

DECISION No 10/2023
OF THE EUROPEAN UNION AGENCY
FOR THE COOPERATION OF ENERGY REGULATORS

of 30 May 2023

**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, Article 5(3) and Article 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 25 May 2023, delivered pursuant to Article 22(5)(a) of Regulation (EU) 2019/942,

Whereas:

1. INTRODUCTION

¹ [OJ L 158, 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) 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.
- (3) Having gained experience from the multi-NEMO arrangements ('MNA'), TSOs have identified improvements that could be made in the DA SEC Methodology, particularly for the calculation of scheduled exchanges between nominated electricity market operator ('NEMO') trading hubs.
- (4) Accordingly, all TSOs, through ENTSO-E, submitted a proposal for amendment of the DA SEC Methodology to the regulatory authorities of the region concerned, i.e. all EU Member States ('all NRAs'), for approval on 20 December 2022. On 25 January 2023, all NRAs 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.
- (5) This Decision is issued following ACER's revision of the TSOs' proposal. This Decision 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.

Annex II provides the results of ACER's public consultation, for information.

2. PROCEDURE

- (6) On 21 September 2022, ENTSO-E, on behalf of all TSOs, having obligations pursuant to the CACM Regulation, published an 'All TSOs' proposal for amendment of the methodology for calculating scheduled exchanges in accordance with Article 43 of the CACM Regulation for public consultation. The consultation lasted from 21 September until 21 October 2022. ENTSO-E received no comments on the proposal.

- (7) On 20 December 2022, ENTSO-E, on behalf of all TSOs, submitted a proposal for amendment of the DA SEC Methodology to the NRAs of all EU Member States, for approval on 20 December 2022 ('the Proposal').
- (8) On 25 January 2023, all NRAs, 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.
- (9) On 27 March 2023, ACER had a meeting with ENTSO-E to discuss the Proposal.
- (10) Between 1 and 28 March 2023, ACER held a public consultation³ on the Proposal, seeking views from all interested parties in the EU and EEA. Annex II provides a summary of comments received along with ACER's responses to these comments.
- (11) Between 5 and 19 April 2023, 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. In addition, ACER invited all NEMOs to provide their views on the preliminary position.
- (12) The AEWG provided its advice on 05 May 2023 (see section 5.3).
- (13) On 25 May 2023, ACER's BoR issued a favourable opinion pursuant to Article 22(5)(a) of Regulation (EU) 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

³ PC/2023/E/04, see ACER's consultation page: [PC_2023_E_04 - Public consultation on amendments to the methodology for calculating scheduled exchanges resulting from single day-ahead coupling | www.acer.europa.eu](https://www.acer.europa.eu/PC_2023_E_04_-_Public_consultation_on_amendments_to_the_methodology_for_calculating_scheduled_exchanges_resulting_from_single_day-ahead_coupling)

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 25 January 2023, all NRAs, 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 25 January 2023 includes a ‘Whereas’ section and the following articles:

- Article 1 subject matter and scope;
- Article 2 definitions and interpretations;
- Article 3 scheduled exchanges calculator;
- Article 4 general principles for calculation of scheduled exchanges;
- Article 5 methodology for calculating scheduled exchanges between bidding zones, scheduling areas and NEMO trading hubs resulting from SDAC;
- Article 6 calculation of scheduled exchanges between bidding zones;
- Article 7 calculation of scheduled exchanges between scheduling areas;
- Article 8 calculation of scheduled exchanges between NEMO trading hubs;
- Article 9 implementation of the DA SEC Methodology; and
- Article 10 language.

- (22) 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. OBSERVATIONS RECEIVED BY ACER

5.1. Public consultation on the Proposal

- (23) Responses to ACER's public consultation⁴ are summarised in Annex II to this Decision.

5.2. Consultation on ACER's preliminary position

- (24) ACER received a written reply from ENTSO-E, on behalf of all TSOs, and one written reply from NEMO Day-ahead Steering Committee. Both replies confirmed that TSOs and NEMOs had no comments to ACER's preliminary position. No oral hearings were requested by the consulted parties.

5.3. Consultation of the AEWG

- (25) The AEWG provided its advice on 05 May 2023.

6. ASSESSMENT OF THE PROPOSAL

6.1. Legal framework

- (26) Article 43 of the CACM Regulation sets out specific substantive requirements for the DA SEC Methodology.
- (27) 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.
- (28) According to Article 43(3) of the CACM Regulation, the calculation shall be based on net positions for each market time unit.
- (29) 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.

⁴ See footnote 4.

- (30) 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.
- (31) 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.
- (32) 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. ACER's assessment and amendments

6.2.1. Assessment of the Proposal in view of the legal requirements

- (33) The Proposal describes the calculation for calculating scheduled exchanges 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.
- (34) The Proposal lists the information that all NEMOs shall provide to all TSOs. The Proposal does not state that the information shall be provided to the scheduled exchange calculator or sets the time limits for when NEMOs shall deliver this information. As understood by ACER, the day-ahead scheduled exchanges calculation is integrated in the single day-ahead coupling ('SDAC') calculation in accordance with the algorithm methodology, and consequently performed by the Market Coupling Operator function (MCO function). NEMOs are responsible for operating the MCO function, and therefore act as the entities with the task of calculating scheduled exchanges (the Scheduled Exchange Calculator).
- (35) Given that the day-ahead scheduled exchanges calculation is integrated in the SDAC calculation and performed by the MCO function and given that the NEMOs are responsible for operating the MCO function, ACER does not consider it necessary that the DA SEC Methodology obliges the NEMOs to deliver information to the Scheduled Exchange Calculator or lists the time limits for when this information should be provided. In ACER's view, it is therefore sufficient that the DA SEC Methodology instead lists the input information used by NEMOs for the calculation. ACER has clarified this in Recital (6) and Article 3 of the Proposal.
- (36) The Proposal provides that the calculation of scheduled exchanges between bidding zones, scheduling areas and NEMO trading hubs is based on net positions for each market time unit. The Proposal therefore fulfils the requirements of Article 43(3) of the CACM Regulation.

