

Common proposal by Fingrid Oyj, Svenska kraftnät,
Litgrid AB, Elering AS, Augstsprieguma tīkls and Nord
Pool AS for sharing regional costs regarding XBID LIP 13
in accordance with Article 80(4) of Commission
Regulation (EU) 2015/1222 of 24 July 2015 establishing a
guideline on capacity allocation and congestion
management

09 March 2020

Fingrid Oyj, Svenska kraftnät, Litgrid AB, Elering AS, AS "Augstsprieguma tīkls" and Nord Pool AS taking into account the following:

Whereas

- (1) This document describes a common proposal developed by the relevant Transmission System Operators (hereafter referred to as “TSOs”) and Nominated Electricity Market Operators (hereafter referred to as “NEMOs”) for the Local Implementation Project for the local implementation of the the single intraday coupling for Estonia, Finland, Latvia, Lithuania, and Sweden (hereafter referred to as “XBID LIP 13”) in accordance with Article 80 of Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (hereafter referred to as the “CACM Regulation”) regarding the cost sharing key for regional costs. The proposed sharing key is applicable for the period as of 1 September 2016 until 18 June 2018.
- (2) Article 80(4) of the CACM Regulation stipulates that the NEMOs and TSOs cooperating in a certain region shall jointly agree on a proposal for the sharing of regional costs in accordance with paragraph 2(b). The proposal shall then be individually approved by the competent national regulatory authorities (hereafter “NRA“) of each of the Member States in the region. NEMOs and TSOs cooperating in a certain region may alternatively use the cost sharing arrangements set out in paragraph 3.
- (3) Baltic local implementation project for implementing the single intraday coupling was launched in year 2016 to facilitate the implementation of the European Single Intraday Coupling (XBID) project in accordance with the requirements of the CACM regulation.
- (4) The regional costs arising from XBID LIP 13 consist exclusively of Project Management Office (hereafter referred to as “PMO”) service costs to facilitate the execution of all tasks to complete the objectives of XBID LIP 13.

- (5) The Parties of XBID LIP 13 are the TSOs Fingrid Oyj, Svenska kraftnät, Litgrid AB, Elering AS, Augstsprieguma tīkls, and the NEMO Nord Pool AS. The content of the Proposal has been jointly agreed between the relevant parties in the CCR Baltic.
- (6) PMO costs will be shared between Parties according to the sharing key described in this proposal subject to the approval of the respective NRAs.
- (7) According to Article 9(9) of the CACM Regulation, the expected impact on the objectives of the CACM Regulation of the XBID LIP 13 common cost sharing proposal has to be described and is presented below. The proposal generally contributes to the achievement of the objectives of Article 3 of the CACM Regulation.
- (8) The cost sharing proposal for XBID LIP 13 ensures non-discriminatory treatment of all affected parties, as it sets rules to be applied by all parties, and as it closely mirrors the allocation key set out in Article 80(3) of the CACM Regulation to allocate common costs, and, on a voluntary basis, regional costs
- (9) The sharing key is based on the application of the principles outlined in CACM Article 80(3) and CACM Article 80(4). However, the sharing key proposed omits the element of consumption proportionality for Finland and Sweden as this would have resulted in Svenska kraftnät and Fingrid bearing the main share of the costs for the Baltic LIP which had as its primary objective the preparation of the Baltic TSOs' markets for XBID go-live readiness. Fingrid and Svenska kraftnät were already members of the Nordic Local implementation Project (LIP 1) where they bore the costs for local implementation of the XBID solution.
- (10) The cost sharing proposal for XBID LIP 13 ensures and enhances the transparency and reliability of information by proposing a clear and consistent framework for sharing costs among the parties in a transparent and proportionate manner.

SUBMIT THE FOLLOWING PROPOSAL TO THE RELEVANT REGULATORY AUTHORITIES IN ESTONIA, FINLAND, LATVIA, LITHUANIA AND SWEDEN:

**Article 1
Subject matter and scope**

1. The proposal is the common proposal of TSOs and NEMOs related to the local implementation of the XBID solution on the bidding zone borders EE-FI, EE-LV, LV-LT, and LT-SE4.
2. This proposal applies solely to the involved parties in XBID LIP 13, and does not set a precedent for any other regional cost sharing
3. In order to successfully join the XBID platform and complete all tasks within the central XBID project timescales, XBID LIP 13 project parties have engaged the services of a Project Management Office which would have technical expertise relevant to the central XBID project and accompanying LIP projects.
4. This proposal covers the cost sharing for PMO costs for the XBID LIP 13.

**Article 2
Sharing key for sharing PMO costs**

1. The XBID LIP 13 PMO costs will be shared between Parties according to the following sharing key:
 - Two-eighths borne by and divided equally between Fingrid and Svenska Kraftnät
 - Four-eighths borne by and divided between Litgrid AB, Elering AS, and Augstsprieguma tīkls according to the following sharing key:
 - One-sixth equally
 - Five-sixths proportionally based on national consumption of electrical energy
2. Two-eighths borne by Nord Pool AS. This share shall be allocated to the concerned Member States proportionally to their consumption. The sharing key described in Article 2 of this proposal shall only apply to the costs incurred during the period from 1 September 2016 to 18 June 2018, regardless of when such costs were invoiced by the PMO.

Article 3 Implementation of the proposal

The XBID LIP 13 parties shall implement sharing of costs according to Article 2 of this proposal at the date of approval of all relevant NRAs.

Article 4 Language

The reference language for this proposal shall be English. For the avoidance of 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 relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this proposal to their relevant national regulatory authorities.