

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

Ref: WM-018-11-558

Date: 23 July 2018

To whom it may concern

**Approval of the amended Ireland – United Kingdom TSOs’ proposal for the Common Capacity Calculation Methodology**

On 23 May 2018, the Utility Regulator (UR) received an amended proposal from the Ireland – United Kingdom (IU) Transmission System Operators (TSOs) for the common capacity calculation methodology (referred to as the “CCM”) in accordance with Article 9(12) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on Capacity Allocation and Congestion Management (the CACM Regulation).<sup>1</sup>

This letter sets out the UR’s decision to approve the amended common capacity calculation methodology and outlines the necessary next steps that must be taken.

**Background**

The IU TSOs’ proposal for the common capacity calculation methodology was first submitted to the UR on 18 September 2017 in accordance with Article 20 of the CACM Regulation. Having reviewed the proposal in line with the requirements of the CACM Regulation and our statutory duties and obligations, the UR took the decision to request an amendment to the proposal on 16 March 2018. The requested amendments were set out in the respective IU

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<sup>1</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1222&from=EN>

Regulatory Authorities' agreement with the TSOs being required to re-submit the amended methodology for approval within two months following the requirement from the Regulatory Authority. The amended proposal was resubmitted to the UR on the 23 May 2018.

The CACM Regulation requires the competent Regulatory Authorities to consult and closely cooperate with each other in order to reach an agreement and to take decisions within two months following receipt of an amended proposal by the last Regulatory Authority. Therefore, a decision on the proposal is required by 23 July 2018.

The IU CCM proposes a common methodology within the IU region for the calculation of cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets. A key aim is to maximise the cross-zonal capacity allocation for the day-ahead and intraday markets whilst respecting operational security limits.

The IU CCM is based on the application of a Coordinated Net Transmission Capacity (CNTC) approach for the day-ahead and intraday capacity calculation in the IU region. A separate proposal for the application of the CNTC approach was also submitted to the UR on the 23 May 2018. A separate decision regarding the CNTC methodology is published together with this CCM decision letter.

## **Decision**

In our original decision the UR requested several amendments in order to ensure the methodology included the necessary level of detail to be considered satisfactory. The UR have reviewed the amended proposal in line with the requirements of CACM, the wider objectives of the Regulation (EC) No 714/2009 and our statutory duties and obligations.

As required by Article 9(10) of CACM, the UR have closely cooperated and coordinated with other Regulatory Authorities in order to reach agreement on this amended proposal. The IU Regulatory Authorities' agreement for CCM was reached on 23 July 2018 and constitutes the reasons for the UR's decision. It is attached as an annex to this decision letter.

In line with the IU Regulatory Authorities' agreement, the UR hereby approves the amended Ireland – United Kingdom TSOs' proposal for a common capacity calculation methodology.

## 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 and must meet the implementation deadlines set out in the methodology.

If you have any queries regarding the information contained within this letter please contact [JeanPierre.Miura@uregni.gov.uk](mailto:JeanPierre.Miura@uregni.gov.uk).

Yours sincerely



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