

Postbus 718, 6800 AS Arnhem, Nederland
Autoriteit Consument en Markt
T.a.v. de heer dr. F.J.H. Don
Postbus 16326
2500 BH DEN HAAG

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UW REFERENTIE
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BEHANDELD DOOR [REDACTED]
TELEFOON DIRECT [REDACTED]
E-MAIL [REDACTED]@tennet.eu

BETREFT Voorstel van Channel TSOs voor het regionale ontwerp van langetermijnrechten betreffende de transmissie op basis van artikel 31 van de Verordening (EU) 2016/1719 (GL FCA)

Geachte heer Don,

Hierbij ontvangt u het voorstel voor de langetermijnrechten betreffende de transmissie dat door de gezamenlijke Channel TSO's is opgesteld op basis van de Verordening (EU) 2016/1719 van 26 september 2016 tot vaststelling van richtsnoeren betreffende capaciteitstoewijzing op de langere termijn (afgekort: GL FCA):

- "Channel 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" d.d. 17 april 2017.

Bij het voorstel is een document gevoegd, waarin verantwoording wordt afgelegd over de verwerking van de resultaten van de raadpleging die overeenkomstig artikel 6 van de GL FCA is gehouden. Een bij het voorstel behorende Explanatory Note zal naar verwachting eind deze maand worden nagezonden.

Het voorstel bevat geen vertrouwelijke gegevens en kan integraal door u gepubliceerd worden. U wordt verzocht dit voorstel vast te stellen krachtens artikel 4, vijfde lid, van de GL FCA.

Hoogachtend,
TenneT TSO B.V.



Jan-Paul Dijckmans
Senior Manager Regulation NL

Channel 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

17th April 2017

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WHEREAS

- (1) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) within the Channel Capacity Calculation Region (“Channel 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 timeframes, 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 Annexes of this Products Proposal is subject to the approval of the National Regulatory Authorities (hereinafter referred to as “NRAs”) of the Channel CCR.
- (5) Reduction Periods of Offered Capacity and the rules related to this section within the Harmonised Allocation Rules on Forward Capacity Allocation (and any applicable border specific annexes) shall also apply within this Products 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 Channel CCR contributes to and does not in any way hinder the achievement of the objectives of Article 3 of 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 across Channel CCR bidding zone borders. A clearly defined list of long-term transmission rights provides a consistent product across a range of bidding zone borders and supports flexible range of options for cross-zonal hedging opportunities (objective 3a and 3f) on a non-discriminatory basis subject to them meeting market requirements for participation (objective 3c).
- (8) Although this Product Proposal is for the Channel CCR, it has been developed in coordination with the IU capacity calculation region TSOs as part of a joint Channel-IU working group.

GENERAL PROVISIONS

Article 1

Subject matter and scope

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

Article 2

Definitions

1. For the purpose of this proposal, the definitions in Article 2 of the FCA Regulation shall apply.
2. In addition, the following definitions shall apply
 - a. "Annual" means a product with a delivery period of twelve calendar months starting on 1st January and ending on 31st December of the same year.
 - b. "Seasonal" means a product with a delivery period of six calendar months with delivery:
 - i. Starting on 1st October and ending on 31st March of the following year; or
 - ii. Starting on 1st April and ending on 30th September of the same year.
 - c. "Quarterly" means a product with a delivery period of three calendar months with delivery:
 - i. Starting on 1st January and ending on 31st March; or
 - ii. Starting on 1st April and ending on 30th June; or
 - iii. Starting on 1st July and ending on 30th September; or
 - iv. Starting on 1st October and ending on 31st December.
 - d. "Monthly" means a product with a delivery period of one calendar month starting on the 1st day of the calendar month and ending on the last day of the same calendar month
 - e. "Weekly" means a product with a delivery period of five calendar days with the delivery period starting on Monday and ending on Friday of the same week.
 - f. "Easter Weekend" means a product with a delivery period of four calendar days starting on the Friday preceding Easter Sunday and ending on Easter Monday.
 - g. "Long Weekend" means a product with a delivery period of calendar three days starting on the Saturday preceding a Bank Holiday Monday and ending on the Bank Holiday Monday.
 - h. "Weekend" means a product with a delivery period of two calendar days with the delivery period starting on a Saturday and ending on a Sunday.

