

---

**Statnett**

**tennet**  
Taking power further

**SVENSKA  
KRAFTNÄT**

**PSE**

**50hertz**

**ENERGINET/DK**

---

**Draft Proposal for the establishment of Fallback  
Procedures for Capacity Calculation Region Hansa  
in accordance with Article 44 of the Commission  
Regulation (EU) 2015/1222 of 24 July 2015 establishing a  
Guideline on Capacity Allocation and Congestion  
Management**

---

14 April 2017

---

**DISCLAIMER**

This document is released on behalf of all the transmission system operators (TSOs) of Capacity Calculation Region (CCR) Hansa solely for the purpose of public consultation on the Proposal for Fallback Procedure in accordance with Article 44 of Commission Regulation (EU) No. 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management. This is a draft Proposal and does not constitute a firm, binding or definitive position of the TSOs on the content.

## Table of contents

WHEREAS .....	3
Article 1 - Subject, matter and scope .....	5
Article 2 - Definitions .....	5
Article 3 - Shadow Auctions .....	5
Article 4 - Back-up procedure for Shadow Auctions.....	6
Article 5 - NEMO to reopen order books.....	6
Article 6 - Implementation.....	6
Article 7 - Language.....	6

The Transmission System Operators of Capacity Calculation Region Hansa, taking into account the following

## WHEREAS

- (1) This document is a common Proposal of the Transmission System Operators (hereafter referred to as “TSOs”) of Capacity Calculation Region (hereafter referred to as “CCR”) Hansa as described in the ACER decision<sup>1</sup>.
- (2) This Proposal takes into account the general principles and goals set in Commission Regulation (EU) 2015/1222, establishing a guideline on capacity allocation and congestion management (hereafter referred to as the “CACM Regulation”) as well as Regulation (EC) No. 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Regulation (EC) No. 714/2009”).
- (3) The goal of the CACM Regulation is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets. To facilitate these aims, it is necessary to implement Fallback Procedures for situations where the single day-ahead coupling is unable to produce results.
- (4) This document is required by Article 44 of the CACM Regulation:

By 16 months after the entry into force of this Regulation, each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a Proposal for robust and timely Fallback Procedures to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.

The Proposal for the establishment of Fallback Procedures is subject to consultation in accordance with Article 12.
- (5) In accordance with Article 9(9) of the CACM Regulation, the proposed Fallback Procedures contribute to and do not in any way hinder the achievement of the objectives of Article 3 of the CACM Regulation. The Fallback Procedures ensure a transparent and non-discriminatory approach towards facilitating cross-zonal capacity allocation in the event that the single day-ahead coupling process is unable to produce results. This supports the CACM objective of ensuring and enhancing the transparency and reliability of information.
- (6) The proposed Fallback Procedures serve the objective of promoting effective competition in the generation, trading and supply of electricity (Article 3(a) of the CACM Regulation) in such situation(s) as well when the respective MC is not able to deliver the market coupling results by the time specified in Article 37(1)(a) since the same Fallback Procedures will apply to all market participants on all respective Bidding Zone Borders in CCR Hansa, thereby ensuring a level playing field amongst respective market participants. Market participants will have access to the same reliable information on cross-zonal capacities and allocation constraints for day-ahead allocation at the same time and in a transparent way.
- (7) The proposed Fallback Procedures contribute to the optimal use of transmission infrastructure and operational security (Article 3(b) and (c) of the CACM Regulation) since there will still be delivery possibilities in the liquid day-ahead market before the intraday capacity allocation. Fallback Procedures to make capacity allocation possible during the day-ahead time frame are highly important when considering the following two aspects: TSO operational planning and market participant portfolio optimisation.
- (8) The proposed Fallback Procedures contribute to operational security (Article 3(c) of the CACM Regulation) since they provide market participants with the possibility of access to capacities during the day-ahead time frame as a second-best solution in case of failure of implicit allocation. The allocation during the day-ahead time frame is an important step between long-term and intraday operational planning. Without an allocation possibility within this time frame, market participants would face difficulties in adjusting their positions which would cause further energy

---

<sup>1</sup> ACER’s definition of the Capacity Calculation Regions (CCRs) of 17 November 2016 (Annex I to CCR decision)  
[http://www.acer.europa.eu/Official\\_documents/Acts\\_of\\_the\\_Agency/ANNEXES\\_CCR\\_DECISION/Annex%20I.pdf](http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/ANNEXES_CCR_DECISION/Annex%20I.pdf)

balancing needs and have a negative impact on operational security.

