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Date: 10 January 2017

Dear colleague,

### **Approval of the Generation and Load Data Provision Methodology Request for amendment to the Common Grid Model Methodology**

On 14 June 2016, we<sup>1</sup> received two proposals from GB TSOs in accordance with Article 16(1) and Article 17(1) of the guideline on Capacity Allocation and Congestion Management (the CACM Regulation)<sup>2</sup>. The proposals were submitted to us by the relevant GB TSOs in line with our assignment of obligations<sup>3</sup>.

This letter sets out our decision to approve the Generation and Load Data Provision Methodology (GLDPM) proposal and to request an amendment to the Common Grid Model Methodology (CGMM) proposal, pursuant to Article 9(10) and 9(12) of the CACM Regulation respectively, and outlines the necessary next steps that must be taken.

### **Background**

The GLDPM and CGMM propose information and processes to create a Common Grid Model (CGM) representing the European interconnected system for the purposes of single day ahead and intraday coupling. This information and processes are required by the CACM Regulation to provide TSOs with accurate and timely information in order to calculate cross-zonal capacity in a coordinated way.

Both the GLDPM and CGMM are pan-EU proposals, developed by all EU TSOs. The CACM Regulation requires<sup>4</sup> the competent Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and take decisions within six months following receipt of the proposals by the last regulatory authority. The Agency

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<sup>1</sup> The Gas and Electricity Markets Authority. Ofgem is the Office of the Authority. The terms "Ofgem" and "the Authority," "we" and "us" are used interchangeably in this letter.

<sup>2</sup> [Commission Regulation \(EU\) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management](#). The CACM Regulation came into force 14 August 2015. It aims to maximise the efficient use of interconnection and facilitate greater cross-border electricity trade, through market coupling in the day-ahead and intraday timeframes. Market coupling should make sure power is produced where it is most efficient and used where it is most valued, to lower prices for consumers and support secure and sustainable supply.

<sup>3</sup> <https://www.ofgem.gov.uk/publications-and-updates/decision-our-consultations-assignment-transmission-system-operator-obligations-under-capacity-allocation-and-congestion-management-regulation-within-gb>. The relevant GB TSOs that were assigned responsibilities under Article 16 of the CACM Regulation is National Grid Electricity Transmission plc. The relevant GB TSOs assigned responsibilities under Article 17 of the CACM Regulation are National Grid Electricity Transmission plc, Moyle Interconnector Limited, East-West Interconnector Company, BritNed Development Limited, National Grid Interconnectors Limited.

<sup>4</sup> Article 9(10) of the CACM Regulation.

for the Cooperation of Energy Regulators (ACER) has confirmed that the last Regulatory Authority received the proposal on the 11 July 2016. National decisions are therefore required for each of these proposals by 11 January 2017.

## **Our Decision**

We have reviewed the proposals submitted to us in line with the requirements of the CACM Regulation, the wider objectives of the Regulation (EC) 714/2009<sup>5</sup>, and our statutory duties and obligations. In making our decisions we have considered the justification, provided simultaneously with submission of both the proposals, for the inclusion or exclusion of views resulting from the consultation undertaken by all TSOs on the GLDPM and CGMM<sup>6</sup>. We have also consulted GB stakeholders about these proposals through the Joint European Stakeholder Group<sup>7</sup>.

As required by the Article 9(10) of the CACM, we have consulted, and closely cooperated and coordinated with other Regulatory Authorities in order to reach agreement on these proposals. These all Regulatory Authority agreements, reached on 28 October 2016 and 13 December 2016 respectively, are attached as annexes to this decision letter and constitute the reasons for our decisions.

In line with these all Regulatory Authority agreements, we hereby:

1. Approve the GLDPM proposed by National Grid Electricity Transmission plc (NGET).

As set out in the GLDPM and the all Regulatory Authority agreement, NGET may request only the minimum, essential, and not otherwise already available information necessary with respect to the GLDPM. Any potential data required by NGET under the GLDPM in GB must therefore first be demonstrated as meeting these requirements of the GLDPM by raising modification proposals to the relevant existing industry code panel.

2. Request NGET, Moyle Interconnector Limited, East-West Interconnector Company, BritNed Development Limited, and National Grid Interconnectors Limited to amend the proposed CGMM in line with the request set out in the all Regulatory Authority agreement annexed to this decision letter.

### *Decision to not undertake an Impact Assessment*

We have not undertaken an Impact Assessment for either of these proposals. This is because data provisions for modelling the network are legal requirements of the CACM Regulation. The proposals, in any case, do not constitute a significant change to existing GB requirements and arrangements, whereby data and modelling is already required by industry for NGET to plan and manage the network. Any data requested under the GLDPM must be demonstrated as the minimum, essential, and not otherwise already available information, and will be established through our existing industry code processes. Accordingly, we consider that an impact assessment is unnecessary.

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<sup>5</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0015:0035:EN:PDF> .

<sup>6</sup> The consultation documents and information are available on the ENTSO-e website, here: [https://consultations.entsoe.eu/system-operations/common-grid-model/consult\\_view/](https://consultations.entsoe.eu/system-operations/common-grid-model/consult_view/).

<sup>7</sup> More information about JESG is available here: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/Joint-European-Stakeholder-Group/> .

## **Next Steps**

### *GLDPM*

In accordance with this decision, the GLDPM will take effect in GB from 10 January 2017. As such NGET must publish the GLDPM on the internet in line with Article 9(14) of the CACM Regulation, and must meet the implementation deadlines required by Article 18 of the GLDPM.

In particular, NGET must inform those entities required to provide data about the information they are required to provide as well as the deadlines for providing the information, forward that information to ENTSO-e, and prepare draft implementation rules on the practicalities of data provision, pursuant to the GLDPM by 10 February 2017. In the first instance there should be no GB entities required to provide data under the GLDPM. This is because NGET must first establish if any information is the minimum, essential, and not otherwise available information before making any subsequent request.

### *CGMM*

In accordance with CACM Article 9(12), the relevant GB TSOs must make the amendments to the CGMM necessary to address the points set out in the all Regulatory Authority agreement and re-submit an amended proposal to us and to the Agency within two months of this decision; by 10 March 2017.

If you have any queries regarding the information contained within this letter or the two all Regulatory Authority agreements in the annexes please contact [matthew.ramsden@ofgem.gov.uk](mailto:matthew.ramsden@ofgem.gov.uk).

Yours sincerely,

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