REGIONAL DESIGN OF LONG-TERM TRANSMISSION RIGHTS

Article 3

Bidding zone borders covered

1. The Bidding Zone borders covered by this Products Proposal are those covered in the Channel CCR as outlined in Annex 1.

Article 4
Type of long-term transmission rights

1. The type of long-term transmission rights offered on each bidding zone border of the Channel CCR for each day of delivery will be either:
 - a. Physical Transmission Rights (hereinafter referred to as 'PTRs') subject to the Use It Or Sell It (UIOSI) principle, or
 - b. Financial Transmission Rights - Options (hereinafter referred to as 'FTRs - Options'), and/or
 - c. Financial Transmission Rights - Obligations (hereinafter referred to as 'FTRs - Obligations').
2. The applicable type of long-term transmission rights on each Bidding Zone border are outlined within the Annex 1 of this Products Proposal.

Article 5
Forward capacity allocation time frames

1. Long term transmission rights for at least annual and monthly timeframes shall be offered on the Bidding Zone borders of the Channel CCR.
2. In addition to annual and monthly time frames, additional timeframes as defined in Article 2 of this Product Proposal may independently be offered on each Bidding Zone border of the Channel CCR.

Article 6
Form of product

1. The form of the long term transmission rights that may be offered on the Bidding Zone borders of the Channel CCR shall be one or more of the following; base load, peak load or off-peak load, and as outlined in Annex 1 of this Products Proposal.

MISCELLANEOUS

Article 7
Amendment

1. The amendment of this methodology will take place in accordance with Article 31 (7) to (10) of the FCA Regulation.
2. In the event that a TSO requests to amend the long term transmission rights offered on its respective bidding zone border, other TSOs on the respective bidding zone border cannot unreasonably withhold their support of initiating such a review.
3. For the avoidance of doubt, a TSO can only request an amendment to long term transmission rights for its respective bidding zone border.

Article 8
Implementation

1. The arrangements described in this Product Proposal shall be effective for the NL-GB Bidding Zone border from the date that Long Term Transmission Rights are issued by the Single Allocation Platform.
2. The arrangement described in this Product Proposal shall be effective for the FR-GB Bidding Zone border from the date of the approval of this Product Proposal.

3. The arrangements described in this Product Proposal shall be effective for the BE-GB Bidding Zone border at the date on which the first provisional auction specification for Long Term Transmission Rights auction is published.

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.

Annex 1
Bidding zone borders

1. A list of bidding zone borders to which this Product Proposal applies.

Bidding zone borders	Type of Products	Timeframes on bidding zone border	Form of Product
France – Great Britain (FR-GB)	Physical Transmission Rights	Annual Seasonal Quarterly Monthly Weekend	Base Load
Netherlands – Great Britain (NL-GB)	Physical Transmission Rights or Financial Transmission Rights-Options	Annual Seasonal Quarterly Monthly Weekly Easter Weekend Long Weekend Weekend	Base Load Peak Load Off Peak Load
Belgium – Great Britain (BE-GB)	Physical Transmission Rights	Annual Seasonal Quarterly Monthly Weekly Weekend	Base Load Peak Load Off Peak Load

Regional Design of Long-Term Transmission Rights Consultation Responses

The consultation on the regional design of long-term transmission rights was held from 8th February 2017 till 8th March 2017 in accordance with the Article 6 of the FCA Regulation. The table below shows the consultation responses by Market Participants.

Market Participants	Comments
ElectroRoute	<p>ElectroRoute welcomes the opportunity to respond to this consultation on the Channel 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.</p> <p>Optimization of Interconnectors has proven to be positive for the electricity social welfare across borders, and ElectroRoute believes that making Interconnector capacity as accessible as possible from any time frame perspective, as well as keeping product flexibility works towards that objective.</p> <p>Hence, ElectroRoute would like to propose the introduction of Weekly products on the IFA border, as well as Peak Load and Off Peak forms of product.</p> <p>Additionally, ElectroRoute has noticed that the future NEMO Link - Belgium-Great Britain border is mentioned in Annex 1, while its type of long-term transmission right (PTR, FTR-Option or FTR-Obligation) is not mentioned in Annex 1 of the allocation rules on forward capacity allocation. We would like to ask clarification on this point.</p>
RWE Supply & Trading GmbH	<p>We are supportive of the product forms and timeframes as listed by bidding zone in Annex 1 .</p>