Nomination Rules for Physical Transmission Rights for the bidding zone border France - Spain in accordance with Article 36 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation

Proposal from REE and RTE presented to relevant NRAs for their approval

12 October 2017

RTE and REE, Transmission System Operators (TSOs) of the bidding zone border France – Spain (hereafter referred to as FR – ES), taking into account the following,

Whereas

(1) This document is the common proposal developed by the Transmission System Operators of the bidding zone border France - Spain (hereafter referred to as TSOs) for Nomination Rules for physical transmission rights (hereafter referred to as the Proposal) in accordance with Article 36 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the FCA Regulation).

(2) Article 31 of the FCA Regulation foresees that long-term cross-zonal capacity shall be allocated to market participants in the form of physical transmission rights (PTRs) pursuant to the Use it or Sell it (UIOSI) principle or in the form of Financial Transmission Rights (FTRs) — options or FTRs — obligations. This Proposal only applies to the physical transmission rights acquired in forward capacity allocation. It lays down the rules for Nomination of physical transmission rights for the bidding zone border France – Spain.

(3) In accordance with Article 36(2) of the FCA Regulation, this Proposal is subject to consultation. Article 6 of the FCA Regulation requires that proposals submitted at bilateral or at multilateral level shall be consulted at least by the Member States concerned and that the consultation shall last for a period not less than one month. Accordingly, this Proposal was consulted from 27th June 2017 until 18th August 2017.

(4) This Proposal is submitted for the approval of the relevant National Regulatory Authorities (hereafter referred to as the NRAs) of the bidding zone border FR-ES.

(5) Where these Nomination Rules refer to national rules, the national rules are on the TSO’s website.

(6) TSOs on the bidding zone border FR-ES consider that the FCA Regulation allows the submission of this Proposal on bidding zone border level, since proposals for Nomination Rules for electricity Scheduled Exchanges between bidding zones are not listed in Article 4 of the FCA Regulation in force. They acknowledge that Article 36(3) of the FCA Regulation requires all TSOs to progressively harmonise the Nomination Rules on all bidding zone borders on which physical transmission rights are applied. TSOs therefore undertake to progressively examine the potential and the need for harmonisation of these rules, taking into account their technical nature.

(7) This Proposal contributes to the achievement of the objectives of Article 3 of the FCA Regulation. In particular, this Proposal serves the aim of promoting effective long-term cross-zonal trade with long-term hedging opportunities for market participants giving a transparent framework for the Nomination Rules for Physical Transmission Rights.

(8) This Proposal contributes to the provision of non-discriminatory access to long-term cross-zonal capacity by detailing the process of nominating the physical transmission rights already allocated in the long-term auctions (or the process of transferring those rights in accordance with Article 44 of the FCA Regulation).

(9) Furthermore, this Proposal ensures fair and non-discriminatory treatment of all involved parties, as it sets rules to be applied by all parties.

(10) Regarding the objective of transparency and reliability of information on forward capacity allocation, this Proposal includes provisions on the necessary exchange of information between the holder of the transmission rights and the nomination platform used for executing the Nomination.

(11) In conclusion, this Proposal contributes to the general objectives of the FCA Regulation to the benefit of all market participants and electricity end consumers.
Title 1
General provisions

Article 1
Subject matter and scope

1. This document describes the provisions governing Nomination Rules on France-Spain bidding zone border in terms of:
   - Entitlement of a physical transmission rights holder to nominate electricity Scheduled Exchanges;
   - Minimum technical requirement to nominate;
   - Description of the Nomination process;
   - Nomination timings;
   - Format and communication.

2. This document only contains rules and provisions related to the Nomination of long term physical transmission rights.

3. Forward capacity allocation on the bidding zone border FR-ES takes place through joint explicit allocation of physical transmission rights through auctions in accordance with harmonised allocation rules for long-term transmission rights developed as per Article 51 of the FCA Regulation (hereafter Allocation Rules), and the proposal for design of Long Term Transmission Rights in accordance with Article 31 of the FCA Regulation (hereafter Long Term Rights Design).

4. This document contains the terms and conditions for the Nomination of long-term physical transmission rights on the bidding zone border FR-ES.

5. In accordance with the FCA Regulation and the Allocation Rules and Long Term Rights Design, this document shall bind the holders of physical transmission rights, their counterparties, where applicable, and eligible parties acting on their behalf.

