

Mr Alberto Pototschnig  
Director  
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Cc: Dr Klaus-Dieter Borchardt  
Director  
Internal Energy Market DG ENER  
European Commission

Cc: Mr Laurent Schmitt  
Secretary General  
ENTSO-E

***By email only***

19 December 2018

Subject: referral of the all TSOs' proposals on CSAM and RAOCM

Dear Alberto,

I am writing to you on behalf of all Regulatory Authorities with regard to the proposal on the methodology for Coordinating Operational Security Analysis (hereafter: CSAM), pursuant to Article 75 (1) of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter: SO GL) and the proposal on a methodology for Relevant Asset Outage Coordination (hereafter: RAOCM) pursuant to Article 84 (1) of SOGL, both submitted by all Transmission System Operators (hereafter: TSOs)<sup>1</sup>.

The date at which the last Regulatory Authority received the proposals on CSAM and RAOCM was 1 October 2018, while the legal deadline was 14 September 2018 (i.e. one year after entry into force of Commission Regulation (EU) 2017/1485).

Article 6(7) of Commission Regulation (EU) 2017/1485 requires all Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and issue a decision within six months following receipt of submissions to the last Regulatory Authority. A decision would, therefore, be required by each Regulatory Authority by 1 April 2019.

All Regulatory Authorities would like to mention that the process leading up to the submission of the proposals on CSAM and RAOCM was accompanied by early and frequent interactions between the drafting team on TSOs' side and representatives of Regulatory Authorities. Regulatory Authorities were granted the chance to comment and give feedback to TSOs three times: a) on a first draft in January 2018, b) during the public consultation in their shadow opinion in April 2018, and c) on a close-to-final draft in June 2018. In addition, a number of physical meetings and teleconferences between the drafting team on TSOs' side and representatives of Regulatory Authorities took place. The feedback from Regulatory Authorities to TSOs was coordinated within the System Operation and Grid Connection Task Force.

The content of the feedback and comments provided by all Regulatory Authorities focused on the following topics:

- Principles for common probabilistic risk assessment (c.f. Article 75(1)(b) of Commission Regulation (EU) 2017/1485);
- Handling of uncertainties (c.f. Article 75(1)(c) of Commission Regulation (EU) 2017/1485);
- Coordination of Regional Security Centers (c.f. Article 75(1)(d) of Commission Regulation (EU) 2017/1485).

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<sup>1</sup> It shall be noted that, in accordance with Article 6(3)(c) of Commission Regulation (EU) 2017/1485, the proposal on RAOCM is not foreseen as a proposal by all TSOs, but a proposal of the TSOs of a certain region. The TSOs, however, decided to draft and submit the proposal on RAOCM as a proposal by all TSOs.

All these three topics are explicit requirements by Commission Regulation (EU) 2017/1485, but are only partly reflected in the proposal on CSAM. Despite the feedback and comments by all Regulatory Authorities on these three topics, TSOs did not provide a satisfactory level of detail on them in their proposal. It is the assessment of all Regulatory Authorities that CSAM, as it stands, is not compliant with the requirements in Commission Regulation (EU) 2017/1485, and thus cannot be approved.

It should also be highlighted that CSAM constitutes a proposal of great importance under the umbrella of SO GL. Not only is CSAM the most prominent proposal in the context of operational security analysis, its approval also acts as a trigger for further processes (e.g. the submission of the proposals pursuant to Article 76 of SO GL, due three months after approval of CSAM). Consequently, any delay in the approval of CSAM would shift the timeline for subsequent proposals and processes.

The proposals on CSAM and RAOCM have been treated as a package, both by TSOS and Regulatory Authorities. Article 75(1)(a) of SO GL requires a methodology on influence computation to be included in CSAM. By the same token, this methodology on influence computation shall, in accordance with Article 84(3) of SO GL, be consistent between CSAM and RAOCM. Due to this link, any change in the methodology on influence computation in CSAM would have an impact on RAOCM. Therefore, CSAM and RAOCM shall be dealt with in parallel.

Given the situation at hand, where TSOs did not fully incorporate the feedback and comments by all Regulatory Authorities during three rounds of exchange, and the apparent risk of TSOs not implementing the requested amendments (if the path of a Request for Amendment was pursued) and in order to facilitate a swift implementation of SO GL, both CSAM and RAOCM should be referred to the Agency for a decision upon a joint request of all Regulatory Authorities pursuant to Article 6(8) of SO GL.

All Regulatory Authorities would like to stress that a referral to the Agency is not considered because of disagreement among all Regulatory Authorities, but because the likelihood that TSOs would fully incorporate the requested amendments into CSAM (and RAOCM) is deemed small. Thus, a referral to the Agency is a measure to mitigate the risk of prolonging the implementation of CSAM (and any process triggered by its approval) and RAOCM and, consequently, of SO GL as a whole.

While adopting its decision, all Regulatory Authorities expect that the Agency will give utmost consideration to all Regulatory Authorities' views on CSAM and RAOCM as provided in the related non-papers and the key topics listed above. All Regulatory Authorities are ready to assist the Agency to develop and adopt its decision.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Garrett Blaney". The signature is fluid and cursive, with a large initial "G" and "B".

Garrett Blaney