

DÉCISION ILR/E19/25 DU 29 MARS 2019

**PORTANT DEMANDE DE MODIFICATION DES PROPOSITIONS CONCERNANT LES MÉTHODOLOGIES ET
CONDITIONS INCLUSES DANS LES ACCORDS D'EXPLOITATION DU BLOC DE RÉGLAGE FRÉQUENCE-
PUISSANCE DE-LU-DK**

SECTEUR ÉLECTRICITÉ

La Direction de l'Institut Luxembourgeois de Régulation,

Vu le règlement (UE) 2017/1485 de la Commission du 2 août 2017 établissant une ligne directrice sur la gestion du réseau de transport de l'électricité, et notamment ses articles 6, 7, 119, 137, 152 et 157 ;

Vu la demande d'approbation de la société Creos Luxembourg S.A. du 14 septembre 2018, reçue le 21 septembre 2018, introduisant trois propositions concernant les méthodologies et conditions incluses dans les accords d'exploitation du bloc de réglage fréquence-puissance DE-LU-DK visés à l'article 119 du règlement (UE) 2017/1485 précité, qui ont été élaborées conjointement par tous les gestionnaires de réseau de transport du bloc de réglage fréquence-puissance DE-LU-DK et ont fait l'objet d'une consultation publique du 31 juillet au 31 août 2018 ;

Considérant l'opinion émise en date du 25 mars 2019 par les autorités de régulation du Luxembourg, de l'Allemagne et du Danemark, demandant aux gestionnaires de réseau de transport du bloc de réglage fréquence-puissance DE-LU-DK de soumettre pour approbation des versions modifiées de ces propositions ;

Décide :

Art. 1^{er}. La proposition concernant les restrictions de rampe pour la puissance de sortie, telle que décrite dans le document portant l'intitulé « *Proposal of all TSOs of the LFC block TNG+TTG+AMP+50HZT+EN+CREOS concerning ramping restrictions for active power output in accordance with Article 137(3) and Article 137(4) of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation* », est à modifier conformément aux indications données par les autorités de régulation du Luxembourg, de l'Allemagne et du Danemark dans leur opinion annexée à la présente.

Art. 2. La proposition concernant les actions de coordination destinées à réduire l'écart de réglage dans la restauration de la fréquence (FRCE) et les mesures de réduction du FRCE consistant à exiger la modification de la production ou de la consommation de puissance active des unités de production d'électricité et des

unités de consommation, telle que décrite dans le document portant l'intitulé « *Proposal of all TSOs of the LFC block TNG+TTG+AMP+50HZT+EN+CREOS concerning coordination actions aiming to reduce FRCE in accordance with Article 152(14) and Article 152(16) of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation* », est à modifier conformément aux indications données par les autorités de régulation du Luxembourg, de l'Allemagne et du Danemark dans leur opinion annexée à la présente.

Art. 3. La proposition concernant les règles de dimensionnement des réserves de restauration de la fréquence, telle que décrite dans le document portant l'intitulé « *Proposal of all TSOs of the LFC block TNG+TTG+AMP+50HZT+EN+CREOS concerning FRR dimensioning rules in accordance with Article 157(1) of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation* », est à modifier conformément aux indications données par les autorités de régulation du Luxembourg, de l'Allemagne et du Danemark dans leur opinion annexée à la présente.

Art. 4. La présente décision sera notifiée à la société Creos Luxembourg S.A. et publiée sur le site internet de l'Institut.

L'Institut informe la société Creos Luxembourg S.A. qu'un recours en annulation est ouvert contre la présente décision, à introduire devant le Tribunal Administratif de Luxembourg par ministère d'avocat à la Cour, au plus tard dans les trois mois qui suivent la notification de la présente décision.

