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

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To whom it may concern

Requests for Amendment of the 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 16 March 2018 the Utility Regulator received the Ireland-United Kingdom (IU) TSOs' proposal for the methodology for Coordinated Redispatching and Countertrading (the "RD and CT Methodology") and the IU TSOs' proposal for the Coordinated Redispatching and Countertrading Cost Sharing Methodology (the "IU RD and CT Cost Sharing Methodology").

This letter sets out the Utility Regulator's decision to request amendment to both proposals pursuant to Article 9(7) and Article 9(12) of the CACM Regulation and outlines the necessary steps that must be taken.

Background

The 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. 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 also 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. 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 aims to ensure consistency with redispatching and countertrading cost sharing methodologies of other Capacity Calculation Regions in which the same bidding zones are concerned whilst acknowledging the specific characteristics of the interconnectors within the IU Region.

Decision

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

As required by Article 9(10) of the CACM Regulation, we have closely cooperated and coordinated with other Regulatory Authorities in order to reach agreement on this amended proposal. The IU Regulatory Authorities' agreements for the methodologies were reached on 14 September 2018 and constitute the reason for the UR's decision. They are attached as annexes to this decision letter.

In line with the IU Regulatory Authorities' agreements, the Utility Regulator hereby requests an amendment to 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 Article 9(12) of Regulation 2015/1222, the TSOs must make the amendments necessary to address the points set out in the all Regulatory Authority opinion with the amended proposals being re-submitted to the UR and the Agency within two months of this decision.

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

Yours sincerely

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cc: Jean Pierre Miura