

**Channel TSOs proposal for fallback procedures in  
accordance with Article 44 of the Commission Regulation  
(EU) 2015/1222 of 24 July 2015 establishing a Guideline on  
Capacity Allocation and Congestion Management**

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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 as defined in accordance with Article 15 of the CACM Regulation regarding the proposal for fallback procedures in the event that the single day-ahead coupling process is unable to produce results. This proposal is required by Article 44 of Regulation (EU) 2015/1222 on Capacity Allocation and Congestion Management (the “CACM Regulation”).
- (2) Although this proposal is for the Channel region, it has been developed in coordination with the IU region TSOs as part of a joint Channel-IU working group.
- (3) Article 9 (9) of the CACM Regulation requires that the expected impact of the proposed fallback procedures on the objectives of the CACM Regulation is described. The proposed fallback procedures across the Channel region contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. The impact is presented below, points 4 to 6 of this Whereas section.
- (4) The proposed fallback procedures provide additional measures that can be initiated to ensure the cross border capacity can be provided to the market in the event that the day-ahead coupling process is unable to produce results. This promotes effective competition in the generation, trading and supply of electricity (objective 3a) by ensuring access to cross border capacity and optimal use of transmission infrastructure (objective 3b) as transmission infrastructure will continue to be used in the event of market coupling results not being produced.
- (5) Transparent fallback arrangements that are harmonised where possible also ensure fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants (objective 3e). These transparent arrangements facilitate fair and orderly market and fair and orderly price formation (objective 3h) by facilitating continued access to cross zonal capacity through additional auctions and provide non-discriminatory access to cross-zonal capacity (objective 3j).
- (6) The fallback arrangements do not hinder multiple NEMOs within a bidding zone. Therefore the fallback proposal is compatible with objective 3i of the CACM Regulation, ensuring a level playing field amongst NEMOs.

## **GENERAL PROVISIONS**

### **Article 1**

#### **Subject matter and scope**

1. As required under Article 44 of the CACM Regulation, each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a proposal for robust and timely fallback procedures to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.

### **Article 2**

#### **Definitions**

1. For the purpose of this proposal, the definitions in Article 2 of the CACM Regulation shall apply.
2. In addition, the following definitions shall apply:
  - a. 'BritNed' means BritNed Development Limited
  - b. 'IFA' means Interconnexion France Angleterre, jointly owned and operated by NGIC and RTE
  - c. 'NGIC' means National Grid Interconnectors Limited, co-owner of IFA
  - d. 'RTE' means Réseau de Transport d'Electricité, the French system operator and co-owner of IFA

## **BRITNED DAY-AHEAD FALLBACK PROCEDURES**

### **Article 3**

#### **Auction Rules**

1. BritNed publishes its Access Rules for daily (implicit and explicit) and intraday auctions on its website<sup>1</sup>. These Access Rules are approved by the respective National Regulatory Authorities of Great Britain and The Netherlands.

### **Article 4**

#### **Explicit Daily Auctions**

1. In the event that the single day-ahead coupling process is unable to produce results in respect of the GB-NL border, BritNed will initiate the fallback procedure and run an explicit daily auction in each direction via its auction tool.
2. Explicit daily auctions can be held seven days a week, including weekend and public holidays, provided that the offered capacity for the respective direction is at least one unit.
3. The auction specification of a daily explicit auction for the day of delivery will be published by BritNed in advance and include:
  - a. the code identifying the auction in the auction tool;
  - b. type of transmission rights (e.g. physical transmission rights);
  - c. category of unit (e.g. daily, intraday);
  - d. form of product (e.g. base, peak, off-peak);
  - e. identification of the direction covered which will either be "GB to NL or "NL to GB";

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<sup>1</sup> BritNed Access Rules and Regulatory Information  
<http://www.britned.com/Participants%20portal/Key%20links%20and%20documents/Regulation%20forms>

- f. the product period;
- g. Reduction period(s) associated with the product period when applicable;
- h. the bidding period;
- i. the deadline for the publication of the final auction results;
- j. the offered capacity; and
- k. any other relevant information or terms applicable to the product or the auction.

## **Article 5**

### **Timings**

1. When initiating the fallback procedure for day of delivery (D), BritNed will :
  - a. publish an auction specification no later than 09:35 on the day preceding D (D-1);
  - b. open auction no later than 09:50 on D-1;
  - c. close auction no later than 10:15 on D-1;
  - d. publish preliminary auction results no later than 10:20 on D-1;
  - e. publish final auction results no later than 10:40 on D-1;
  - f. open nomination gate no later than 12:30 on D-1;
  - g. close nomination gate no later than 13:30 on D-1; and
  - h. publish any other relevant information determined by BritNed.
2. If the fallback procedure for D is not initiated before 09:00 on D-1, the daily offered capacity will be allocated to the subsequent relevant intraday auctions and the timings above will not apply.

## **Article 6**

### **Fallback procedures unable to be initiated**

1. If the fallback procedure cannot be implemented to enable an explicit daily auction to be conducted, the explicit daily auction will be deferred or cancelled. BritNed will make the decision to defer or cancel the explicit daily auction based on objective grounds which consist of but are not limited to:
  - a. the fallback procedures not being initiated before 09:00 on D-1;
  - b. the auction tool has a technical issue preventing its use; or
  - c. systems which the auction tool relies on have a technical issue preventing their use.
2. If the auction is cancelled, bids already submitted will be cancelled.
3. If the auction tool or systems in which the auction tool relies, has a technical issue preventing its use, BritNed may allocate the units using a procedure for conducting the daily explicit auctions by email or fax to be specified by BritNed.
4. When an implicit daily auction is cancelled and the associated fallback explicit daily auction is also cancelled, the daily offered capacity is allocated to the subsequent relevant intraday auctions.

