



**Compensation Arrangements for Net Transfer
Capacity Reductions**

Consultation Paper

SEM-23-024

15th March 2023

EXECUTIVE SUMMARY

This consultation addresses the compensation arrangements in the SEM for reductions in Net Transfer Capacity (NTC) on SEM-GB interconnectors. Ahead of the integration of the Greenlink Interconnector into the SEM, the Transmission System Operators (TSOs) have recommended that the Interim Cross-Zonal Arrangements (ICZAs) should be applied to Greenlink, and to any future SEM-GB interconnectors. However, this recommendation excluded the provisions within the ICZAs that relate to compensation arrangements in the case of a reduction in NTC, which the TSOs maintain are unclear. To ensure clarity for all parties, the SEM Regulatory Authorities (RAs) are consulting on this issue.

This consultation paper sets out the existing arrangements under the ICZAs, details the methodology adopted in 2021 in Great Britain and outlines the EU regulatory framework, including an overview of how cross-zonal capacity is calculated, provisions concerning NTC reductions and references to compensation. The paper also includes details on the capacity calculation methodologies developed by the Ireland-UK (IU) TSOs and approved by the IU RAs. Reference to the Trade and Cooperation Agreement (TCA), which provides for the development of electricity trading arrangements between the EU and UK, is also included.

Having provided context on existing regulatory arrangements regarding NTC reduction compensation, both within the SEM and in the wider context, the paper invites industry and stakeholders to share their views on the arrangements going forward in the SEM. The outcome of this consultation will exclusively apply to forward-looking arrangements in the SEM.

This consultation will be open until close of business on Friday, 21st April 2023. Please submit responses by email to egerrard@cru.ie and simon.ohare@uregni.gov.uk. Once the responses are reviewed, the SEM Committee intends to publish a decision paper on this issue. All responses received may be published unless the respondent clearly indicates that their response is confidential.

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Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
ACER	European Union Agency for the Cooperation of Energy Regulators
CACM	Capacity Allocation and Congestion Management Regulation
CEP	Clean Energy for All Europeans Package
FCA	Forward Capacity Allocation Regulation
FTR	Financial Transmission Right
ICO	Interconnector Owner
ICZAs	Interim Cross Zonal Arrangements
IDM	Intraday Market
I-SEM	Integrated Single Electricity Market
IU	Ireland – United Kingdom
MRLVC	Multi-Region Loose Volume Coupling
NGESO	National Grid Electricity System Operator (Great Britain)
NTC	Net Transfer Capacity
RA	Regulatory Authority
SO	System Operator
TCA	Trade and Cooperation Agreement
TSO	Transmission System Operator

1. Introduction

1.1 Background

1.1.1 Context

On 8th September 2017, the SEM-GB Joint Implementation Group published the ICZAs¹ for GB-ISEM go-live in October 2018. The document consists of a common proposal developed by all TSOs within the Ireland-UK (IU) Capacity Calculation Region². These arrangements were put in place for I-SEM go-live, as the enduring arrangements under the Capacity Allocation and Congestion Management (CACM) Regulation 2015/1222 were not ready for the go-live date. The arrangements were reviewed and endorsed by the SEM Regulatory Authorities (RAs) and Ofgem.

Post-Brexit, CACM no longer applies on the SEM-GB border, and, as such, the enduring arrangements as they were intended to be developed at the time the ICZAs were agreed, will not be progressed. The Trade and Cooperation Agreement (TCA) between the UK and the EU outlines a new procedure for the allocation of interconnector capacity at the day-ahead timeframe, known as “Multi-Region Loose Volume Coupling” (MRLVC). The timeline for implementation of MRLVC contained in the TCA would have seen the entry into operation of the technical procedures within 15 months of the entry into force of the TCA (by 1st April 2022).³ However, the technical procedures have yet to be developed, and while there is clear intent for new procedures for allocating interconnector capacity to come from the TCA, it is not clear when this will happen. In the interim, the ICZAs continue to apply.

