

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

Ref: WM-018-11-650

Date: 14 January 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 16 March 2018 the Utility Regulator (UR) 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 Redispatching and Countertrading Cost Sharing Methodology (the "IU RD and CT Cost Sharing Methodology").

On the 14th of September 2018, the UR decided to request an amendment to both proposals pursuant to Article 9(7) and Article 9(12) of the CACM Regulation.

On the 14th of November 2018, the IU TSOs submitted revised proposals. This letter outlines the UR's decision to request a second amendment to both proposals.

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 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. 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 UR has reviewed the amended RD and CT Methodology and the amended IU RD and CT Cost Sharing Methodology proposals submitted on the 14 November 2018 in line with the CACM Regulation, with the wider objectives of Regulation (EU) 714/2009 and our statutory duties and obligations. A number of important parts of the requested amendments set out in the IU Regulatory Authority opinion have been omitted from the revised proposals.

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 these proposals. The IU Regulatory Authorities' agreement for both methodologies was reached on 14 January 2019 and constitutes the reasons for the UR's decision to request a second amendment to the proposals. This agreement is attached as an annex to this decision letter.

In line with the IU Regulatory Authorities' agreement, and for the second time, the UR 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 by 14 March 2019, two months after 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