Article 2
Definitions and interpretation


2. In addition, the following definitions shall apply:
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(a) ‘ECAN’ means the ENTSO-E standard protocol for Capacity Allocation and Nomination system;
(b) ‘HTTPS’ means HyperText Transfer Protocol over Secure Socket Layer;
(c) ‘PTRs’ means physical transmission rights as defined in the Allocation Rules and Long Term Rights Design;
(d) ‘RTE’ means Réseau de Transport d’Electricité, the French system operator;
(e) ‘REE’ means Red Eléctrica de España, the Spanish system operator;
(f) ‘XML’ means the Extensible Markup Language.
(g) ‘IS Rules’ means applicable Information System Rules for the Nomination in RTE

Article 3
Effective date and application
These Nomination Rules shall enter into force in accordance with the applicable national regulatory regimes. Once approved by the relevant NRAs, they shall be applicable to the PTRs with a delivery date starting from the date agreed by both TSOs but no later than one month after the approval of all the relevant national regulations. This date will be published by TSOs of the bidding zone border FR-ES on their websites and informed in advance to market participants.

TITLE 2
Nomination rules

Article 4
Entitlement to nominate electricity Scheduled Exchanges
1. In order to Nominate physical transmission rights to REE, the holders of PTRs and/or their counterparts and eligible parties acting on their behalf must be market participants in the Spanish Market and must be also owners of dedicated Programming Units associated to the FR-ES border.
2. In order to Nominate physical transmission rights to RTE, the holders of PTRs must be holder of a Balance Responsibility Contract agreed with RTE and a signer of the French Import/Export Rules in their last applicable version.

Article 5
Minimum technical requirements to nominate
3. The nomination tool of REE is a web-based application, therefore the minimum technical requirement to nominate to REE is to have an internet access, a specific certificate provided by REE and a supported browser. The nomination tool gives the possibility to communicate also through a web services connection.
4. In order to Nominate its physical transmission rights to RTE, the holders of PTRs access the RTE Information System and use the applications made available to them under the conditions defined by RTE in the IS Rules.
5. The nomination tool of RTE is a web-based application, therefore the minimum technical requirements to nominate to RTE is to have an internet access, a specific certificate provided by RTE and a compatible version of Internet Explorer or Firefox.

Article 6
Description of the nomination process

1. The PTRs must be Nominated to both TSOs.
2. For the PTRs allocated in direction from France to Spain, the Nomination to RTE has to be submitted by the holders of PTRs, according to modalities described in the IS Rules.
3. For the PTRs allocated in direction from France to Spain, the Nomination to REE has to be submitted by the holders of PTRs or by the eligible persons acting on their behalf, according to the Spanish Operational Procedure 3.1.
4. For the PTRs allocated in direction from Spain to France, the Nomination to RTE has to be submitted by the holders of PTRs, according to the IS Rules.
5. For the PTRs allocated in direction from Spain to France, the Nomination to REE has to be submitted by the holders of PTRs or by the eligible persons acting on their behalf, according to the Spanish Operational Procedure 3.1.
6. As defined in the Allocation Rules, the Single Allocation Platform notifies the Rights Document related to the long term PTRs, to the person eligible to nominate.
7. Where the Nomination submitted exceeds the volume of its allocated rights, as indicated in the Rights Documents, the submission will be rejected.
8. Where the Nomination gate is cancelled, Nomination submitted will not be considered and all PTRs will be treated as non nominated PTRs. The holders of PTRs will be compensated in accordance with applicable Allocation Rules as defined in Article 51 of FCA regulation.

Article 7
Nomination timings

1. Nominations shall be sent to both TSOs for both directions by 8:30 CE(S)T of the day preceding the delivery day.
2. The Single Allocation Platform shall publish information on its website on the Nomination deadline related to the Nomination of long term PTR. In case of any discrepancy between the deadline published by the Single Allocation Platform and those of this valid and legally binding Nomination Rules, the latter shall prevail and the Single Allocation Platform shall not be held liable for any damaged due to such a discrepancy.
Article 8

Format of nomination and communication

1. The Nomination tool of REE supports two ways of communication:

   (a) web form interface;

   (b) web services communication of XML files through secure standard protocol HTTPS.

   The format XML file is defined by XSD schemas available on the web site of REE, which make possible to validate semantics of a XML message. The structure is based on relevant standards promoted by the ENTSO-e.

2. The nomination tool of RTE supports two ways of communication. Nominations can be:

   (a) Uploaded manually or by email;

   (b) Or entered on the web form interface.

   The format XML file is defined by XSD schemas available on the web site of RTE, which make possible to validate semantics of a XML message. The structure is based on the ECAN standard provided by ENTSO-e.

TITLE 3

Miscellaneous

1. For any matter related to PTRs Nomination not included in the present document, the following documents shall be valid:

   a) For Nomination to REE: Spanish Operational Procedure 3.1;

   b) For Nomination to RTE: French Import/Export Rules in their last applicable version.

Article 9

Amendment of the Nomination Rules

Any change of the Spanish Operational Procedure 3.1 or of the French Import/Export Rules related to nomination of PTRs shall lead to an amendment of the present Nomination Rules.

Article 10

Language

The reference language for this Nomination Rules shall be English. For the avoidance of doubt, where TSOs need to translate this Nomination Rules 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 TSO shall, in accordance with national legislation, provide the relevant NRA with an updated translation of the Nomination Rules.