The Regulatory Authorities (RAs) wrote to the relevant parties⁴ on 18th January 2023, stating that they were minded to endorse the recommendation of the SEM TSOs to apply the ICZAs to the Greenlink Interconnector and future SEM-GB interconnectors, with the exception of Article 3 (20, 21 and 22), which relates to the compensation arrangements in the case of a

¹ <https://www.sem-o.com/documents/general-publications/Interim-Cross-Zonal-TSO-Arrangements-for-GB-ISEM-go-live-Publication.pdf>

² National Grid Electricity Transmission, EirGrid, Moyle Interconnector Ltd., System Operator Northern Ireland and EirGrid Interconnector DAC. It should be noted that following the withdrawal of the UK from the EU, the Ireland-United Kingdom (IU) Capacity Calculation Region no longer constitutes a capacity calculation region under CACM. See Acer Decision No 04/2021, https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2004-2021%20on%20the%20CCR.pdf

³ The Trade and Cooperation Agreement between the European Union (EU) and the United Kingdom (UK) came into effect from 1 January 2021. Following consent by the European Parliament, the Agreement entered into force on 1 May 2021. While the timeline provided required the delivery of a cost benefit analysis within 3 months of the entry into force of the TCA, in practice it was understood that the cost benefit analysis should be delivered within 3 months of 1 January 2021, the date the TCA was applied provisionally. The same timeline interpretation carried for subsequent deliverables.

⁴ EirGrid, SONI, EIDAC, Moyle Interconnector Ltd., Greenlink Interconnector Ltd., Ofgem and National Grid ESO

reduction in net transfer capacity (NTC). On 28th February 2023, the RAs wrote to all parties to confirm endorsement of the application of the ICZAs to Greenlink and future SEM-GB interconnectors, notwithstanding the possibility of future policy developments that may supersede the ICZAs. This endorsement has been published on the SEMC website.

The provisions outlined in Article 3 were conceived in the context of Financial Transmission Rights (FTRs) being sold on the SEM-GB interconnectors. In this context, interconnector owners (ICOs) would earn revenue from FTR auction receipts; in turn, ICOs would pay the congestion rent earned from the (loss-adjusted) market spread between the two bidding zones to FTR option holders, when the market spread was positive in the direction of the FTR. Post-Brexit, FTRs are no longer being sold on the SEM-GB interconnectors, and the SEM TSOs therefore consider that it is unclear how these provisions should be applied going forward, including in relation to the Greenlink Interconnector. The RAs are aware that that this view is not shared amongst the parties. However, given the different positions of certain parties to the ICZAs, the RAs are consulting on this issue, on a forward-looking basis in the SEM, to ensure clarity for all parties into the future.

The RAs also note that the SEM TSOs have curtailed transfers, both partially and fully, across the existing SEM-GB interconnectors (Moyle and EWIC) on a frequent basis since September 2021. This has been done as a means of preventing export from SEM to GB during periods of tight margin. The TSOs have outlined that they are taking these actions in order to avoid system alerts, along with the associated need to carry out SO-SO countertrades, at potentially very high prices or at the risk of not being able to carry out such a countertrade, where exports have been scheduled in the ex-ante markets. This elevated frequency of NTC reductions has focused attention on the interpretation of Article 3 (20, 21 and 22). The table below illustrates the frequency (across 30-minute settlement periods) of NTC reductions in recent months, as reported by the TSOs. The RAs note that, going forward, there may be a need to further optimise TSOs' obligations in terms of demonstrating or codifying need, reporting or transparency when they reduce NTC between GB and SEM.

Table 1: Percentage of periods in which NTC was reduced

	EWIC Interconnector	Moyle Interconnector
November 2022	12.9%	23.8%
December 2022	19.2%	28.9%
January 2023	5.9%	18.8%

Given these considerations, the RAs are opening this consultation to invite comments on the appropriate arrangements for NTC reduction compensation going forward in the SEM.

1.1.2 Related Documents

- SEM-GB Joint Implementation Group, Interim Cross Zonal TSO Arrangements for GB-ISEM go-live, <https://www.sem-o.com/documents/general-publications/Interim-Cross-Zonal-TSO-Arrangements-for-GB-ISEM-go-live-Publication.pdf>

1.1.3 Structure of Paper

The paper provides an overview of the existing arrangements for NTC reductions. It begins by setting out the current arrangements in the SEM, which were agreed in 2017 as part of the ICZAs. It then turns to the methodology addressing commercial arrangements developed in GB. The paper then reflects on EU regulations that contain provisions relating to cross-border trade within the EU's Internal Energy Market, focusing on the approach to reducing interconnector capacity and to provisions on compensation. Finally, the paper references the relevant Article of the EU-UK Trade and Cooperation Agreement.

