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for energy consumers

All interested parties,
stakeholders in GB and beyond,
and other regulatory bodies.

Email: Leonardo.Costa@ofgem.gov.uk

Date: 23 July 2020

Dear colleagues,

Decision to approve the regional operational security coordination methodology for the Channel capacity calculation region.

On 18 December we¹ received a proposal from the Transmission System Operators (TSOs) of the Channel capacity calculation region (CCR) for a regional operational security coordination (ROSC) methodology. This submission is in accordance with Article 76 and 77 of the Commission Regulation (EU) 2017/1485² establishing a guideline on electricity transmission system operation (the SOGL Regulation).

This letter sets out our decision to approve the ROSC methodology for the Channel CCR in line with the agreement from Channel Regulatory Authorities attached in an annex to this letter. This letter furthermore outlines the necessary next steps that must be taken.

¹ The terms “we”, “us”, “our”, “Ofgem” and “the “Authority” are used interchangeably in this document and refer to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

² Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation. The SOGL Regulation came into force on 14 September 2017. The Regulation can be accessed at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1485&from=EN>

Background

In accordance with Articles 76 and 77 of the SOGL Regulation, TSOs in a CCR must jointly develop a proposal for ROSC for that CCR. This proposal is applicable to TSOs and Regional Security Coordinators (RSCs) of that CCR.³ The proposal must respect the methodology developed for coordinating operational security analysis developed in accordance with Article 75(1) of the SOGL Regulation. The proposal must also complement, where necessary, the methodologies developed in accordance with Articles 35 and 74 of Commission Regulation (EU) 2015/1222⁴ establishing a guideline on capacity allocation and congestion management (the CACM Regulation).

The Channel ROSC methodology focuses on identification of any remedial actions necessary to address operational violations. The process described in the Channel ROSC methodology consists of three main stages:

- 1) Submission of data inputs from the TSOs to the RSC for the coordinated regional operational security assessment (CROSA);
- 2) The coordination process, including the validation and logging of remedial actions by the RSC; and
- 3) Implementation of remedial actions by TSOs in coordination with the RSC.

This process will occur once at the day-ahead timeframe and a minimum of three times at the intraday timeframe.

The Channel ROSC methodology includes a timeline for its implementation following the approval of the Channel Regulatory Authorities.⁵ This methodology proposes a stepwise implementation which is consistent with the implementation of the methodologies detailed in Articles 35 and 74 of the CACM Regulation.

Article 6(7) of the SOGL Regulation requires Channel Regulatory Authorities to consult, closely cooperate and coordinate with each other in order to reach agreement and make decisions concerning the proposed methodology within six months following receipt of the submission by the last relevant Regulatory Authority concerned. The last Channel Regulatory Authority received the proposal on 24 January 2020, a national decision is therefore required by 24 July 2020.

³ For the Channel CCR, the applicable TSOs are Elia, National Grid ESO, RTE and TenneT. The Channel TSOs have appointed Coreso and TSCNET as the RSCs.

⁴ Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management. The CACM Regulation came into force 25 July 2015. The regulation can be accessed at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1222&from=EN>

⁵ Channel Regulatory Authorities are ACM, CRE, CREG and Ofgem.

Decision

We have reviewed the proposal submitted to us in line with the requirements of the SOGL Regulation, the wider objectives of the Regulation (EU) 2019/943⁶, and our statutory duties and obligations.

As required by Article 6(7) of the SOGL Regulation, we have consulted, closely cooperated and coordinated with the other concerned Regulatory Authorities in order to reach an agreement on the settlement rules for intended energy exchanges. The agreement is attached as an annex to this decision letter and constitutes the reasons for our decision.

In line with this agreement, we hereby adopt the decision to approve the Channel CCR TSO's proposal for the ROSC methodology.

Decision not to undertake an Impact Assessment

We have not undertaken an impact assessment for this proposal. This is because the adoption of the methodology is a requirement of the SOGL Regulation, which has been subject to its own impact assessment.⁷ Moreover, we consider that the proposal does not constitute a significant change to existing GB requirements and arrangements as these new processes refine security assessments that are already performed by TSOs to ensure system security. Moreover, TSOs retain the ability to evaluate the RSC identified remedial action and continue to be able to implement a different remedial action, if necessary, after following the process set out in the SOGL regulation.

Next Steps

In accordance with Article 8 of the SOGL Regulation, the relevant TSOs shall publish on the internet the approved ROSC methodology for the Channel CCR.

In accordance with the request in the Channel Regulatory Authorities agreement, the relevant TSOs shall i) provide the Channel Regulatory Authorities with an update on the progress of implementing the ROSC methodology every 6 months and ii) perform a review of the Channel ROSC methodology, in parallel to the already foreseen amendments, in view to further clarify and elaborate some elements of the methodology within 12 months following the approval of the methodology.

⁶ Regulation (EU) 2019/943 on the internal market for electricity (recast) can be accessed here: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0943&from=EN>

⁷ Impact assessment accessible here:

https://ec.europa.eu/transparency/regcomitology/index.cfm?do=search.documentdetail&Dos_ID=11963&DS_ID=42429&Version=1

If you have any queries regarding the information contained within this letter or the annexed agreement, please contact Chris Statham (Christopher.Statham@ofgem.gov.uk).

Yours faithfully,

Leonardo Costa

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