

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

Ref: WM-018-11-706

Date: 7 August 2019

To whom it may concern

Request for amendment to the all TSOs' proposal for common settlement rules applicable to all intended exchanges of energy as a result of the reserve replacement process, frequency restoration process with manual and automatic activation and the imbalance netting process.

On 17 December 2018, the Utility Regulator (UR) received the all TSOs' proposal for common settlement rules applicable to all intended exchanges of energy as a result of the reserve replacement process, frequency restoration process with manual and automatic activation and the imbalance netting process. This was submitted in accordance with Article 50(1) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (EBGL).

This letter sets out the UR's decision to request amendment to this proposal pursuant to Article 6(1) of Regulation 2017/2195 and outlines the necessary steps that must be taken.

Background

As a result of development of the implementation frameworks according to Articles 19, 20, 21 and 22 of the EBGL, there will be cross-border exchange of balancing and netted energy defined as intended exchange of energy by the EBGL. The proposal divides the intended exchange of energy in to the intended exchange resulting from frequency restoration reserves with automatic activation (aFRR), frequency restoration reserves with manual activation (mFRR), replacement reserves (RR) and imbalance netting platform. It is proposed that the intended exchange volumes will be settled separately per product (with an additional differentiation between mFRR with scheduled and direct activation types).

The total volume of intended exchange between TSOs is not treated as one volume to be settled, instead there is a separation in terms of which volume is resulting from which platform and to which direction the intended exchange of energy from each platform is exchanged.

Article 5(6) of Regulation 2017/2195 requires the competent regulatory authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and subsequently take national decisions within six months following receipt of the proposal by the last concerned regulatory authority. In this case, a national request for amendment, based on the agreement reached between the concerned regulatory authorities, is formally required by each regulatory authority by 11 August 2019.

Decision

The UR has reviewed the proposal in line with the requirements of the EBGL and the UR's statutory duties and obligations. As required by Article 5(6) of Regulation 2017/2195, the UR has closely cooperated with all Regulatory Authorities to reach an agreement on the proposal.

The all Regulatory Authorities' agreement, reached on 23 July 2019, attached as an annex to this letter, constitutes the reason for the UR's decision and, in line with this agreement, the UR hereby requests amendment to the TSOs' proposal for common settlement rules applicable to all intended exchanges of energy as a result of the reserve replacement process, frequency restoration process with manual and automatic activation and the imbalance netting process.

Next Steps

In accordance with Article 6(1) of Regulation 2017/2195, the TSOs must make the amendments necessary to address the points set out on the all Regulatory Authorities' agreement with the amendment proposal required to be 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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