## **IFA DAY-AHEAD FALLBACK PROCEDURES**

### **Article 7 Auction Rules**

1. IFA operators publish Access Rules for daily (implicit and explicit) and intraday auctions on its website<sup>2</sup>. These Access Rules are approved by the respective National Regulatory Authorities of Great Britain and France.

### **Article 8 Explicit Daily Auctions**

1. In the event that the single day-ahead coupling process is unable to produce results in respect of the GB-FR border, IFA operators will initiate the fallback procedure and run an explicit daily auction in each direction via its auction tool.
2. Explicit daily auctions can be held seven days a week, including weekend and public holidays, provided that the offered capacity for the respective direction is at least one unit.
3. The auction specification of a daily explicit auction for the day of delivery will be published by IFA operators in advance and include:
  - a. the code identifying the auction in the auction tool;
  - b. type of interconnector capacity rights (e.g. physical transmission rights);
  - c. relevant Timescale (e.g. daily, intraday);
  - d. form of product (e.g. base, peak, off-peak);
  - e. identification of the direction covered which will either be “England to France” or “France to England”;
  - f. the product period;
  - g. Reduction period(s) associated with the product period when applicable;
  - h. the bidding period;
  - i. the deadline for the publication of the final auction results;
  - j. the offered capacity; and
  - k. any other relevant information or terms applicable to the product or the auction.

### **Article 9 Timings**

1. An explicit daily auction may be invoked during the implicit daily auction window if an incident occurs during that window, or prior to the implicit daily auction window, if it is known in advance that the implicit daily auction will be unavailable.
2. Where the fallback procedure is initiated prior to the implicit daily auction window, IFA operators will:
  - a. Publish Auction specification no later than 09:35 on the day preceding D (D-1);
  - b. Open auction no later than 09:40 on D-1;
  - c. Close auction no later than 10:00 on D-1;

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<sup>2</sup> RTE website - [http://clients.rte-france.com/lang/fr/clients traders fournisseurs/services\\_clients/inter\\_france\\_angleterre.jsp](http://clients.rte-france.com/lang/fr/clients%20traders%20fournisseurs/services_clients/inter_france_angleterre.jsp)

NGIC website - <http://www2.nationalgrid.com/About-us/European-business-development/Interconnectors/France/Documentation/>

- d. Publish final auction results no later than 10:20 on D-1;
  - e. Open nomination gate no later than 12:05 on D-1;
  - f. Close nomination gate no later than 14:00 on D-1; and
  - g. Publish any other relevant information, as determined by IFA operators.
3. Where the fallback procedure is initiated during the implicit daily auction window, IFA operators will:
- a. Publish Auction specification no later than 14:00 on the day preceding D (D-1);
  - b. Open auction no later than 5 minutes after the auction specification is published;
  - c. Close auction no later than 20 minutes after the auction is opened (or at any other time as specified by the operators, provided that there will be a minimum bidding period of 10 minutes);
  - d. Publish final auction results once the explicit daily auction is closed and the implicit daily auction is declared unavailable;
  - e. Open nomination gate no later 20 minutes after the publishing of the final auction results;
  - f. Close nomination gate up to a latest daily gate closure of 15:30 on D-1 (or at any other time specified in advance by the IFA operators); and
  - g. Publish any other relevant information, as determined by IFA operators.

## **Article 10**

### **Fallback procedures unable to be initiated**

1. If the fallback procedure cannot be implemented to enable an explicit daily auction to be conducted, the explicit daily auction will be deferred or cancelled. IFA operators will make the decision to defer or cancel the explicit daily auction based on objective grounds which consist of but are not limited to:
  - a. the auction tool has a technical issue preventing its use; or
  - b. systems which the auction tool relies on have a technical issue preventing their use.
2. If the auction is cancelled, bids already submitted will be cancelled.
3. If the auction tool or systems in which the auction tool relies, has a technical issue preventing its use, IFA operators may allocate the units using a procedure for conducting the daily explicit auctions by email or fax to be specified by IFA operators.
4. When an implicit daily auction is cancelled and the associated fallback explicit daily auction is also cancelled, the daily offered capacity is allocated to the subsequent relevant intraday auctions.

## **FUTURE SOLUTION**

## **Article 11**

### **New auction tool**

1. The TSOs shall jointly organize the fallback procedure via a common platform in the event that the single day-ahead coupling process is unable to produce results as required by CACM Article 44, thereby replacing the solutions in place on IFA and BritNed that facilitate Articles 3 to 10.
2. All TSOs will consult the relevant fallback procedures under the common platform in accordance with Article 12 of the CACM Regulation.

## **FINAL PROVISIONS**

### **Article 12 Implementation**

1. The arrangements described in Articles 3 to 10 shall be implemented with immediate effect upon approval of this methodology.
2. The arrangements described in Article 11 shall be implemented no later than 24 months after the approval of this methodology.

### **Article 13 Language**

1. The reference language for this fallback procedure shall be English. For the avoidance of doubt, where TSOs need to translate this fallback procedure into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 9 (14) of the CACM 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 fallback procedure.