- (37) The Proposal specifies that the Scheduled Exchange Calculator shall calculate scheduled exchanges between bidding zones, scheduling areas and NEMO trading hubs and that the calculation shall be performed per market time unit. The Proposal also defines that the Scheduled Exchange Calculator shall notify the results of the DA scheduled exchanges calculation. However, the Proposal does not explicitly mention whom the Scheduled Exchange Calculator shall notify the results to. To meet the requirements of Article 49 of the CACM Regulation, ACER included this information in Article 7 of Annex I.
- (38) 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.
- (39) The Proposal was publicly consulted via ENTSO-E's web-based consultation between 21 September and 21 October 2022 and did not receive any responses. 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.
- (40) The Proposal specifies, in line with Article 9(9) of the CACM Regulation, the timeline for its implementation. However, ACER considers that the implementation of the methodology no longer needs to be conditioned on the implementation of other methodologies, since these other methodologies have already been implemented. ACER has therefore deleted Recital (10) and introduced amendments to Article 8 on the implementation of the DA SEC Methodology. ACER also deleted the reference to the approval by the competent regulatory authorities, since the NRAs referred the Proposal to ACER for approval.
- (41) 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.

6.2.2. Assessment of other points of the Proposal

- (42) ACER has introduced several editorial amendments to improve the wording and clarity of the Proposal, while preserving the intended meaning of the content.
- (43) In Article 2 of the Proposal, ACER has provided two new definitions and clarified one definition, in addition to moving footnote 1 in the Proposal into a new paragraph. The definition of 'net position' in Article 2(5) of the CACM Regulation is limited to include the netted sum of electricity exports and imports for each market time unit for a bidding zone. ACER has therefore included the definition of 'net position per scheduling area' in Article 2(b) and the definition of 'net position per NEMO trading hub' in Article 2(c) in Annex I. To improve clarity, ACER also included the definition of 'NEMO trading hub' in Article 2(a), as defined in the methodology for the price coupling algorithm and the continuous trading matching algorithm in accordance with Article 37(5) of the CACM Regulation ('the algorithm methodology').

- (44) ACER has reorganised Articles 3, 4 and 5 of the Proposal. Particularly, those articles have been merged into one article, i.e. Article 3 – General principles for the Scheduled Exchanges Calculation. This Article describes how the calculation of scheduled exchanges is performed and the input information used for the calculation. To clarify the information that shall be provided by the Scheduled Exchange Calculator, ACER created a new article, namely Article 7 – Information provided by the Scheduled Exchange Calculator, based on Article 3(2)(e), 3(2)(f), 3(3) and 3(5) of the Proposal.
- (45) ACER has amended the reference to the ACER decision on the all NEMOs’ proposal for the price coupling algorithm and the continuous trading matching algorithm to reflect that ACER Decision No 08/2018 has been amended.
- (46) As understood by ACER, no region is applying Flow Based Bilateral Intuitiveness and ACER has therefore removed Article 6(10) of the Proposal.
- (47) ACER has made an amendment in Article 5(3)(b) of the Proposal, removing the notation “h”, the market time unit h, for the linear and quadratic cost coefficient associated to scheduling area border i. As the cost coefficient does not change per market time unit, ACER considers that the notation “h” should not be included for the cost coefficients.
- (48) ACER has introduced a list of TSOs subject to the approved DA SEC Methodology included in Annex I and referred to this list in Article 1(2) of the Proposal as amended and approved. The TSOs included in the list of submitting TSOs the Norwegian TSO, Statnett. Since ACER does not have the competence to approve the DA SEC Methodology for Statnett, this Decision is not addressed and does not apply to Statnett. Accordingly, Statnett is not included in the list of TSOs to which the DA SEC Methodology is applicable according to Article 1(2) of the Proposal as amended and approved.

7. CONCLUSION

- (49) For the above reasons, ACER considers that the Proposal is in line with the requirements and the objectives of the CACM Regulation provided that the amendments described in this Decision are integrated in the Proposal, as presented in Annex I to this Decision. The amendments, which have been consulted with the TSOs, ENTSO-E and the regulatory authorities, are necessary to ensure that the Proposal is in line with the purpose of the CACM Regulation and contributes to market integration, non-discrimination, effective competition, and the proper functioning of the market, as well as to improve the Proposal’s editorial quality.
- (50) 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
VÜEN – Voralberger Übertragungsnetz GmbH
Elia – Elia System Operator S.A
ESO – Electroenergien Systemen Operator EAD
HOPS d.d – Croatian Transmission System Operator Plc
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
Augustprieguma tikls - AS Augstsprieguma tikls
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 30 May 2023.

- 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)

Annex II – Evaluation of responses to the public consultation on the proposal for the methodology for calculating scheduled exchanges resulting from single day-ahead coupling (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.