

**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**

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## Contents

WHEREAS .....	3
GENERAL PROVISIONS .....	4
Article 1 Subject matter and scope .....	4
Article 2 Definitions .....	4
REGIONAL DESIGN OF LONG-TERM TRANSMISSION RIGHTS .....	4
Article 3 Bidding zone borders covered .....	4
Article 4 Type of long-term transmission rights .....	5
Article 5 Forward capacity allocation time frames .....	5
Article 6 Form of product .....	5
MISCELLANEOUS .....	5
Article 7 Amendment .....	5
Article 8 Implementation .....	6
Article 9 Language .....	6
Annex 1 Bidding zone borders .....	7

## 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**

2. For the purpose of this proposal, the definitions in Article 2 of the FCA Regulation shall apply.
3. In addition, the following definitions shall apply
  - a. "Annual" means forward capacity with a day of delivery starting on 1<sup>st</sup> January and ending on 31<sup>st</sup> December.
  - b. "Seasonal" means forward capacity starting and ending on either:
    - i. Winter – 1<sup>st</sup> October till 31<sup>st</sup> March inclusive; or
    - ii. Summer – 1<sup>st</sup> April till 30<sup>th</sup> September inclusive.
  - c. "Quarterly" means forward capacity starting and ending on either:
    - i. 1<sup>st</sup> January till 31<sup>st</sup> March inclusive; or
    - ii. 1<sup>st</sup> April till 30<sup>th</sup> June inclusive; or
    - iii. 1<sup>st</sup> July till 30<sup>th</sup> September inclusive; or
    - iv. 1<sup>st</sup> October till 31<sup>st</sup> December inclusive.
  - d. "Monthly" means forward capacity starting on the 1<sup>st</sup> day of a calendar month ending on the last day of the same calendar month.
  - e. "Weekly" means forward capacity starting on a Monday and ending on a Friday.
  - f. "Easter Weekend" means forward capacity including the Friday preceding Easter Sunday and ending on Easter Monday.
  - g. "Long Weekend" means forward capacity starting on the Saturday preceding a Bank Holiday Monday and including the Bank Holiday Monday.
  - h. "Weekend" means forward capacity 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.
2. Any reference to the word Bidding Zone Border may cover all interconnectors collectively or only one or a subset of interconnector(s) at this Bidding Zone Border as specified in Annex 1 of this Products Proposal.

## **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'), or
  - c. Financial Transmission Rights - Obligations (hereinafter referred to as 'FTRs - Obligations').
2. The applicable type of long-term transmission rights on each Interconnector are outlined within Annex 1 of the allocation rules on forward capacity allocation.
3. For the avoidance of doubt Article 31 (6) of the FCA Regulation is preventing different types of long-term transmission rights being allocated on a single interconnector for any overlapping delivery period on a bidding zone border.
4. However, different types of long-term transmission rights may be allocated on different interconnectors for an overlapping delivery period on a bidding zone border.

## **Article 5**

### **Forward capacity allocation time frames**

1. Relevant TSOs in the Channel CCR shall offer long-term transmission rights for at least annual and monthly time frames.
2. In addition to annual and monthly time frames, each TSO in the Channel CCR may independently offer one or more of the additional time frames as defined in Article 2 of this Products Proposal.
3. Additional timeframes are outlined in Annex 1 of this Product Proposal.
4. For the avoidance of doubt, a TSO operating one or more interconnectors may offer long-term transmission rights for different time frames on each interconnector.

## **Article 6**

### **Form of product**

Relevant TSOs in the Channel CCR shall offer long-term transmission rights in the form of any one or more of the following; base load, peak load or off-peak load as outlined in Annex 1 of this methodology.

## **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. The amendment of this methodology shall be triggered in readiness for a new Interconnector being commissioned within the Channel region.

3. In addition, a TSO can unilaterally trigger a review on its bidding zone border(s) if it considers that the current long-term transmission rights being offered do not support adequate cross zonal hedging opportunities.

### **Article 8**

#### **Implementation**

1. The arrangements described in this Product Proposal, shall be effective at the latest of the implementation of the Single Allocation Platform for relevant TSOs and on the date of the approval of this Product Proposal for IFA.

### **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 and/or their subset of Interconnectors to which the Product Proposal applies.

<b>Bidding zone borders</b>	<b>Timeframes on bidding zone border</b>	<b>Form of Product</b>
France – Great Britain (IFA) (FR-GB)	Annual Seasonal Quarterly Monthly Weekend	Base Load
Netherlands – Great Britain (BritNed) (NL-GB)	Annual Seasonal Quarterly Monthly Weekly Easter Weekend Long Weekend Weekend	Base Load Peak Load Off Peak Load
Belgium – Great Britain (NEMO Link) (BE-GB)*	Annual Seasonal Quarterly Monthly Weekly Weekend	Base Load Peak Load Off Peak Load