



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

05 March 2018

Our ref: D/18/3418

To whom it may concern,

Request for Amendment on Common Grid Model Methodology

On 03 July 2017 the Commission for Regulation of Utilities (CRU) received the Proposal for the Common Grid Model Methodology (CGMM) in accordance with Article 18 of EU Commission Regulation 2016/1719, establishing a guideline on Forward Capacity Allocation (FCA).

Background

Article 18 of the FCA Regulation outlines the necessity for all TSOs to develop a proposal for a CGMM for long-term time frames. This methodology is a key part of the drive towards a Common Grid Model under the FCA Regulation which establishes a framework for the calculation and allocation of interconnection capacity, and for cross-border trading, in forward markets.

In order for the capacity calculations to be accurate within the Common Grid Model, a common set of scenarios are necessary across all capacity calculation regions, as stipulated in Article 19(1) of the FCA Regulation.

The current EirGrid, and all TSO, proposal suggests that each capacity calculation region is allowed to develop its own set of scenarios. Whilst this approach is a means to deal with regional differences, it runs counter to the principles outlined above. Regional specificities can be addressed in the regional capacity calculation methodology as per Article 10 of the FCA Regulation. This issue will be elaborated further in the TSOs explanatory note of their response to this decision.

Decision

The CRU has reviewed this proposal in line with the requirement of the FCA, the wider requirements of Regulation (EC) 714/2009 and the CRU's statutory duties and obligations. Through close cooperation and coordination with all Regulatory Authorities, an amendment to the proposal has been requested to address the ambiguity around the implication that each capacity calculation region may develop its own set of scenarios.



An Coimisiún
um Rialáil Fóntas
Commission for
Regulation of Utilities

The CRU, and all Regulatory Authorities, request that TSOs amend their proposal on the CGMM by removing the indications which imply that each capacity calculation region may develop its own set of scenarios. The Regulatory Authorities agreement accompanying this decision letter and published on the CRU website, constitutes the rationale behind the CRU decision.

Next Steps

As the CRU, and all Regulatory Authorities, do not consider that the all TSO proposal meets the requirements of Regulation 2016/1719, EirGrid as the TSO Licence Holder in Ireland is requested to make the necessary amendments outlined above and resubmit it to the CRU within two months of this decision (07 May 2018).

If you have any queries regarding this decision or the all Regulatory Authorities agreement regarding the CGMM, please contact matasanova@cru.ie.

Yours sincerely,

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

Laura Brien
Director
Energy Markets