
**Regional Specific Annex for CCR South West Europe to the
Harmonised Allocation Rules for long-term transmission
rights in accordance with Article 52 of Commission Regulation
(EU) 2016/1719 of 26 September 2016 establishing a Guideline
on Forward Capacity Allocation**

10 April 2017

All TSOs of the CCR South West Europe, taking into account the following,

Whereas

- (1) This document is the common proposal developed by the Transmission System Operators of the CCR South West Europe (hereafter referred to as “TSOs”) as defined in the decision No 06/2016 of the Agency for the Cooperation of Energy Regulators of 17 November 2016 pursuant to Article 15(1) of the Commission Regulation (EU) 2015/1222.
- (2) This common proposal sets out specific requirements applicable to the CCR SWE at regional and bidding zone border level pursuant to Article 52(3) of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “FCA Regulation”).
- (3) This document constitutes an Annex to the proposal of the harmonised allocation rules for long-term transmission rights on EU level (hereafter referred to as “**HAR**”) in accordance with Article 51 of the FCA Regulation.
- (4) This proposal includes the following titles:
 - a. The first title covers general provisions of the proposal;
 - b. The second title addresses the applicability of a cap on compensations for curtailments in accordance with Article 59 of the HAR;
 - c. The third title details further regional or bidding zone border specificities applicable to the CCR SWE in accordance with Article 52(3) of the FCA Regulation.
- (5) In accordance with Article 6 of the FCA Regulation, proposals at regional level should be submitted to consultation at least at regional level. Accordingly, the provisions in relation to the applicability of the cap were consulted together with the main body of the HAR proposal (as part of the former Annex 1 of that proposal) for a period of not less than a month (namely 16 January until 17 February 2017). The other regional or bidding zone border specific rules of this proposal as contained in the third Title, were also consulted upon during the public consultation on the former border/ regional specific Annexes to the HAR proposal.
- (6) This proposal replaces the former border or regional specific Annexes to the HAR proposal and the information on the applicability of the cap as contained in the former Annex 1 to the HAR proposal.
- (7) This proposal is submitted for the approval of all National Regulatory Authorities (hereafter referred to as the “**NRAs**”) of the CCR South West Europe
- (8) TSOs understand that for the purposes of the approval or the future amendment of bidding zone border specific requirements of this proposal, only the NRAs of the respective bidding zone border will have to state their explicit approval. Non-concerned NRA(s) of the CCR will be duly informed.

SUBMIT THE FOLLOWING PROPOSAL TO ALL REGULATORY AUTHORITIES OF THE SOUTH WEST EUROPE CAPACITY CALCULATION REGION

TITLE 1

General provisions

Article 1

Subject matter and scope

1. In accordance with Article 4 of the Allocation Rules for Forward Capacity Allocation, regional or border specificities may be introduced for one or more Bidding Zone borders. Rules described in this regional specific annex apply to the borders of the CCR South West Europe.
2. This annex is effective at the date of entry into force of the Allocation Rules subject to an approval of the relevant National Regulatory Authorities. In case this annex needs to be amended based on a decision of the relevant National Regulatory Authorities, Article 68 of the Allocation Rules shall apply.
3. If there is an inconsistency between any of the provisions in the main body of the Allocation Rules and this annex, the provisions in this annex shall prevail. The capitalised terms used in this annex are defined in the harmonised Allocation Rules to which this annex is attached.

TITLE 2

Cap on compensation

Article 2

Bidding zone borders where cap is applicable

1. For the purposes of this proposal and the HAR, a cap on compensation shall only apply to the bidding zone borders listed in the present Title.

Article 3

France-Spain Interconnection

1. A cap on compensation shall be applicable to the France-Spain Interconnexion, in accordance with Article 59(2).

TITLE 3

Further regional or bidding zone border specific requirements

Article 4

Specificities for the France-Spain Interconnection

1. In deviation to Article 38.2, Returned Long Term Transmission Rights shall be either a constant band of whole MW(s) over the specific timeframe of the subsequent Auction or a constant value of whole MW(s) during the days out of the Reduction Period(s). This second case applies only if the Long Term Transmission Rights to be returned at a subsequent Auction contain exactly the same Reduction Period(s) as the ones of the subsequent Auction itself.

