

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

Ref: WM-018-11-548

Date: 27 June 2018

To whom it may concern

Approval of the amended all TSOs' proposal for a Common Grid Model Methodology

On 25 April 2018, in accordance with Article 18 of Commission Regulation (EU) 2016/1719, establishing a guideline on Forward Capacity Allocation (FCA), the Utility Regulator (UR) received an amended all TSOs' proposal for the Common Grid Model Methodology (CGMM).

This letter sets out the UR's decision to approve the CGMM proposal pursuant to Article 4(11) of Regulation of 2016/1719.

Background

On 3 July 2017, in accordance with Article 18 of Commission Regulation (EU) 2016/1719, establishing a guideline on Forward Capacity Allocation (FCA), the UR received the all TSOs' proposal for the CGMM.

The proposal takes into account the general principles and goals set in both the FCA Regulation as well as Regulation (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity.

The aim of the FCA Regulation is the coordination and harmonisation of capacity calculation and allocation in the long-term, cross-zonal markets. To facilitate these aims, it is necessary for all TSOs to use a common grid model which can only be created on the basis of a common methodology. The CGMM proposal is to enable the establishment of a common grid model.

The original proposal was reviewed by the Regulatory Authorities and an agreement reached on 23 February 2018 at the Energy Regulators' Forum. This agreement requested amendment of the proposal by removing indications in the methodology which implied that each capacity calculation region may develop its own set of scenarios.

The amended methodology was subsequently submitted to the UR for approval on the 25 April 2018.

The UR has reviewed the proposal in line with the requirements of the FCA, the wider objectives of the Regulation (EC) 714/2009 and the UR's statutory duties and obligations. Through close cooperation and coordination with the relevant Regulatory Authorities, an agreement was reached on 11 June 2018. The relevant Regulatory Authorities' agreement, accompanying this decision letter and published on the UR website, constitutes the reasons for the UR decision.

In line with the relevant Regulatory Authorities' agreement and in line with Article 4 of the FCA, this letter approves the amended all TSOs' proposal for a Common Grid Model Methodology.

Next Steps

In accordance with this decision, TSOs will be required to publish the Common Grid Model Methodology on the internet as per Article 4(13) of the FCA Regulation and must meet the implementation deadline required by Article 24 of the proposal.

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

Yours sincerely



Jo Aston
Director of Wholesale Energy Regulation

cc: Jean Pierre Miura