Pour l'Institut Luxembourgeois de Régulation

La Direction

(s.) Michèle Bram
Directrice adjointe

(s.) Camille Hierzig
Directeur adjoint

(s.) Luc Tapella
Directeur

Annexe : Request for amendment by the concerned regulatory authorities on the proposals of all TSOs of the LFC block TNG+TTG+AMP+50HZT+EN+CREOS concerning the methodologies and conditions included in the LFC block operational agreements in accordance with articles 6(3)e and 119 of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation – 25 March 2019

**REQUEST FOR AMENDMENT
BY THE CONCERNED REGULATORY AUTHORITIES
ON THE
PROPOSALS OF ALL TSOS OF THE LFC BLOCK**

TNG+TTG+AMP+50HZT+EN+CREOS

**CONCERNING THE METHODOLOGIES AND
CONDITIONS INCLUDED IN THE**

LFC BLOCK OPERATIONAL AGREEMENTS

**IN ACCORDANCE WITH ARTICLES 6(3)e and 119 OF
COMMISSION REGULATION (EU) 2017/1485
ESTABLISHING A GUIDELINE ON
ELECTRICITY TRANSMISSION SYSTEM OPERATION**

25 March 2019

I. Introduction and legal context

This document elaborates an agreement of the respective National Regulatory Authorities (NRAs) of Germany (DE), Luxembourg (LUX) and Denmark (DK), reached on 15 March 2019, to request amendments to the proposal(s) of all TSOs' of the LFC Block "TNG+TTG+AMP+50HZZT+EN+CREOS"¹ regarding the methodologies and conditions included in the LFC block operational agreement in accordance with Articles 6(3)(e) and 119 of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a Guideline on Electricity Transmission System Operation (SOGL).

The methodologies and conditions to be included in the LFC block operational agreements concern:

- (i) ramping restrictions for active power output in accordance with SOGL Article 137(3) and (4);
- (ii) coordination actions aiming to reduce FRCE as defined in SOGL Article 152(14);
- (iii) measures to reduce FRCE by requiring changes in the active power production or consumption of power generating modules and demand units in accordance with Article 152(16);
- (iv) the FRR dimensioning rules in accordance with Article 157(1).

This agreement shall provide evidence that a decision on the LFC block operational agreements does not, at this stage, need to be adopted by ACER pursuant to Article 6(8) of the SOGL. This agreement is intended to constitute the basis upon which the relevant NRAs will subsequently – and each individually – request their respective TSO(s) to amend the proposals as described in this document pursuant to Article 7(1) of the SOGL.

The provisions on procedure relevant to the submission and approval of the proposal and this NRA agreement on requesting an amendment to the proposal can be found in Articles 4, 6(3)(e), 6(7), 6(8), 7(1), 7(3). The relevant provisions on substance are found in Articles 119(1), 137(3)&(4), 152(14)&(16) and 157(1) of the SO GL. They are quoted here for reference.

Article 4 – Objectives and regulatory aspects

1. *"This Regulation aims at:*

- (a) determining common operational security requirements and principles;*
- (b) determining common interconnected system operational planning principles;*
- (c) determining common load-frequency control processes and control structures;*
- (d) ensuring the conditions for maintaining operational security throughout the Union;*
- (e) ensuring the conditions for maintaining a frequency quality level of all synchronous areas throughout the Union;*
- (f) promoting the coordination of system operation and operational planning;*
- (g) ensuring and enhancing the transparency and reliability of information on transmission system operation;*
- (h) contributing to the efficient operation and development of the electricity transmission system and electricity sector in the Union.*

2. *When applying this Regulation, Member States, competent authorities, and system operators shall:*

- (a) apply the principles of proportionality and non-discrimination;*

¹ TransnetBW GmbH, TenneT TSO GmbH, Amprion GmbH, 50Hertz Transmission GmbH, Enginet, CREOS Luxembourg S.A.

- (b) ensure transparency;
- (c) apply the principle of optimisation between the highest overall efficiency and lowest total costs for all parties involved;
- (d) ensure TSOs make use of market-based mechanisms as far as possible, to ensure network security and stability;
- (e) respect the responsibility assigned to the relevant TSO in order to ensure system security, including as required by national legislation;
- (f) consult with relevant DSOs and take account of potential impacts on their system; and
- (g) take into consideration agreed European standards and technical specifications.”

Article 6 – Approval of terms and conditions or methodologies of TSOs

“[...]

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:

[...]

(e) methodologies and conditions included in the LFC block operational agreements in Article 119, concerning:

- (i) ramping restrictions for active power output in accordance with Article 137(3) and (4);
- (ii) coordination actions aiming to reduce FRCE as defined in Article 152(14);
- (iii) measures to reduce FRCE by requiring changes in the active power production or consumption of power generating modules and demand units in accordance with Article 152(16);
- (iv) the FRR dimensioning rules in accordance with Article 157(1);

[...]

