



Consultation Paper

EIRGRID EAST WEST INTERCONNECTOR

&

MOYLE INTERCONNECTOR

Access Rules and Charging Methodology

Date: 20.04.2015

Introduction:

EirGrid Interconnector Limited (EIL) and Moyle Interconnector Ltd (MIL) seek to consult on the Access Rules and Charging Methodology of the East West Interconnector (EWIC) and the Moyle Interconnector (Moyle). This consultation is as per rule A4 of the existing East West Interconnector Access Rules and Condition 20 of the CER Electricity Interconnector Operator licence and Conditions 10 and 11a of the Ofgem Electricity Interconnector licence issued to EIL; and per rule A4 of the existing Moyle Interconnector Access Rules and Condition 17 of the Moyle Interconnector Transmission Licence issued by NIAUR and Conditions 10 and 11a of the Electricity Interconnector licence issued by Ofgem to MIL.

Purpose of this consultation:

The purpose of this consultation is to invite the views of interested parties on the continued applicability of the existing Moyle and East West Interconnector Access Rules.

The interconnector owners are also using this consultation to advise interested parties of their intention to adopt new Harmonised Allocation Rules for allocations of Financial Transmission Rights in the new I-SEM¹

Overview:

The Access Rules and Charging Methodology of the East West Interconnector and Moyle Interconnector govern the allocation of interconnector capacity rights as well as setting out more general terms of use. The objective of these documents is to ensure allocation and charging for interconnector capacity is open, transparent and non-discriminatory.

The Network Code on Forward Capacity Allocation (NC FCA), whilst still in development, proposes the establishment of a single platform for the allocation of Long Term Transmission Rights on a harmonised basis throughout the EU, together with a single set of Harmonised Allocation Rules (HAR). The European Network of Transmission System Operators for Electricity (ENTSO-E) has been asked by the Agency for the Cooperation of Energy Regulators (ACER) to develop the HAR for Forward Capacity Allocation, in advance of the NC FCA coming into force. ENTSO-E consulted² on a draft version of the HAR in March 2015 on the understanding that should the NC FCA be amended further then the HAR will be subject to the associated amendments when approved by the relevant National Regulatory Authorities (NRAs). The comitology process for NC FCA is expected to be progressed further this year, and is likely to come into force in 2016.

¹ I-SEM is the name given to the project to redesign the single electricity market on the island of Ireland in order to implement the European target model for electricity. The European target model is set out in the Framework Guideline on Capacity Allocation and Congestion Management for Electricity (CACM FG) published by ACER in July 2011.

² ENTSO-E Consultation – Harmonised Allocation Rules: https://consultations.entsoe.eu/markets/fca-harmonisation-of-allocation-rules/consult_view

In line with the NC FCA, the HAR sets out the rules for long term capacity allocation. Where a particular border cannot adopt any particular aspect of the HAR then it is an accepted principle that a local variation to the HAR may be possible, subject to approval by the relevant NRAs.

EIL and MIL submitted a SEM-GB border specific annex for inclusion in the ENTSO-E consultation on the HAR in March 2015. The SEM-GB border specific annex specified that the HAR would apply to the allocation of long term transmission rights with a product period beginning on or after the go-live date of the I-SEM subject to the rules in the annex. I-SEM go-live will see the all-island market on the island of Ireland aligning with the European Target Model including the introduction of market coupling between I-SEM and GB. This is viewed as an appropriate time to introduce the HAR for allocation of cross border capacity between the I-SEM and GB electricity markets as the electricity market of the island of Ireland will become more aligned with the rest of Europe. A small number of amendments to the HAR were included in the SEM-GB border specific annex.

Prior to I-SEM go-live it is proposed that long term, daily and intra-day capacity allocations will be governed by the existing East West Interconnector and Moyle Interconnector Access Rules respectively.

Subject to responses received during this consultation, EIL and MIL will seek approval for the Access Rules and Charging Methodology from the relevant NRAs: CER, NIAUR and Ofgem. In parallel with this process, EIL and MIL will seek approval from CER, NIAUR and Ofgem for the HAR and the SEM-GB border specific annex to the HAR, following the ENTSO-E consultation referred to above, to apply to the allocation of long term transmission rights with a product period beginning on or after I-SEM go-live.

Proposed Changes:

EIL and MIL have reviewed the current versions of the Access Rules and Charging Methodology and believe that the objectives of allocation and charging for interconnector capacity in an open, transparent and non-discriminatory manner are achieved by the current Access Rules and Charging Methodology and therefore do not propose to make any changes to these documents. Comments are welcome in response to this consultation on the current versions of the Access Rules and Charging Methodology.

Links to Access Rules and Charging Methodology:

<http://www.eirgrid.com/eastwest/ewicpublications/>

<http://www.mutual-energy.com/electricity-business/moyle-interconnector/access-arrangements/>

Interested parties are also invited to comment on the interconnector owners' proposal to adopt the HAR from I-SEM go-live.

Target Audience:

This consultation paper is addressed, where relevant, to members of the public, the energy industry, customers, and all interested parties in Ireland, Northern Ireland, Great Britain and Member States.

Responding to this consultation:

Responses should be received by **5 p.m. on Wednesday 20th May 2015** and should be sent to:

Peter Lantry
EirGrid
Block 2, The Oval
160 Shelbourne Road
Ballsbridge
Dublin 4
Email: EastWestInterconnector@eirgrid.com

and

Paul McGuckin
Mutual Energy
First Floor The Arena Building
85 Ormeau Road
Belfast
BT7 1SH
Email: paul.mcguckin@mutual-energy.com

Unless marked confidential, all responses will be published in a report on the East West Interconnector and Mutual Energy websites respectively at www.eirgrid.com/eastwest and www.mutual-energy.com. Respondents who wish to have their responses remain confidential should clearly mark their response to this effect and include reasons for confidentiality. All responses, including those marked as confidential, will be forwarded to the relevant NRAs for review.

Invitation to User Forum:

As per rule A2.5 of both the Moyle and EWIC Access Rules, MIL and EIL would like to invite interested parties to a User Forum to discuss future auctions and commercial and operational aspects in relation to the interconnectors. The User Forum will take place on the morning of 6th May 2015 at the Hilton Hotel, 4 Lanyon Place, Belfast BT1 3LP and a full agenda will be published in advance.

Please notify your intention to attend this User Forum by close of business Friday 1st May 2015 to: roisin.clarke@mutual-energy.com.