2. In deviation to Article 65.6, where compensations are due to the Registered Participant in respect of curtailment of Long Term Transmission Rights and are subject to a cap set forth in Article 3 of this Annex, such compensations shall be settled with the first invoice to be issued after the end of the relevant month and subject to a cap determined as the total amount of Congestion Income for long term timeframe and the day-ahead timeframe collected by the concerned TSOs on the Bidding Zone border in the relevant month, deducting all remunerations paid according to Article 40 and Article 48 and compensations paid according to Article 60 and where applicable Article 61 for the considered month. The total amount of Congestion Income in one month is defined temporarily as the sum of a twelfth of the revenues raised at yearly Auction on the concerned Bidding Zone Border and the revenues generated by the monthly Auction and Congestion Income from day-ahead timeframe which occurred during this month on the concerned Bidding Zone border. This Article will not be applicable as from the delivery year following the effective implementation of the continuous intraday coupling mechanism on the concerned border.

Article 6

Specificities for the Portugal-Spain Interconnection

1. OMIP – OMIP Pólo Português, S.G.M.R,S.A. acts as Allocation Platform and OMICLEAR –OMICLEAR, C.C., S.A. acts as Central Counterparty (CCP).
2. The following definitions are added:
 - a. Central Counterparty (CCP): means a legal person that interposes itself between the counterparties of the FTRs traded, becoming the buyer to every seller and the seller to every buyer
 - b. Offer: means a pair of ask Quantity and ask Price offered by a Registered Participant participating in an Auction;
3. The Participation Agreement signature requirements are modified based on specific Allocation Platform and Central Counterparty (CCP) Rules. Articles 6 and 9 are affected by those additional requirements.
4. Collaterals, Invoicing and Payment are subject to specific Central Counterparty (CCP) Rules, which affect articles 12, 19 to 26 (Chapter 3 Collaterals), 34, and 62 to 67 (Chapter 10 Invoicing and payment).
5. The standard timeframes of products that could be offered in the Portugal-Spain border are yearly, quarterly and monthly timeframes, which affects article 28, as interim approach until the provisions regarding allocation timeframes of the Commission Regulation establishing a guideline on forward capacity allocation become applicable.
6. Auction Results determination is regulated by the specific Allocation Platform Rules, which affects Articles 35, 36 and 37.
7. The Return of Long Term Transmission Rights is substituted by a secondary market of Long Term Transmission Rights with price indication. It implies that Participants that hold Long Term Rights previously acquired can submit Offers as long as the quantity offered is equal or lower than the amount of Long Term Transmission Rights held by each Participant, which affects Articles 38, 39 and 40.
8. The transfer of Long Term Transmission Rights is regulated by specific Allocation Platform Rules. Articles 42 and 43 are affected accordingly, and the transfer of Long Term Transmission Rights is

- included in the scope of the process of bilateral transactions registration, which is defined in the Allocation Platform rules.
9. In case of secondary market, the Allocation Platform may charge the access to the Auction Tool. This provision affects the article 16.
 10. The events for curtailment on Long Term Transmission Rights are only due to Force Majeure according with the rules previously in force for this border before the entry into force of these HAR. Therefore, for articles 56 to 61 only the applicable provisions are those related to Force Majeure situation.
 11. Due to the particular role of the Allocation Platform and the Central Counterparty (CCP) and their specific applicable rules, Articles 69 to 75, 78 and 80 are affected accordingly.
 12. The articles and points listed below are not applicable for the Portugal-Spain border:
 - a. Article 11;
 - b. Article 12;
 - c. Article 33;
 - d. Article 48, point 2;
 - e. Article 76, point 3.
 13. References to Allocation Platform and Central Counterparty (CCP) Rules and to National Regulation in each Bidding Zone:
 - a. All rules are available on the Allocation Platform and Central Counterparty (CCP) websites, in English, Portuguese and Spanish which include namely:
 - i. OMIP General Contractual Clauses – FTR Base Contracts;
 - ii. Circular OMIP 1/2013 - Financial Capacity Rights on Interconnection between Portugal and Spain;
 - iii. Circular OMICLEAR B15/2013 – Particular Conditions of FTR Contracts;
 - iv. Notice OMIP 06/2006 - Rules for the determination of electricity indices.
 - b. “Regulamento de Acesso às Redes e às Interligações”, approved by ERSE.
 - c. “Manual de Procedimentos do Mecanismo de Gestão Conjunta da Interligação Portugal-Espanha”, approved by ERSE.
 - d. “Circular 2/2014, de 12 de marzo, de la Comisión Nacional de los Mercados y la Competencia, por la que se establece la metodología relativa al acceso a las infraestructuras transfronterizas, incluidos los procedimientos para asignar capacidad y gestionar la congestión, así como la metodología relativa a la prestación de servicios de equilibrio entre sistemas gestionados por distintos operadores del sistema”, approved by the CNMC.