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.
8. Where the regulatory authorities have not been able to reach an agreement within the period referred to in paragraph 7 or upon their joint request, the Agency shall adopt a decision concerning the submitted proposals for terms and conditions or methodologies within 6 months, in accordance with Article 8(1) of Regulation (EC) No 713/2009.
[...]

Article 7 – Amendments to the terms and conditions or methodologies of TSOs

1. “Where one or several regulatory authorities require an amendment in order to approve the terms and conditions or methodologies submitted in accordance with paragraphs 2 and 3 of Article 6, the relevant TSOs shall submit a proposal for amended terms and conditions or methodologies for approval within 2 months following the requirement from the regulatory authorities. The competent regulatory authorities shall decide on the amended terms and conditions or methodologies within 2 months following their submission.

- [...]
3. *Where the competent regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies pursuant to paragraphs 2 and 3 of Article 6 within the two-month deadline, or upon their joint request, the Agency shall adopt a decision concerning the amended terms and conditions or methodologies within 6 months, in accordance with Article 8(1) of Regulation (EC) No 713/2009. If the relevant TSOs fail to submit a proposal for amended terms and conditions or methodologies, the procedure provided for in Article 5(7) shall apply.”*

Article 119 – LFC block operational agreements

1. *“By 12 months after entry into force of this Regulation, all TSOs of each LFC block shall jointly develop common proposals for:*
- [...]
- (c) ramping restrictions for active power output in accordance with Article 137(3) and (4);*
- [...]
- (h) the FRR dimensioning rules defined in accordance with Article 157(1);*
- [...]
- (q) coordination actions aiming to reduce the FRCE as defined in Article 152(14); and*
- (r) measures to reduce the FRCE by requiring changes in the active power production or consumption of power generating modules and demand units in accordance with Article 152(16).”*

Article 137 – Ramping restrictions for active power output

“[...]

3. *All connecting TSOs of an HVDC interconnector shall have the right to determine in the LFC block operational agreement common restrictions for the active power output of that HVDC interconnector to limit its influence on the fulfilment of the FRCE target parameter of the connected LFC blocks by agreeing on ramping periods and/or maximum ramping rates for this HVDC interconnector. Those common restrictions shall not apply for imbalance netting, frequency coupling as well as cross-border activation of FRR and RR over HVDC interconnectors. All TSOs of a synchronous area shall coordinate these measures within the synchronous area.*
4. *All TSOs of an LFC block shall have the right to determine in the LFC block operational agreement the following measures to support the fulfilment of the FRCE target parameter of the LFC block and to alleviate deterministic frequency deviations, taking into account the technological restrictions of power generating modules and demand units:*
- (a) obligations on ramping periods and/or maximum ramping rates for power generating modules and/or demand units;*
- (b) obligations on individual ramping starting times for power generating modules and/or demand units within the LFC block; and*
- (c) coordination of the ramping between power generating modules, demand units and active power consumption within the LFC block.”*

Article 157 – FRR dimensioning

1. *“All TSOs of a LFC Block shall set out FRR dimensioning rules in the LFC Block operational agreement.*
2. *The FRR dimensioning rules shall include at least the following:*
- [...]”

Article 152 – System states related to system frequency

[...]

14. *The LFC block monitor shall be responsible for identifying any violation of the limits in paragraphs 12 and 13 and:*

(a) shall inform the other TSOs of the LFC block; and

(b) together with the TSOs of the LFC block shall implement coordinated actions to reduce the FRCE which shall be specified in the LFC block operational agreement.

[...]

16. *The TSOs of a LFC block shall specify, in the LFC block operational agreement, measures to reduce the FRCE by means of changes in the active power production or consumption of power generating modules and demand units within their area."*

II. Process

The draft proposals on the methodologies and conditions to be included in the LFC block operational agreement in accordance with Articles 6(3e) and 119 of the SOGL were publicly consulted by the TSOs in three parallel processes from 31 July until 31 August 2018 in accordance with Article 11 of the SOGL². The three TSOs' proposals, submitted on 14 September 2018 and covering the

- (I) Ramping restrictions for active power output (Articles 137(3) and 137(4) of the SOGL);
- (II) Measures to reduce FRCE (Articles 152(14) and 152(16) of the SOGL); and
- (III) FRR Dimensioning Rules (Article 157(1) of the SOGL),

, were received by the last competent regulatory authority on 25 October 2018³, together with a supporting document.

