

**IU TSOs proposal for fallback procedures 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**

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Table of Contents

WHEREAS.....	3
GENERAL PROVISIONS	4
Article 1 Subject matter and scope.....	4
Article 2 Definitions.....	4
FALLBACK PROCEDURES FOR EWIC & MOYLE	4
Article 3 Implicit Intraday Auctions	4
Article 4 Fallback procedures unable to be initiated	4
FUTURE REQUIREMENTS.....	5
Article 5 EWIC and Moyle - Single intraday coupling.....	5
FINAL PROVISIONS.....	5
Article 6 Implementation	5
Article 7 Publication.....	5
Article 8 Language.....	5

WHEREAS

- (1) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as "TSOs") within the Ireland and United Kingdom (IU) Capacity Calculation Region regarding the proposal for fallback procedures in the event that the single day-ahead coupling process is unable to produce results. This proposal is required by Article 44 of Regulation (EU) 2015/1222 on Capacity Allocation and Congestion Management (the "CACM Regulation").
- (2) The Ireland and United Kingdom (IU) Capacity Calculation Region refers to the bidding zone border between Great Britain and the Single Electricity Market in Ireland and Northern Ireland as described in Annex 1 to the Decision of the Agency for the Cooperation of Energy Regulators (ACER) No06/2016 of 17 November 2016 on the electricity Transmission System Operators' proposal for the determination of Capacity Calculation Regions¹ in accordance with Article 15 of CACM Regulation 1222/2015.
- (3) Although this proposal is for the IU capacity calculation region, it has been developed in coordination with the Channel capacity calculation region TSOs as part of a joint Channel-IU working group.
- (4) Article 9 (9) of the CACM Regulation requires that the expected impact of the proposed fallback procedures on the objectives of the CACM Regulation is described. The proposed fallback procedures across the IU capacity calculation region contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. This impact is presented below, points 5 and 6 of this Whereas section.
- (5) The proposed fallback procedures provide additional measures that can be initiated to ensure the cross border capacity can be provided to the market in the event that the day-ahead coupling process is unable to produce results. This promotes effective competition in the generation, trading and supply of electricity (objective 3a) by ensuring access to cross border capacity and optimal use of transmission infrastructure (objective 3b) as transmission infrastructure will continue to be used in the event of market coupling results not being produced.
- (6) Transparent fallback arrangements also ensure fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants (objective 3e). These transparent arrangements facilitate a fair and orderly market and fair and orderly price formation (objective 3h) by facilitating continued access to cross zonal capacity through additional auctions and provide non-discriminatory access to cross-zonal capacity (objective 3j).

¹ http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2006-2016%20on%20CCR.pdf

GENERAL PROVISIONS

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.

Article 2

Definitions

1. For the purpose of this proposal, the definitions in Article 2 of the CACM Regulation shall apply.
2. In addition, the following definitions shall apply:
 - a. 'EWIC' means the interconnector connecting Ireland at Woodland to Wales at Deeside.
 - b. 'Moyle' means the interconnector connecting Northern Ireland at Ballycronan More to Scotland at Auchencrosh.

FALLBACK PROCEDURES FOR EWIC & MOYLE

Article 3

Implicit Intraday Auctions

1. Interim implicit intraday auctions are being developed as part of the Integrated-Single Electricity Market (I-SEM²) solution for go-live of the new Single Electricity Market.
2. In the event that the single day-ahead coupling process is unable to produce results, the fallback procedure is to use the first interim implicit intraday auction on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland.
3. Like the single day-ahead coupling process, the first interim implicit intraday auction is an implicit allocation for the full contract day using Euphemia, and will utilise the full available interconnector capacity in the event of a fallback scenario.

Article 4

Fallback procedures unable to be initiated

1. Where the fallback procedure outlined in Article 3 is unable to be initiated, the full available interconnector capacity would be available to any subsequent interim implicit intraday auctions on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland.

² I-SEM is the name given to the project to redesign the single electricity market on the island of Ireland in order to implement the European target model for electricity. The European target model is set out in the Framework Guideline on Capacity Allocation and Congestion Management for Electricity (CACM FG) published by ACER in July 2011.

FUTURE REQUIREMENTS

Article 5

EWIC and Moyle - Single intraday coupling

1. The interim implicit intraday auctions solution is part of a phased implementation of the CACM arrangements in order to facilitate cross-border trading on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland for go-live of the new Single Electricity Market. This IU TSOs proposal for fallback procedures will be updated in line with the enduring single intraday coupling solution provided for in the CACM Regulation becoming operational on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland.

FINAL PROVISIONS

Article 6

Implementation

1. The arrangements outlined in Articles 3 and 4 are to be implemented at the same time as the go-live of the I-SEM market, which is the earliest date when market coupling on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland will be in place.

Article 7

Publication

1. All relevant information on the interim implicit intraday auctions shall be provided on the EirGrid and SONI NEMO website(s).

Article 8

Language

1. The reference language for this fallback procedure shall be English. For the avoidance of doubt, where TSOs need to translate this fallback procedure 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, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the fallback procedure.

