within the IU CCR and is to be applied to all TSOs and Regional Security Coordinators (RSCs) operating in the IU CCR. The IU TSOs have appointed Coreso as the RSC for the IU CCR. This means that Coreso is responsible for fulfilling the assigned regional security coordination duties outlined as part of the IU ROSC Methodology.

The IU ROSC Methodology requires that specific information pertaining to individual grid models, available remedial actions within the control area, additional system constraints relevant to the CSA, recent relevant contingencies for use in the CSA, and a set of secured and scanned network elements are provided by the IU TSOs to the RSC who then uses these inputs to determine a common grid model for the IU CCR.

This common grid model is used by the RSC to compile a study on the CSA for the region, which then feeds into the identification of any remedial actions necessary to address operational violations. These remedial actions are then submitted to the IU TSOs for evaluation.

The IU ROSC Methodology includes an implementation timeline following the approval of the IU Regulatory Authorities. It proposes a stepwise implementation in a consistent manner with the CSAM, IU Redispatch and Countertrading Methodology, IU Cost Sharing Methodology and Common Grid Model Methodology. For example, step 5(a) needs to be implemented 12 months following the approval of both the IU ROSC Methodology and the IU RD and CT Methodologies.

III. The IU Regulatory Authorities' position

The IU Regulatory Authorities have reviewed the ROSC Methodology and are satisfied that its contents meet the requirements set out in Regulation 2017/1485. The IU Regulatory Authorities are furthermore satisfied that, where necessary it complements the CSAM in accordance with Article 75 of Regulation 2017/1485, the Common Grid Model Methodology in accordance with Article 67 and 70 of Regulation 2017/1485, the IU methodology for coordinated Redispatching and Countertrading in accordance with Article 35 of Regulation 2015/1222, and the common IU methodology for coordinated redispatch and countertrading cost sharing in accordance with Article 74 of Regulation 2015/1222.

This conclusion was confirmed following engagement with the IU TSOs following the submission of the proposal when the IU Regulatory Authorities requested clarification on several queries concerning the interaction of the IU ROSC Methodology and the RD and CT

and the Cost Sharing Methodologies. A meeting was held at the beginning of June between the IU Regulatory Authorities and the IU TSOs to discuss the IU Regulatory Authorities concerns on the overlap between the Methodologies. The IU TSOs clarified in a response following the meeting that any crossover of the Methodologies would not result in a contradiction of procedures and further explained how the Methodologies complement one another in any overlapping processes.

The IU Regulatory Authorities were satisfied with this explanation; however, they do note that there are still minor editorial errors contained in the proposed IU ROSC Methodology. These minor errors do not justify a formal request for amendment though. Alternatively, the IU Regulatory Authorities intend to revise the proposed IU ROSC Methodology to remove those editorial errors in accordance with Article 5(6)¹ of Regulation (EU) 2019/942 on establishing a European Union Agency for the Cooperation of Energy Regulators (Regulation 2019/942).

This Article enables Regulatory Authority to revise the proposals submitted under network codes and guidelines adopted before 4 July 2019 and subsequent revisions of those network codes and guidelines before approval. Regulatory Authorities can make revisions they deem necessary to ensure the proposal is in line with the purpose of the network code, in this case, Regulation 2017/1485.

As a result, the IU Regulatory Authorities agree to approve the IU ROSC Methodology subject to the necessary editorial amendments. The Annexes published with this Agreement set out the IU ROSC Methodology as amended and which the Regulatory Authority agreed to approve.

IV. Actions

The IU Regulatory Authorities have assessed, consulted, closely cooperated and coordinated to reach the agreement that the IU ROSC Methodology, as amended in the Annexes provided, meets the requirements of Regulation 1485/2017 and as such can be approved by each of the IU Regulatory Authorities.

The IU Regulatory Authorities must therefore make their decisions on the basis of this agreement, by 18 June 2020. The IU ROSC Methodology proposal should therefore be adopted for the IU CCR by 18 June 2020.

Following decisions by each of the IU Regulatory Authorities, the IU TSOs will be required to publish the clean version of the IU ROSC Methodology, as provided in Annex II of this agreement, on the internet in line with Article 8 of Regulation 2017/1485 and to meet the implementation deadlines outlined in Article 40 of the IU ROSC Methodology.

¹ Article 5(6) of Regulation 2019/942 states *'Before approving the terms and conditions or methodologies referred to in paragraphs 2 and 3, the regulatory authorities, or, where competent, ACER, shall revise them where necessary, after consulting the ENTSO for Electricity, the ENTSO for Gas or the EU DSO entity, in order to ensure that they are in line with the purpose of the network code or guideline and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market. ACER shall take a decision on the approval within the period specified in the relevant network codes and guidelines. That period shall begin on the day following that on which the proposal was referred to ACER.'*