2. Existing arrangements for compensation of reductions of net transfer capacity (NTC)

2.1 NTC reduction compensation as set out in the ICZAs

Article 3 of the ICZAs refers to the interim capacity calculation arrangements on the SEM-GB border, outlines how net transfer capacity (NTC) calculations are determined and how a reduction in NTC should be compensated. Article 3(19) of the ICZAs includes the “**causer pays**” principle, stating that once the causer of a reduction in NTC is determined ex-post, the Interconnector Owner (ICO)/Administrator shall invoice the causer for reimbursement. Article 3(20) sets out various compensation arrangements depending on the timeframe in which the reduction takes place, as follows:

- *“Prior to the Day Ahead Firmness Deadline, the concerned TSOs on the bidding zone border where long-term transmission rights have been curtailed shall compensate the ICOs with the (loss adjusted) Day Ahead market spread.*
- *After the Day Ahead Firmness Deadline but prior to the IDM1 auction, the concerned TSOs on the bidding zone border where NTC reduction has occurred shall compensate the ICOs with the (loss adjusted) IDM1 market spread.*
- *After the IDM1 Firmness Deadline but prior to the IDM2 auction, the concerned TSOs on the bidding zone border where NTC reduction has occurred shall compensate the ICOs with the (loss adjusted) IDM2 market spread.*

- *After the IDM2 Firmness Deadline but prior to the IDM3 auction, the concerned TSOs on the bidding zone border NTC reduction has occurred shall compensate the ICOs with the (loss adjusted) IDM3 market spread.”*

Article 3(21) notes that in such cases, the financial transmission right (FTR) option holders will be financially unaffected by any NTC reduction unless annual/monthly compensation caps are breached.

Additionally, Article 3(22) notes that:

- *“For reduction in NTC after the Firmness Deadline has passed for all Intraday Auctions relating to the delivery period, the concerned TSOs on the bidding zone border where NTC reduction has occurred shall compensate the ICOs with the associated imbalance costs incurred by the reduction.”*

2.2 Existing arrangements in Great Britain

In June 2021, National Grid Electricity System Operator (NGESO) published a methodology for commercial arrangements for payments relating to interconnector capacity restrictions resulting from NTC limits it sets.⁵ The methodology considers restrictions of NTC for intraday and day-ahead timescales for both allocated and unallocated capacity. Allocated capacity is defined as “capacity that has been sold to market participants through auctions” or “capacity that has been implicitly allocated as a result of an implicitly coupled auction”. Unallocated capacity for the intraday capacity calculation is the “capacity that remains unutilised...following a Day Ahead explicit auction or Day Ahead implicit allocation process”.

The methodology regarding the commercial arrangements for implicit intraday coupling (Moyle and EWIC) is as follows:

- When allocated capacity is restricted (including FTRs), compensation equals the “net imbalance charge from both markets”.
- When unallocated capacity is restricted, compensation equals, “where practicable, the difference in congestion rent from a re-run of the coupling algorithm without restriction OR, the loss adjusted, market spread adjusted for increased scarcity by ‘correction factor’”.

⁵ <https://www.nationalgrideso.com/document/203726/download>

According to the NGESO methodology, where NTC limits submitted by NGESO result in the interconnector capacity being restricted, NGESO will make payment for such a restriction. The commercial arrangements operate in accordance with a number of principles, which include:

- The methodology covers the commercial arrangements between the interconnector and NGESO. It does not address arrangements between interconnectors and the holders of transmission capacity.
- Payments to interconnectors for reductions shall ensure **cost neutrality**; that is payments for the **reduction to allocated capacity should reflect the cost of remunerating transmission capacity holders**, as set out in the relevant interconnector's Access Rules, and payments for the **reduction to unallocated capacity should reflect the likely cost to the interconnector, as compared to a scenario where the action had not been taken**.
- Payments should take into account any additional income that interconnectors may generate due to reduced capacity increasing the price of capacity and congestion income.
- No payment is due if the capacity reduction is due to factors outside the GB National Electricity Transmission System or due to loss of access caused by the interconnector's assets (e.g. a trip by the interconnector).
- Ex-ante capacity reductions resulting from planned maintenance or works on the GB National Electricity Transmission System shall not result in any compensation between the NGESO and the interconnector owner if the Bilateral Connection Agreement for that interconnector describes a reduction of the Transmission Entry Capacity for that specific planned outage condition.
- Payments should not be duplicated; should NTC reductions by two TSOs simultaneously result in a capacity restriction, to avoid a duplication in compensation, the GB commercial arrangements shall cover half of the common NTC value.

NGESO has also set out principles to demonstrate when and how NTC limits will be applied. These principles include that:

- NGESO will only reduce day-ahead NTC where intraday options do not exist or following further data and analysis of the impact of day-ahead NTC restrictions on social welfare.
- NGESO will seek to move the allocated flow to within securable limits via trading or other SO-SO trades.
- Where multiple interconnectors contribute to a particular constraint, the available capacity will be shared as equally as possible.
- NGESO will set an NTC value that allows maximum capacity while being consistent with operational security.

