



An Coimisiún
um Rialáil Fónas
Commission for
Regulation of Utilities

All interested parties,
stakeholders in Ireland and beyond,
and other regulatory bodies

25 October 2017

Our ref: D/17/19178

To whom it may concern,

Approval of the Single Allocation Platform methodology and of its cost sharing methodology

On 13 April 2017 the CRU received the Single Allocation Platform (SAP) methodology and the SAP cost sharing methodology in accordance with Article 49 and Article 59 of EU Commission Regulation 2016/1719, establishing a guideline on Forward Capacity Allocation (FCA).

Background

The proposals for the SAP and SAP cost sharing methodologies are pan-EU proposals, developed by all EU TSOs.

The FCA Regulation requires a common proposal for a set of functional requirements and for the establishment of a single allocation platform. This proposal includes governance and the technical functionalities and tasks of the platform. The submission proposes that the company known as Joint Allocation Platform (JAO) operates the SAP. JAO is a joint service company owned and operated by TSOs. It already performs yearly, monthly and daily auctions of transmission rights on 27 borders in Europe as well as acting as a fallback for market coupling.

Article 59 of the FCA Regulation sets out that all TSOs issuing long term transmission rights (LTTRs) on the SAP shall jointly bear the costs using a sharing methodology that shall be reasonable, efficient and proportionate. The proposal sets out the cost sharing per SAP task will be based on different combinations of two-cost sharing keys: (i) per allocation border; and (ii) per TSO. This approach seeks to ensure a fair distribution of costs where TSOs with more borders are required to pay a proportionately higher share of the common costs.



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Decision

The CRU has reviewed this proposal in line with the requirements of the FCA, the wider objectives of the Regulation (EC) 714/2009 and the CRU's statutory duties and obligations. Through close cooperation and coordination with all Regulatory Authorities, agreement was reached on 18 September 2017. The Regulatory Authorities agreement, accompanying this decision letter and published on the CRU website, constitutes the reasons for the CRU decision.

In line with all Regulatory Authorities' agreement and in line with Article 4 of FCA, the CRU hereby approves the SAP and the SAP cost sharing methodology proposed by EirGrid Interconnector Designated Activity Company (EIDAC).

Next Steps

In accordance with this decision, EIDAC will be required to publish the SAP and the SAP cost sharing methodology proposed on the internet in line with Article 4(13) of FCA and must meet the implementation deadline required by Article 4 of the all TSOs' proposal for the establishment of a Single Allocation Platform (SAP) and for the cost sharing methodology.

If you have any queries regarding the information contained within this letter or the all Regulatory Authorities agreement, please contact matanasova@cru.ie.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Laura Brien', is written in a cursive style.

Laura Brien
Director Energy Markets, CRU

