

All interested parties,
Stakeholders in Northern Ireland and beyond,
and other regulatory bodies

Ref: WM-018-11-702

Date: 5 August 2019

To whom it may concern

Decision on the amended IU TSOs' proposal for the Redispatching and Countertrading Methodology and the IU TSOs' proposal for the Redispatching and Countertrading Cost Sharing Methodology.

In accordance with Article 35 and Article 74 of Commission Regulation (EU) 2015/1222, establishing a guideline on Capacity Allocation and Congestion Management (the "CACM Regulation"), on the 24 May 2019 the Utility Regulator (UR) received the amended Ireland-United Kingdom (IU) TSOs' proposal for the methodology for Coordinated Redispatching and Countertrading (the "IU RD and CT Methodology") and the amended IU TSOs' proposal for the Redispatching and Countertrading Cost Sharing Methodology (the "IU RD and CT Cost Sharing Methodology").

This letter sets out the UR's decision to approve both proposals pursuant to Article 9(12) of the CACM Regulation and outlines the necessary steps that must be taken.

Background

The IU RD and CT Methodology is a proposal developed by all Transmission System Operators of the IU Capacity Calculation Region in order to establish a common and coordinated process for redispatching and countertrading for the effective and economically

efficient use of coordinated remedial actions which have the effect of relieving physical congestions within a control area of an IU TSO.

By defining a set of harmonised rules for congestion management, the proposal serves the objective of promoting effective competition in the generation, trading and supply of electricity in accordance with Article 3(a) of the CACM Regulation. It also ensures optimal use of the transmission infrastructure by using the last available inputs based on the best possible forecast of transmission systems and market results and optimises the calculation and allocation of cross-zonal capacity.

The IU RD and CT Cost Sharing Methodology is a proposal developed by all Transmission System Operators of the IU Capacity Calculation Region in order to establish a common process for redispatching and countertrading cost sharing. This proposes cost-sharing solutions for actions of cross-border relevance and also aims to ensure consistency with redispatching and countertrading cost sharing methodologies of other Capacity Calculation Regions, whilst acknowledging the specific characteristics of the interconnectors within the IU Region.

The original proposals were submitted to the Utility Regulator on 16 March 2018 with a decision to request amendment being published on the 14 September 2018. Revised methodologies were subsequently resubmitted by the IU TSOs to the UR on the 14 November 2018.

On the 14 January 2019, an IU Regulatory Authorities' agreement was reached requesting a second amendment. This was due to a number of important modifications (as set out in the IU Regulatory Authority Agreement) having been omitted from the revised proposals. Consequently, on the 24 May 2019, the IU TSOs resubmitted a further amended RD and CT Methodology and an amended RD and CT Cost Sharing Methodology.

Decision

The UR has reviewed the amended IU RD and CT Methodology and the amended IU RD and CT Cost sharing Methodology proposals in line with the CACM Regulation, the wider objectives of Regulation (EU) 714/2009 and our statutory duties and obligations.

As required by Article 9(10) of the CACM Regulation, the UR have closely cooperated and coordinated with other Regulatory Authorities in order to reach agreement on these proposals. The IU Regulatory Authorities' Agreement for both methodologies was reached on 19 July 2019 and constitutes the reasons for the UR's decision to approve both methodologies. This agreement is attached as an annex to this decision letter.

In line with the IU Regulatory Authorities' agreement, the UR hereby approves both the IU TSOs' proposal for the methodology for Coordinated Redispatching and Countertrading and the IU TSOs' proposal for the methodology for Redispatching and Countertrading Cost Sharing.

Next Steps

In accordance with the above decision, the relevant TSOs must publish the approved methodology on the internet in line with Article 9(14) of the CACM Regulation.

If you have any queries regarding the information contained within this letter please contact JeanPierre.Miura@uregni.gov.uk.

Yours sincerely



Colin Broomfield
Director of Wholesale Energy Regulation

cc: Jean Pierre Miura