



An Coimisiún  
um Rialáil Fóntas  
**Commission for  
Regulation of Utilities**

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**10<sup>th</sup> November 2017**

**Re: Approval of Interconnector Access Rules and Charging Methodology Statement**

Dear Fergal,

On 21 July 2017, EirGrid Interconnector Limited (EIL) submitted to the Commission for the Regulation of Utilities formerly Commission for Energy Regulation (CRU) (the “Commission”) proposals for modified access rules (the East West Interconnector (EWIC) Access Rules) and modified charging methodology (the EWIC Charging Methodology) for the EWIC interconnector.

The EWIC Access Rules were submitted pursuant to Condition 20(4) of the EIL Interconnector Operator Licence which states that:

*“The Licensee shall submit a charging methodology and any subsequent modification to the charging methodology to the Commission for approval at a time to be determined by the Commission after consultation with the licensee.”*

The rules provide the general terms and conditions a user must accept to obtain and use transmission capacity on the EWIC interconnector. These were most recently approved by the Commission on 15 October 2015<sup>1</sup>.

The EWIC Charging Methodology sets out a procedure detailing how users access and are charged for long term transmission rights on the EWIC interconnector. This was also approved by the Commission on 15 October 2015<sup>2</sup>.

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<sup>1</sup> <http://www.eirgridgroup.com/site-files/library/EirGrid/SEM-15-086-CER-approval-of-EIL-Access-Rules-and-Charging-Methodology.pdf>

<sup>2</sup> Ibid



## Background

On 17 October 2016 European Commission Regulation (EU) No 2016/1719<sup>3</sup> establishing a guideline on forward capacity allocation (the FCA Regulation) came into effect. Amongst other things, this Regulation requires Transmission System Operators (TSOs) to develop a set of Harmonised Allocation Rules (HAR) for the allocation of long-term transmission rights.

In April 2017, the TSOs submitted to the relevant National Regulatory Authorities (NRAs) an all TSO proposal for the HAR. At the same time, the Ireland-United Kingdom (IU) regional TSOs also submitted a SEM-GB Regional Annex to the HAR.

As a result of the NRAs being unable to reach agreement on the HAR proposals, the HAR was sent to the Agency for the Cooperation of Energy Regulators (ACER) in order for them to adopt a decision, as per FCA Regulation. ACER adopted a decision on 28 September 2017<sup>4</sup>. On the 13 October 2017, the Commission approved the Regional Annex for the IU region<sup>5</sup>.

The modifications proposed by EIL to the EWIC Access Rules and the EWIC Charging Methodology aim to align the documents with the approved HAR and Regional Annex. However, in order to do so, the following changes have been required:

### EWIC Access Rules

Version 4 of the EWIC Access Rules (the current version) will be replaced by transitional version 4.1, effective until I-SEM Go Live. Version 4.1 will not only reflect the move from the current rules on capacity allocation to the new arrangements but will also allow the rules and user agreements between EWIC and its customers to terminate at I-SEM Go Live. Furthermore, it will permit market participants to enter into user agreements with the Single Allocation Platform (SAP) in order to facilitate the allocation of financial transmission rights (FTRs).

Version 5 of the EWIC Access Rules will come into effect from I-SEM Go Live and will reflect the transition from Physical Transmission Rights (PTRs) to FTRs under the Harmonised Allocation Rules for long term transmission rights.

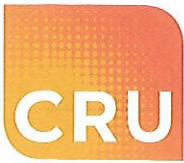
### EWIC Charging Methodology

From I-SEM Go Live, FTR charging arrangements will be incorporated within the HAR. Changes to the current version of the EWIC Charging Methodology will reflect this by referring to the EWIC Access Rules which, in turn, will refer to the HAR.

<sup>3</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1719&from=EN>

<sup>4</sup> [http://www.acer.europa.eu/Official\\_documents/Acts\\_of\\_the\\_Agency/Pages/Individual-decision.aspx](http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Pages/Individual-decision.aspx)

<sup>5</sup> <https://www.cru.ie/wp-content/uploads/2017/10/CRU17292-Decision-on-the-Regional-Specific-Annex-for-the-borders-Great-Britain-Ireland-and-Great-Britain-Northern-Ireland-SEM-GB.pdf>



EIL undertook a consultation on the EWIC Access Rules and EWIC Charging Methodology from 13 June 2017 to 11 July 2017 with one response being received. This respondent sought clarification on a number of matters but indicated that they were satisfied with the proposed drafting.

## Decision

We note that EIL consider the documents to fulfil the objectives of allocation and charging for interconnector capacity in an open, transparent and non-discriminatory manner and that the modifications align them with the HAR and IU Regional Annex.

The Commission has reviewed these proposals in line with the Commission's statutory duties and obligations and approves the:

- proposed transitional version of EWIC's Access Rules (Version 4.1);
- proposed modified version of EWIC's Access Rules (Version 5); and the
- proposed EWIC Charging Methodology.

## Next Steps

In accordance with this decision, EIL will be required to publish updated versions of the EWIC Access Rules and the EWIC Charging Methodology on its website.

If you have any queries regarding the information contained within this letter please contact [kportelli@cru.ie](mailto:kportelli@cru.ie).

Yours sincerely,

Laura Brien  
Director  
Energy Markets

cc: Karl Portelli