- (9) The proposed Fallback Procedures serve the objective of optimising the allocation of cross-zonal capacities (in accordance with Article 3(d) of the CACM Regulation) in respect of time since they provide a possibility for market participants to get access to cross-zonal capacities before the intraday time frame.
- (10) Regarding the objective of transparency and reliability of information (Article 3(f) of the CACM Regulation), the proposed Fallback Procedures determine the main principles and main processes in the event that the MCO is not able to produce the market coupling results by the time specified in Article 37(1)(a). The proposed Fallback Procedures make it possible to provide market participants with the same reliable information on cross-zonal capacity and allocation constraints for fallback day-ahead allocation at the same time and in a transparent way.
- (11) When preparing the proposed Fallback Procedures, the TSOs took into account the objective of creating a level playing field for NEMOs (Article 3(i) of the CACM Regulation) since all NEMOs and their market participants will have the same rules and non-discriminatory treatment (including timings, data exchanges, result formats etc.) within CCR Hansa.
- (12) Finally, the proposed Fallback Procedures contribute to the objective of providing non-discriminatory access to cross-zonal capacities (Article 3(j) of the CACM Regulation) by granting market participants a level-playing field throughout the concerned bidding zone borders with a clear and harmonised framework for fallback day-ahead capacity allocation.
- (13) In conclusion, the proposed Fallback Procedures contribute to the general objectives of the CACM Regulation to the benefit of all market participants and electricity end consumers.
- (14) CCR Hansa TSOs highlight the importance of high reliability of the single day-ahead market coupling given the potential severe impact on market participants. The proposed CCR Hansa Fallback Procedures focus on situations where no results are available from the single day-ahead market coupling. It must be noted that, besides explicit shadow auctions in case of a full decoupling, a partial day-ahead (implicit) market coupling might be more beneficial as a primary fallback solution from a market perspective but needs to be studied in more detail.

**HEREBY SUBMIT THE FOLLOWING PROPOSAL FOR THE ESTABLISHMENT OF FALLBACK PROCEDURES FOR CCR HANSA:**

**Article 1 –  
Subject, matter and scope**

1. As required under Article 44 of the CACM Regulation, each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a Proposal for robust and timely Fallback Procedures to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.
2. This document establishes the Fallback Procedures for all bidding zone borders allocated to CCR Hansa.

**Article 2 –  
Definitions**

1. For the purpose of this Proposal, the terms used will have the meaning of the definitions included in:
  - a. Article 2 of the CACM Regulation and Regulation (EC) No. 714/2009 and Regulation (EC) No. 543/2013.
  - b. The definitions given in the applicable Shadow Allocation Rules published on the Allocation Platform.
  - c. ‘Full decoupling’ is a situation where it is not possible, for a specific day, to allocate cross-zonal capacities via the implicit allocation process for all areas and/or interconnectors, and market coupling results cannot be produced before the full decoupling deadline.
  - d. ‘Partial coupling’ is a situation where it is not possible, for a specific day, to allocate cross-zonal capacities via the implicit allocation process for one or several areas and/or interconnectors before the relevant partial coupling deadline.
2. In this Proposal, unless the context requires otherwise:
  - a. The singular indicates the plural and vice versa.
  - b. Headings are inserted for convenience only and do not affect the interpretation of the Proposal.
  - c. Any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment includes any modification, extension or re-enactment of it when in force.

**Article 3 –  
Shadow Auctions**

1. NEMOs performing MCO functions shall inform CCR Hansa TSOs in the event of any risk that results for at least one bidding zone border within CCR Hansa cannot be delivered within the deadline in accordance with Article 50(2) of the CACM Regulation.
2. In the event that the single day-ahead coupling process is unable to produce results for at least one bidding zone border within CCR Hansa, Fallback Procedures in the form of Shadow Auctions shall be performed to allocate cross-zonal capacities on the concerned border(s).
3. The Shadow Allocation Rules published by the Joint Allocation Office and, if relevant, approved by the National Regulatory Authorities of CCR Hansa shall apply, always in its latest version.

**Article 4 –  
Back-up procedure for Shadow Auctions**

If Shadow Auctions are applied and do not produce results, the cross-border capacities allocated in the day-ahead time frame shall be set to zero, and the capacities shall be released for the intraday time frame.

**Article 5 –  
NEMO to reopen order books**

If Shadow Auctions are triggered, the relevant NEMOs are obligated to reopen order books for the areas concerned.

**Article 6 –  
Implementation**

The arrangements described in Articles 3 to 5 must be implemented no later than 12 months after the approval of the Proposal for the establishment of Fallback Procedures by the National Regulatory Authorities of CCR Hansa.

**Article 7 –  
Language**

The reference language for this Proposal is English. To avoid any doubt, where TSOs need to translate this Proposal into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9 (14) of the CACM Regulation and any version in another language, the concerned TSOs shall, in accordance with national legislation, provide the relevant National Regulatory Authorities with an updated translation of the proposal.