

19 September 2017

To the attention of

Mr Erik Ek, Svenska kraftnät
Mr Jan Kahlroth, Kraftnät Åland
Mr Øivind Rue, Statnett SF
Mr Klaus Winther, Energinet.dk

Invitation to prepare a common proposal regarding LFC structure

Fingrid would like to invite Energinet.dk, Svenska kraftnät, Kraftnät Åland and Statnett to a joint work to prepare a common proposal on LFC structure as required by the new EU legislation.

The Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter either 'SO GL' or 'Regulation') has entered into force on the 14th of September 2017. According to the SO GL, the transmission system operators of the Member States shall develop the terms and conditions or methodologies required by the Regulation and submit them for approval to the competent regulatory authorities within the timeframes set in the Regulation.

Furthermore, the SO GL Article 5 (2) states that 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. As the Nordic synchronous region is composed of three Member States and Norway, the TSOs concerned shall decide on the basis of a consensus as required by Article 5(5).

The first joint proposal to be developed according to the SO GL is the common proposal per synchronous area for the determination of LFC blocks in accordance with Article 141(2). The time allowed by the Regulation to prepare the common proposal is 4 months including stakeholder consultation of minimum one month.

The SO GL requires openness and stakeholder involvement in the process of preparing proposals for terms and conditions or methodologies. Article 11(1) contains the requirement on consulting stakeholders including the relevant authorities of each Member State on the draft proposals.

To sum up, the Regulation requires close co-operation of TSOs in preparing the common proposal, defines a decision-making process based on a consensus among the TSOs and calls for wide stakeholder involvement during the process.

To fully take into account the requirements of the Regulation, Fingrid considers it necessary and beneficial to set up a separate new task to prepare in cooperation among the relevant TSOs the common proposal for the LFC structure. The SO GL currently applies and binds the TSOs of EU Member States, namely Energinet.dk, Svenska kraftnät, Kraftnät Åland and Fingrid. However, Fingrid finds it important that also Statnett as a TSO of the Nordic synchronous area participates in this preparatory work.

Fingrid Oyj

Street address

Läkkisepäntie 21
FI-00620 Helsinki

Postal address

P.O.Box 530
FI-00101 Helsinki

Phone

+358 30 395 5000

Fax

+358 30 395 5196

Business Identity Code

FI10728943, VAT reg.

forename.surname@fingrid.fi

www.fingrid.fi

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The responsibility to prepare a common proposal is also recognised in the agenda of the RGN meeting on the 20th of September. As the issues within the SO GL are of relevance to RGN, we propose that also RGN would follow the progress of this task.

Furthermore, we find it very important to start the discussions on the other proposals for terms and conditions as well as methodologies to be jointly prepared under the SO GL.

In order to launch the work, we would kindly ask you to provide the names and contact information on the persons in your organisations who would be participating in this work by the end of next week. Our contact person is Vesa Vänskä (vesa.vanska@fingrid.fi).

Having regard the SO GL Article 5(2) this letter has been sent for information to regulatory authorities of Denmark, Finland, Sweden and Norway as well as to ACER.

Yours sincerely

Fingrid Oyj



On behalf of Reima Päivinen,
Asta Sihvonon-Punkka
Senior Vice President, Market

cc Finnish Energy Authority
Danish Energy Regulatory Authority
Swedish Energy Markets Inspectorate
Norwegian Water Resources and Energy Directorate

Agency for Cooperation of Energy Regulators, ACER

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Street address

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