Regarding settlement, NGESO states that payments between it and an interconnector “will only commence when there is an agreed bilateral agreement for this between the interconnector and NGESO”.

In GB, Ofgem has set out its understanding of NTC as a non-frequency balancing product given that NGESO has proposed to use it as a tool to manage system security where there are rate of change of frequency constraints and interconnectors represent the largest loss to the system. Ofgem has noted “that the fundamental aim of the commercial methodology...is to keep ICs ‘whole’, that is, ICs do not lose nor gain from NTC payments”.

Ofgem granted NGESO a derogation from Condition 28.4(h)(i) to allow procurement of NTC.⁶ The regulator expressed a belief that NGESO had “developed a commercial methodology of compensation that provides a good estimate of the value that the market would place on NTC”. Ofgem outlined that this would not replace market-based procedures but would calculate payments that “represent the value of NTC more effectively than alternatives such as pre-determined fixed payments or adjustment factors”.

The regulator stated that “where economic alternative actions are available to the ESO, these will be taken as priority over the use of NTC.”⁷ Ofgem has also highlighted that it expects NTC to be used as “a tool of last resort” and that NGESO will work to develop an alternative market-based tool.

⁶ https://www.ofgem.gov.uk/sites/default/files/2021-08/C28_Derogation_NTC.pdf

⁷ https://www.ofgem.gov.uk/sites/default/files/2021-08/C28_Derogation_NTC.pdf

2.3 EU regulatory framework

2.3.1 Calculation of cross-zonal capacity

Calculating NTC is one way to calculate cross-zonal capacity. The **Capacity Allocation and Congestion Management (CACM) Regulation (2015/1222)** allows for two permissible approaches when calculating cross-zonal capacity: flow-based or based on coordinated NTC. Flow-based market coupling is seen as the preferred option, allowing TSOs to be less conservative, and is already the dominant model across the EU.⁸ Nonetheless, where the relevant TSOs can demonstrate that the use of the flow-based approach “would not yet be more efficient” compared to the coordinated NTC approach, they can request to continue using the NTC approach. The Ireland and United Kingdom (IU) Regulatory Authorities approved the application of the NTC approach in July 2018.⁹

2.3.2 Reducing NTC

The **2009 Electricity Regulation (714/2009)** has been repealed and recast under the Clean Energy Package; however, given that it is one of the Acts specifically referenced in the Northern Ireland Protocol (Annex 4), it is included here. Article 16(2) of the 2009 Electricity Regulation states: “Transaction curtailment procedures shall only be used in emergency situations where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible.” Article 16(3) states that the maximum capacity of interconnectors should be made available, “complying with safety standards of secure network operation”.

The following regulations are no longer being applied in this context post-Brexit but are provided here for reference as they contain provisions relating to cross-border trade within the EU’s Internal Energy Market.

Article 23 of **CACM** provides for a limited number of circumstances when allocated interconnector capacity can be constrained:

“(a) constraints that are needed to maintain the transmission system within operational security limits and that cannot be transformed efficiently into maximum flows on critical network elements; or

⁸ Leonardo Meeus, *The Evolution of Electricity Markets in Europe*, 2020, page 51.

⁹ <https://www.cru.ie/wp-content/uploads/2018/07/CRU18143-All-Regulatory-Authorities-Approval-of-the-CNTC-proposal.pdf>

(b) constraints intended to increase the economic surplus for single day-ahead or intraday coupling.”

The **Forward Capacity Allocation (FCA) Regulation (2016/1719)** allows for curtailment of long-term transmission rights “to ensure operation remains within operational security limits prior to day-ahead firmness deadline”.

The **Recast Electricity Regulation (2019/943)**, part of the Clean Energy for All Europeans Package (CEP), expresses concern that uncoordinated curtailments of interconnector capacities have become “a serious obstacle to the development of a functioning internal market for electricity”.¹⁰ Article 16(2) permits curtailment procedures in emergency situations, where other measures are not possible. Article 16(8) of the Electricity Regulation states that TSOs “shall not limit the volume of interconnection capacity to be made available to market participants as a means of solving congestion inside their own bidding zone”. Compliance with this requirement is considered to be achieved when at least 70% of the transmission capacity is offered for cross-zonal trade, while respecting operational security limits.¹¹

2.3.3 NTC Reduction Compensation

Regarding compensation, the **2009 Electricity Regulation**, Article 16(2) states that: “Except in cases of force majeure, market participants who have been allocated capacity shall be compensated for any curtailment.” Paragraph 2.13 of Annex 1 sets out further detail on the financial consequences for curtailment of capacity in the case that the TSO is the causer: “it shall be liable to compensate the market participant for the loss of capacity rights”.

