



## **Department of Energy & Climate Change**

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## Dear Colleague

For Member States with more than one Transmission System Operator (TSO), Article 9(2) and (3) of CACM<sup>1</sup> requires the Member State to allocate that vote among the relevant TSOs. Our joint letter of 2 September set out our proposed mechanism for allocating the UK vote.

Following consultation, we are now writing to confirm our final decision.

## Decision

As outlined in our joint letter of 2 September, the following two part mechanism is to be followed by all operational TSOs who have been assigned responsibilities by the relevant regulator to determine how the UK vote is to be exercised, depending on the circumstances applying to a particular decision:

- 1. The way in which the UK vote is to be exercised is agreed by at least 50% of those TSOs who:
  - a. have been allocated responsibility for a task under CACM; and
  - b. who participate in the vote to decide how the vote is to be exercised abstentions will not be counted;

Each TSO gets only one vote whether it has been allocated responsibility in GB, in Northern Ireland, or in both jurisdictions

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<sup>&</sup>lt;sup>1</sup> Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM) came into force on 14 August 2015.





- 2a) For decisions in which either SONI or NGET (which have system operator responsibilities in Northern Ireland and GB respectively) have been allocated responsibility under CACM, that organisation must be counted within the 50% or more of certified TSOs which agree, **OR**
- 2b) For decisions in which <u>both SONI and NGET</u> have been allocated responsibility under CACM, both of those organisations must be counted within the 50% or more of TSOs which agree.

The following conditions will apply:

- SONI and NGET will confirm with Ofgem, UR and industry participants the procedures they wish to use for administering a vote.
- The TSOs that will formally be engaged in making each decision will be different for different tasks under CACM. Ofgem and UR will set out the responsibilities of each TSO. A TSO will be formally engaged in determining the vote on each decision if the relevant regulator has specified that it has responsibility for that task under CACM.
- DECC and DETI will act jointly to amend the mechanism to address changes in circumstance or any issues that arise. Where possible, we will give notice of any changes and appropriate opportunities for interested parties to comment.
- We expect that TSOs will be able to reach agreement using this mechanism but will keep under review whether it is necessary to introduce a resolution mechanism.
- The exercise of voting rights under the UK mechanism will be a matter of public record so that stakeholders can be aware of the formal position that TSOs take in decisions. Formal voting will therefore be recorded and made public through the website of the Joint European Stakeholder Group.

Yours Faithfully,

Phil Hicken, DECC

Bill Stevenson, DETI