Article 6(7) of the SOGL requires the competent regulatory authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement, and subsequently take national decisions within six months following the receipt of the proposal by the last concerned regulatory authority. In this case, a national decision to request an amendment based on the agreement reached between the concerned regulatory authorities is therefore required by each Regulatory Authority at latest by 25 April 2019.

According to Article 7(1) of the SOGL, the TSOs addressed in the request for amendment then have two months to submit an amended proposal, which shall be decided upon by the concerned regulatory authorities within a period of another two months.

² The public consultation documents are available on the following websites:

FRR Dimensioning Rules (Art. 157(1) SOGL):

<https://www.regelleistung.net/ext/static/consultation-sogl-dimensioning-process-2018-08>

Measures to reduce FRCE (Art. 152(14) and Art. 152(16) SOGL):

<https://www.regelleistung.net/ext/static/consultation-sogl-frce-reduction-2018-08>

Ramping restrictions for active power output (Art. 137(3) and Art. 137(4) SOGL):

<https://www.regelleistung.net/ext/static/consultation-sogl-ramping-restrictions-2018-08>

³ Bundesnetzagentur (DE) has received the decisive German translation only on 25 October 2018.

III. Agreed position of the NRAs of DE, DK and LUX

For the reasons outlined further below, the concerned regulatory authorities cannot approve the current proposals on the methodologies and conditions included in the LFC block operational agreements and therefore request the following amendments to the proposal to be incorporated pursuant to Article 7(1) of the SOGL:

General comments on the 3 documents

The date when the documents were issued after validation by TSOs is missing. Please insert it.

Recital (1): Please correct “Danish-German-Luxembourgish LFC block”.

Article 1

In order to avoid additional burden for approving any modification of the table in Article 1 in each of the 3 documents related to the LFC block operational agreement, the table should be removed from these documents and a reference to the document describing the LFC block structure in Continental Europe as well as a reference to Article 141(2) of SL GL should be added.

Article 2

- DE area definition should mention the areas of the same level, and not mix LFC area level and monitoring area level, with the related names as approved in the table of the LFC block structure document.
- For the sake of clarity, LFC Block definitions should be named, e.g. DE-LU-DK LFC block, in order to avoid confusion with any provision which would concern the general aspects of LFC blocks (e.g. see Article 3(2) of the ramping restrictions document).

I. Ramping restrictions document (Articles 137(3) and 137(4) of the SOGL)

Recitals

Recital (6): The reference should be Article 3(1), and not Article 4(1).

Recital (9): Please give a name to LFC block (see general comments).

Recital (9.d): The NRAs would like the TSOs to clarify how the restrictions for HVDC as proposed don't introduce any limitations to the market. Have the TSOs undertaken e.g. an evaluation or benchmark?

Article 3

- For the avoidance of doubt the NRAs ask the TSOs to clarify that “NE” refers to the synchronous area of Nordic.
- Article 3(1) states a ramping restriction of 30 MW/min. In the supporting document it is explained that no change is intended regarding the current restrictions and use of the HVDC-lines connection the LFC-block of DE-LU-DK with the Nordic LFC-block. The current restriction on the lines DK1-NO and DK1-SE3 is a combined restriction of 600 MW/h. With regard to the HVDC-line of DK1-DK2, a limitation of 600 MW/h is in force.

Thus, NRAs request TSOs to incorporate:

1. The conditions of 30MW/min with a maximum ramping of 600 MW/h limitation as a combined limitation on DK1-NO and DK1-SE3 HVDC lines.
 2. The conditions of 30MW/min with a maximum ramping of 600 MW/h limitation on the DK1-DK2 HVDC line.
- In Article 3(2) the NRAs ask the TSOs to clarify that the reference to “the LFC-block” is a reference to the LFC-block of DE-LU-DK.
 - The NRAs request Article 3(4) to be further specified in case there is a different ramping restriction for Allegro, otherwise to delete it. If the same ramping restrictions apply to Allegro, then please add Allegro to paragraph 1.

