

**APPROVAL BY ALL REGULATORY AUTHORITIES
AGREED AT THE ENERGY REGULATORS' FORUM**

ON

**THE ALL TSO PROPOSAL FOR
COMMON GRID MODEL METHODOLOGY
(CGMM)
AS AMENDED IN MARCH 2017**

8 May 2017

I. Introduction and legal context

This document elaborates an agreement of All Regulatory Authorities, agreed by the Energy Regulators' Forum on 8 May 2017, on the **All TSO proposal for the Common Grid Model Methodology (CGMM) submitted in accordance with Article 17(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management** (Regulation 2015/1222) as amended in March 2017.

This agreement of All Regulatory Authorities shall provide evidence that a decision on the amended CGMM proposal does not, at this stage, need to be adopted by ACER pursuant to Article 9(11) of the Regulation 2015/1222. This agreement is intended to constitute the basis on which All Regulatory Authorities will each subsequently adopt a decision to the amended CGMM proposal pursuant Article 9(6)(d).

The legal provisions relevant to the submission and approval of the amended CGMM proposal and this All Regulatory Authority agreement on the amended CGMM proposal, can be found in Articles 3, 9, 17, 18 and 19 of the Regulation 2015/1222.

Article 17 of Regulation 2015/1222:

1. *By 10 months after the entering into force of this Regulation all TSOs shall jointly develop a proposal for a common grid model methodology. The proposal shall be subject to consultation in accordance with Article 12.*
2. *The common grid model methodology shall enable a common grid model to be established. It shall contain at least the following items:*
 - (a) *a definition of scenarios in accordance with Article 18;*
 - (b) *a definition of individual grid models in accordance with Article 19;*
 - (c) *a description of the process for merging individual grid models to form the common grid model.*

Article 18 of Regulation 2015/1222:

1. *All TSOs shall jointly develop common scenarios for each capacity calculation time-frame referred to in Article 14(1)(a) and (b). The common scenarios shall be used to describe a specific forecast situation for generation, load and grid topology for the transmission system in the common grid model.*
2. *One scenario per market time unit shall be developed both for the day-ahead and the intraday capacity calculation time-frames.*
3. *For each scenario, all TSOs shall jointly draw up common rules for determining the net position in each bidding zone and the flow for each direct current line. These common rules shall be based on the best forecast of the net position for each bidding zone and on the best forecast of the flows on each direct current line for each scenario and shall include the overall balance between load and generation for the transmission system in the Union. There shall be no undue discrimination between internal and cross-zonal exchanges when defining scenarios, in line with point 1.7 of Annex I to Regulation (EC) No 714/2009.*

Article 19 of Regulation 2015/1222:

1. *For each bidding zone and for each scenario:*
 - (a) *all TSOs in the bidding zone shall jointly provide a single individual grid model which complies with Article 18(3); or*
 - (b) *each TSO in the bidding zone shall provide an individual grid model for its control area, including interconnections, provided that the sum of net positions in the control areas, including interconnections, covering the bidding zone complies with Article 18(3).*
2. *Each individual grid model shall represent the best possible forecast of transmission system conditions for each scenario specified by the TSO(s) at the time when the individual grid model is created.*
3. *Individual grid models shall cover all network elements of the transmission system that are used in regional operational security analysis for the concerned time-frame.*
4. *All TSOs shall harmonise to the maximum possible extent the way in which individual grid models are built.*
5. *Each TSO shall provide all necessary data in the individual grid model to allow active and reactive power flow and voltage analyses in steady state.*
6. *Where appropriate, and upon agreement between all TSOs within a capacity calculation region, each TSO in that capacity calculation region shall exchange data between each other to enable voltage and dynamic stability analyses.*

Article 3 of Regulation 2015/1222:

This Regulation aims at:

- (a) *Promoting effective competition in the generation, trading and supply of electricity;*
- (b) *Ensuring optimal use of the transmission infrastructure;*
- (c) *Ensuring operational security;*
- (d) *Optimising the calculation and allocation of cross-zonal capacity;*
- (e) *Ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants;*
- (f) *Ensuring and enhancing the transparency and reliability of information;*
- (g) *Contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union;*
- (h) *Respecting the need for a fair and orderly market and fair and orderly price formation;*
- (i) *Creating a level playing field for NEMOs;*
- (j) *Providing non-discriminatory access to cross-zonal capacity*

Article 9 of Regulation 2015/1222

1. *TSOs and NEMOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the competent regulatory authorities within the respective deadlines set out in this Regulation. Where a proposal for terms and conditions or methodologies pursuant to this Regulation needs to be developed and agreed by more than one TSO or NEMO, the participating TSOs and NEMOs shall closely cooperate. TSOs, with the assistance of ENTSO for Electricity, and all NEMOs shall regularly inform the competent regulatory authorities and the Agency about the progress of developing these terms and conditions or methodologies.*
2. (...)
3. (...)
4. (...)
5. *Each regulatory authority shall approve the terms and conditions or methodologies used to calculate or set out the single day-ahead and intraday coupling developed by TSOs and NEMOs. They shall be responsible for approving the terms and conditions or methodologies referred to in paragraphs 6, 7 and 8.*
6. *The proposals for the following terms and conditions or methodologies shall be subject to approval by all regulatory authorities:*
 - (c) (...)
 - (d) *the common grid model methodology in accordance with Article 17(1);*
 - (e) (...)
7. (...)
8. (...)
9. *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 three months on the proposals for terms and conditions or methodologies.*
10. *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 reach an agreement. Where applicable, the competent regulatory authorities shall take into account the opinion of the Agency. Regulatory authorities shall take decisions concerning the submitted terms and conditions or methodologies in accordance with paragraphs 6, 7 and 8, within six months following the receipt of the terms and conditions or methodologies by the regulatory authority or, where applicable, by the last regulatory authority concerned.*
11. (...)

