

**Amended 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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15th December 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).

## **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 1<sup>st</sup> January and ending on 31<sup>st</sup> December of the same year.
  - b. "Seasonal" means a product with a delivery period of six calendar months with delivery:
    - i. Starting on 1<sup>st</sup> October and ending on 31<sup>st</sup> March of the following year; or
    - ii. Starting on 1<sup>st</sup> April and ending on 30<sup>th</sup> September of the same year.
  - c. "Quarterly" means a product with a delivery period of three calendar months with delivery:
    - i. Starting on 1<sup>st</sup> January and ending on 31<sup>st</sup> March; or
    - ii. Starting on 1<sup>st</sup> April and ending on 30<sup>th</sup> June; or
    - iii. Starting on 1<sup>st</sup> July and ending on 30<sup>th</sup> September; or
    - iv. Starting on 1<sup>st</sup> October and ending on 31<sup>st</sup> December.
  - d. "Monthly" means a product with a delivery period of one calendar month starting on the 1<sup>st</sup> 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.

<b>Bidding zone borders</b>	<b>Type of Products</b>	<b>Timeframes on bidding zone border</b>	<b>Form of Product</b>
France – Great Britain (FR-GB)	Physical Transmission Rights	Annual Seasonal Quarterly Monthly Weekend	Base Load
Netherlands – Great Britain (NL-GB)	Physical Transmission Rights	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