II. Coordinated actions document (Articles 152(14) and 152(16) of the SOGL)

General comment on Articles 3, 4, 5

The full name of the TSOs should be used instead of the names of the monitoring area/LFC areas, as TSOs are responsible for fulfilling the requirements. One possibility would be to specify the name of the TSO and mention the area concerned, if needed.

Article 4

If Article 4(1) lists the coordinated actions from a) to d), Article 4(2) is not explicit enough on the way these actions are taken, e.g. if there is any prioritization order among them. Thus, NRAs request TSOs to clarify in which order and to which extent these actions are taken.

Article 4 and 5

The current proposal just states a coordination, but not with whom and how. TSOs are asked to specify either in the proposal or in an explanatory document how the listed actions will be coordinated with the LFC block monitor.

III. FRR dimensioning document (Article 157(1) of the SOGL)

Recitals

Recital (4): The current description of the requirements in this section only focusses on some of the requirements listed in Article 157(2) of the SOGL, as also done in the legal part of the proposal (see further comment on Article 3). NRAs request TSOs to remove references to specific requirements in this section and to consider all the requirements listed in Article 157(2) of the SOGL somewhere in the proposal.

Recital (5)b, 2nd sentence: The explanation is not specific and insufficient and therefore needs to be elaborated more.

Recital (6)c: While ENTSOE is responsible for the publication of the dimensioning rules, the notification of the necessary data by LFC block TSOs to ENTSOE is a necessary prerequisite. Therefore a clarification on the LFC TSOs' responsibility should be added.

Article 1(3)

The reference to Article 160(1), which deals with RR (replacement reserves), is not relevant, because the dimensioning method only concerns FRR. The reference to Article 160(1) should be removed.

Article 3

The description of the method lacks a sufficient level of detail. All the requirements stated in Article 157(2) of the SOGL needs to be described. NRAs are aware that a fully detailed description of the method is delivered in the supporting document. However, in order to meet at least the formal minimum material for an approval, TSOs must provide a basic description of all elements required by the SOGL in the proposal itself: e.g. the ratio of aFRR/mFRR (Article 157(2)c of the SOGL), the size of the reference incident (Article 157(2)d of the SOGL), the size of positive/negative reserve capacity for FRR (Article 157(2)e of the SOGL, etc...). Rather than just referring to Article 175(2) of the SOGL in Articles 3(1) and 3(2) of the proposal, TSOs shall state the respective numbers - or how they are determined - in the FRR dimensioning method itself, as this is the expected additional level of detail to be provided by the method according to the SOGL.

- Article 3(2)(b): The method used to weight the historical imbalance data and the criteria it is based on shall be described.
- Article 3(2)(f): The way how the imbalance probability distribution and forced outages are combined shall be elaborated.
- Article 3(2)(i): The probabilistic methodology shall be described (at least in general).

The names of the TSOs should be used instead of the names of the monitoring area(s)/LFC area(s), as the TSOs are responsible for fulfilling the requirements. The area concerned could be mentioned additionally, if necessary.

Article 3(5)(b)+(c):

The NRAs ask the TSOs to clarify how the share between aFRR and mFRR is chosen in a situation where aFRR should not be 90 MW. As the provisions are written now, the share of aFRR and mFRR relates to one another, thus leaving the definition circular. The amount of aFRR relates to the share of mFRR, and the amount of mFRR is defined as the difference between the dimensioning incident and the amount of aFRR.

Article 4

- (1) The date of 02/09/2019 or any amended date shall be justified (explain how it is derived).
- (2) The reference to Article 2(5) should be corrected to Article 3(5) and “with the approval of this proposal by the regulatory authorities” should be removed, as an approval of the submitted terms and conditions is a consequence of the decision of the NRAs.

IV. Conclusions

For the reasons described above, the NRAs of DE, DK and LU request an amendment of the TSOs' proposal on the methodologies and conditions included in the LFC block operational agreements for the LFC block “TNG+TTG+AMP+50HZT+EN+CREOS” based on their agreement reached on this document on 25 March 2019 and according to Article 7(1) of the SOGL. On this basis, the concerned NRAs need to send their individual national decisions for requesting the amendment to the methodologies and conditions to be included in the LFC block operational agreements to their respective TSO(s) at latest by 25 April 2019. The amended TSOs' proposal shall take into account the agreed position stated above in chapter III and shall be resubmitted by the concerned TSOs to the respective NRAs no later than two months following the request from the NRAs.