12. *In the event that one or several regulatory authorities request an amendment to approve the terms and conditions or methodologies submitted in accordance with paragraphs 6, 7 and 8, the relevant TSOs or NEMOs shall submit a proposal for amended terms and conditions or methodologies for approval within two months following the requirement from the regulatory authorities. The competent regulatory authorities shall decide on the amended terms and conditions or methodologies within two months following their submission. Where the competent regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies pursuant to paragraphs (6) and (7) 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 six months, in accordance with Article 8(1) of Regulation (EC) No 719/2009. If the relevant TSOs or NEMOs fail to submit a proposal for amended terms and conditions or methodologies, the procedure provided for in paragraph 4 of this Article shall apply.*

II. The CGMM Proposal History

The draft CGMM proposal was consulted by All TSOs through ENTSO-E for one month from 4 February 2016 to 4 March 2016, with a workshop held 18 February 2016, in line with Article 17(1) and Article 12 of Regulation 2015/1222.¹

The final version of the All TSO CGMM proposal, as referred to the initial CGMM proposal, dated 27 May 2016, was received by the last Regulatory Authority on 11 July 2016, together with a separate document providing a clear and robust justification for including or not the views resulting from the consultation. Both documents are publically available on the ENTSO-E web site.² The proposal includes a proposed timescale for its implementation and a description of its expected impact on the objectives of Regulation 2015/1222, in line with Article 9(9) of Regulation 2015/1222.

Article 9(10) of Regulation 2015/1222 requires All Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach agreement, and make decisions within six months following receipt of submissions of the last Regulatory Authority concerned. A decision was therefore required by each Regulatory Authority by 11 January 2017.

In the meeting of the Energy Regulators' forum at 13 December 2016, it was decided to request all TSOs to amend the proposal, pursuant Article 9(12) of Regulation 2015/1222. The request was sent to all TSOs latest 11 January 2017. All TSOs should have submitted the amended proposal within two months following the requirement from the regulatory authorities as set out in Article 9(12) of the Regulation 2015/1222. The competent regulatory authorities shall decide on the amended terms and conditions or methodologies within two months following their submission.

¹ The public consultation held 4 February to 4 March 2016 is available on the ENTSO-e website: <https://consultations.entsoe.eu/system-operations/common-grid-model>

² The CGMM and the separate document providing a justification for including or not the views resulting from the consultation are publically available on the ENTSO-e website: <https://www.entsoe.eu/Documents/Network%20codes%20documents/Implementation/cacm/Response%20to%20Consultation%20Comments.pdf>

III. All Regulatory Authority position

According to Regulation 2015/1222, the scope of the CGMM is threefold. The CGMM proposal shall contain:

1. a definition of scenarios in accordance with Article 18 of Regulation 2015/1222;
2. a definition of individual grid models in accordance with Article 19 of Regulation 2015/1222; and
3. a description of the process for merging individual grid models to form the common grid model.

The CGMM proposal gives a definition of scenarios in accordance with Article 18 of Regulation 2015/1222, a definition of individual grid models in accordance with Article 19 of the same Regulation, and a description of the process for merging individual grid models to form the common grid model.

All Regulatory Authorities shall adopt national decisions to approve the amended CGMM proposal, within the two-month deadline as set out in Article 9(12) of the Regulation 2015/1222.

III.a Agreed measures

In the aforementioned request for amendment, all NRAs requested that all TSOs remove the term and provisions for agreed measures. All NRAs were not clear about the purpose or need for TSOs to introduce this term and process within the initial CGMM proposal, and were therefore concerned that its inclusion may go beyond the scope of the CGMM and wider Regulations for determining remedial actions.

All TSOs have in the amended proposal removed some of the provisions on agreed measures. The term is nevertheless still defined and used in several provisions. However, it is understood that the term agreed measures refers to remedial actions with respect to those defined in the Regulation 2015/1222, and foreseen in the Regulation 2016/1719 and the upcoming Regulation establishing guidelines on electricity transmission system operation.

For the avoidance of doubt, the term agreed measures used within in the amended CGMM proposal is without prejudice to the elaboration, approval and implementation of the relevant methodologies on remedial actions, such as the methodology for remedial actions in capacity calculation and the common methodology for coordinated redispatch and countertrading, which are respectively foreseen in Article 25 and 35 Regulation 2015/1222.

It is on this basis that all NRAs understand the inclusion and meaning of the term and references to agreed measures within the amended CGMM proposal.

III.b Other requests

All NRAs have requested two more changes to the initial CGMM proposal. The explicit mentioning of deadlines in the process of forming the common grid model had to be deleted, since it limited future proposals on gate times. Also the explicit mention of ENTSO-E for a specific task had to be removed, since NRAs cannot approve this.

All TSOs have followed these requests in the amended proposal.

IV. Actions / conclusion

All Regulatory Authorities have assessed, consulted and closely cooperated and coordinated to reach agreement that the amended CGMM proposal meets the requirements of the Regulation 2015/1222 and as such can be approved by All Regulatory Authorities.

All Regulatory Authorities must therefore make their decisions, on the basis of this agreement in accordance with the two-month deadline as set out in the Regulation 2015/1222. Following national decisions by All Regulatory Authorities, All TSOs will be required to publish the amended CGMM proposal as approved on the internet in line with Article 9(14) of Regulation 2015/1222, and must meet the implementation deadlines required by Article 24 of the amended CGMM proposal.