

Ireland-United Kingdom TSOs proposal for the regional design of long-term transmission rights in accordance with Commission Regulation (EU) 2016/1719 on establishing a Guideline on Forward Capacity Allocation

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WHEREAS

- (1) This document is a common proposal developed by all relevant Transmission System Operators (hereafter referred to as “TSOs”) within the Ireland-United Kingdom Capacity Calculation Region (“IU CCR”) as defined in accordance with Article 15 of the Regulation (EU) 2015/1222 on Capacity Allocation and Congestion Management (the “CACM Regulation”).
- (2) This common proposal is required by Article 31 of Regulation (EU) 2016/1719 on Forward Capacity Allocation (the “FCA Regulation”) regarding the regional design of long-term transmission rights (hereafter referred to as “Product Proposal”).
- (3) In accordance with Article 31 of the FCA Regulation this Product Proposal shall contain at least the description of the following items, the type of long-term transmission rights, forward capacity allocation time frames, form of product (base load, peak load, off-peak load), the bidding zone borders covered and the implementation timeline.
- (4) Based on the provisions of Article 31 of the FCA Regulation, this Product Proposal is subject to public consultation in accordance with Article 6 of the FCA regulation. The main body and the Annex of this Product Proposal are subject to the approval of the National Regulatory Authorities (hereinafter referred to as “NRAs”) of the IU CCR.
- (5) Reduction periods of offered capacity and the rules related to this within the Harmonised Allocation Rules developed pursuant to Article 51 of the FCA Regulation shall also apply within this Product Proposal.
- (6) Article 4 (8) of the FCA Regulation, requires that the expected impact of this Product Proposal on the objectives of the FCA Regulation is described. The Product Proposal for the IU CCR contributes to and does not in any way hinder the achievement of the objectives of Article 3 of the FCA Regulation. The impact is presented below in point 7 of this “Whereas” section.
- (7) This Product Proposal identifies a clearly defined range of long-term transmission rights that can be offered in the IU CCR. Having a clearly defined list of long-term transmission rights allows market participants to have a range of options for cross-zonal hedging opportunities (objectives 3a, 3e, and 3f), of which the allocation can be optimised (objective 3b), and these options are available to any market party on a non-discriminatory basis subject to them meeting market requirements for participation (objective 3c).
- (8) Consistent with Ofgem’s decision on the assignment of Transmission System Operator obligations under the FCA Regulation¹ the relevant TSOs for the submission of this Product Proposal from a GB perspective are Moyle Interconnector Ltd and EirGrid Interconnector DAC. The Product Proposal is also submitted by EirGrid plc and SONI Ltd.
- (9) Although this Product Proposal is for the IU CCR, it has been developed in coordination with the Channel capacity calculation region TSOs as part of a joint Channel-IU working group.

¹ <https://www.ofgem.gov.uk/publications-and-updates/decision-our-consultation-assignment-transmission-system-operator-obligations-under-requirements-generators-demand-connection-high-voltage-direct-current-and-forward-capacity-allocation-regulations-within-gb>

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. As required under Article 31 of the FCA Regulation, relevant TSOs in the IU CCR hereby propose a regional design of long-term transmission rights to be issued on each bidding zone border within the IU CCR.

Article 2

Definitions

1. For the purpose of this Product Proposal, the definitions in Article 2 of the FCA Regulation shall apply.
2. In addition, the following definitions shall apply:
 - a. “Yearly Calendar Product” means a product with a delivery period starting on January 1st and ending on December 31st of the same year.
 - b. “Yearly Non-Calendar Product” means a product with a delivery period starting on October 1st and ending on September 30th of the following year.
 - c. “Seasonal Product” means a product with a 6 calendar months delivery period either starting on October 1st and ending on March 31st of the following year or starting on April 1st and ending on September 30th of the same year.
 - d. “Quarterly Product” means a product with a 3 calendar months delivery period either:
 - i. starting on January 1st and ending on March 31st
 - ii. starting on April 1st and ending on June 30th
 - iii. starting on July 1st and ending on September 30th
 - iv. starting on October 1st and ending on December 31st
 - e. “Monthly Product” means a product with a calendar month delivery period starting on the 1st day of the calendar month and ending on the last day of the same calendar month.
 - f. The reference time zone is Central European Time (CET) / Central European Summer Time (CEST).

REGIONAL DESIGN OF LONG-TERM TRANSMISSION RIGHTS

Article 3

Bidding zone borders covered

1. The bidding zone borders covered by this Product Proposal are those within the IU CCR.
2. Any reference to bidding zone border may refer to all interconnectors collectively or only one or a subset of interconnector(s) on this bidding zone border as specified in Annex 1 of this Product Proposal.

Article 4

Type of long-term transmission rights

1. The type of long-term transmission rights offered on the bidding zone border of the IU CCR will be Financial Transmission Rights - Options.

Article 5

Forward capacity allocation time frames

1. Relevant TSOs in the IU CCR shall offer long-term transmission rights for at least annual and monthly time frames.
2. In addition to annual and monthly time frames, each relevant TSO in the IU CCR may independently offer one or more of the additional time frames as defined in Article 2 of this Product Proposal.
3. For the avoidance of doubt, a TSO operating one or more interconnectors may offer long-term transmission rights for different time frames on each interconnector.

Article 6

Form of product

1. Relevant TSOs in the IU CCR shall offer long-term transmission rights in the form of any one or more of the following; base load, peak load or off-peak load as outlined in Annex 1 of this Product Proposal.

MISCELLANEOUS

Article 7

Amendment

1. The amendment of this Product Proposal will take place in accordance with Article 31 (7) to (10) of the FCA Regulation.
2. The amendment of this Product Proposal shall be triggered in readiness for a new Interconnector being commissioned within the IU region.
3. In the event that a TSO requests to amend the long term transmission rights offered on their respective bidding zone border, other TSOs on the respective bidding zone border cannot unreasonably withhold their support of initiating such a review.
4. For the avoidance of doubt, a TSO can only request an amendment to long term transmission rights for their respective bidding zone border.

Article 8 Implementation

1. The arrangements described in this Product Proposal, subject to its approval, shall be implemented at the same time as the go-live of the I-SEM² arrangements, which is the earliest date when market coupling on the bidding zone border between Great Britain and Single Electricity Market in Ireland and Northern Ireland will be in place.
2. The base load form of product will be supported initially with the capability for peak load and off-peak load products for delivery periods from 2020.

Article 9 Language

1. The reference language for this Product Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this Product Proposal into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 4 (13) of the FCA Regulation and any version in another language the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the Product Proposal.

² I-SEM is the name given to the project to redesign the single electricity market on the island of Ireland in order to implement the European target model for electricity in accordance with EU Directive 2009/72/EC, Regulation (EC) No. 714/2009, Regulation (EC) No. 713/2009, and Commission Regulations (EU) No. 2015/1222 and (EU) No. 2016/1719.

Annex 1
Bidding zone borders

1. A list of bidding zone borders and/or their subset of interconnectors to which the Product Proposal applies.

Interconnector / Bidding zone border	Time frames on bidding zone border	Form of Product
Moyle (NI-GB)	Yearly Calendar Yearly Non-Calendar Seasonal Quarterly Monthly	Base Load Peak Load and Off-Peak Load
EastWest Interconnector (IE-GB)	Yearly Calendar Yearly Non-Calendar Seasonal Quarterly Monthly	Base Load Peak Load and Off-Peak Load