



Department for  
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Dear Colleague

For Member States with more than one Transmission System Operator (TSO), Article 4(2) and (3) of Commission Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation (FCA) requires the Member State to allocate the voting powers among the relevant TSOs. Our joint letter of 16 February set out our proposed mechanism for allocating the UK vote.

Following consultation, we are now writing to confirm our final decision.

Decision

As outlined in our joint letter of 16 February, the following two part mechanism is to be followed by all operational TSOs who have been assigned responsibilities by the relevant regulator to determine how the UK vote is to be exercised, depending on the circumstances applying to a particular decision:

1. The way in which the UK vote is to be exercised is to be agreed by at least 50% of those TSOs who:
  - a. have been allocated responsibility for a task under FCA; and
  - b. who participate in the vote to decide how the vote is to be exercised—abstentions will not be counted;

Each TSO gets only one vote whether it has been allocated responsibility in GB, in Northern Ireland, or in both jurisdictions;



- 2a) For decisions in which either SONI or NGET (which have system operator responsibilities in Northern Ireland and GB respectively) have been allocated responsibility under FCA, that organisation must be counted within the 50% or more of TSOs which agree; **OR**
- 2b) For decisions in which both SONI and NGET have been allocated responsibility under FCA, both of those organisations must be counted within the 50% or more of TSOs which agree.

The following conditions will apply:

- SONI and NGET will confirm with Ofgem, UR and industry participants the procedures they wish to use for administering a vote;
- The TSOs that will formally be engaged in making each decision will be different for different tasks under FCA. Ofgem and UR have set out the responsibilities of each TSO. A TSO will be formally engaged in determining the vote on each decision if the relevant regulator has specified that it has responsibility for that task under FCA;
- The exercise of voting rights under the UK mechanism will be a matter of public record so that stakeholders can be aware of the formal position that TSOs take in decisions. Formal voting will therefore be recorded and made public through the website of the Joint European Stakeholder Group.
- We expect that TSOs will be able to reach agreement using this mechanism but will keep under review whether it is necessary to introduce a resolution mechanism. Where necessary, BEIS and the Department for the Economy will act jointly to amend the mechanism to address this or any other issues that arise. Where possible, we would give notice of any changes and appropriate opportunities for interested parties to comment.

Yours Faithfully,

Joe Parsons, BEIS

Bill Stevenson, DfE