Article 72(3) of **CACM** sets out that where capacity is curtailed in emergency or force majeure situations, “the TSO shall reimburse or provide compensation”.

Article 79 of CACM states that the costs of ensuring firmness of day-ahead and intraday capacity “shall be borne by the relevant TSOs”, including “the costs of compensation mechanisms associated with ensuring firmness of cross-zonal capacities, as well as the costs of redispatching, countertrading and imbalance associated with compensating market participants”.¹²

¹⁰ Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0943&from=EN>

¹¹

https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20MACZT%20Report%20S2%202020.pdf

¹² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R1222>

Article 53(2) of the **FCA** sets out that where long-term transmission rights have been curtailed, the relevant TSOs shall “compensate the holders of curtailed long-term transmission rights with the market spread”.

Article 16(12) of the **Recast Electricity Regulation** states that the “financial consequences of a failure to honour obligations associated with the allocation of capacity shall be attributed to the transmission system operators or NEMOs who are responsible for such a failure”. It goes on to set out: “If a transmission system operator does not fulfil its obligation of providing firm transmission capacity, it shall be liable to compensate the market participant for the loss of capacity rights.” Also of note is Article 16(2), which states that “Except in cases of force majeure, market participants that have been allocated capacity shall be compensated for any such curtailment...”

2.3.4 Implementation of Capacity Calculation Methodology (CCM) for SEM-GB cross-zonal arrangements

The following are the methodologies for the Ireland-UK (IU) Capacity Calculation Region. For clarity, IU Capacity Calculation Region ceased to exist post-Brexit.¹³

In accordance with CACM, in 2018 the RAs received a proposal from the IU TSOs on the common CCM for the day-ahead and intraday market timeframe. An amended proposal was approved by the IU RAs on 23rd July 2018.¹⁴ Concerning compensation payable to an interconnector in the event that its capacity is restricted, the methodology assumes that such compensation would be provided, but does not consider the details of the compensation. However, it does note in Article 11(2)(b) that “the compensation cost of interconnector capacity reduction shall be determined relative to the firm capacity value stated in the relevant connection agreements, and shall reflect the value of interconnector capacity to the market”.¹⁵

In accordance to the FCA, in 2020, the IU TSOs submitted an amended proposal for the long-term CCM to the IU RAs, which was approved on 8th April 2020.¹⁶ Regarding compensation for reduction in interconnector capacity, the methodology notes that in circumstances where the mid-year or final capacity calculation is lower than already

¹³ See Acer Decision No 04/2021, https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20decisions/ACER%20Decision%2004-2021%20on%20the%20CCR.pdf

¹⁴ <https://www.cru.ie/wp-content/uploads/2018/07/CRU18142-All-Regulatory-Authorites-Approval-of-the-amended-CCM-proposal.pdf>

¹⁵ <https://www.acer.europa.eu/en/Electricity/MARKET-CODES/CAPACITY-ALLOCATION-AND-CONGESTION-MANAGEMENT/16%20CCM/Action%204%20-%20CCM%20IU%20amended%20proposal.pdf>

¹⁶ <https://www.cru.ie/wp-content/uploads/2020/04/CRU20050b-IU-Regulatory-Authorities-Agreement-on-the-amended-IU-TSO-Proposal-for-a-Common-Long-Term-Capacity-Calculation-Methodology.pdf>

allocated capacity, the “TSOs must compensate the relevant interconnector owner for already allocated capacity according to the ‘causer pays’ principle”.¹⁷ Article 27(2) sets out that “the concerned TSO in the bidding zone border where cross-zonal capacity has been reduced shall compensate the interconnector owner for any resultant lost income and/or costs related to already allocated capacity” and notes that “in the event that the concerned TSO reduces cross-zonal capacity, resulting in curtailment of long-term transmission rights, compensation will be paid”. Regarding capacity that has not been allocated, Article 27(3) of the methodology states that no compensation will arise if there is a reduction in cross-zonal capacity.

2.4 Trade and Cooperation Agreement

Since the end of the Brexit transition period on 31st December 2020, the Trade and Cooperation Agreement (TCA) establishes the basis for the relationship between the EU and the UK post-Brexit.

Article 311 of the TCA, agreed between the EU and the UK and entered into force on 1st May 2021, sets out the provisions for the efficient use of electricity interconnectors.

Article 311(1) states:

“With the aim of ensuring the efficient use of electricity interconnectors and reducing barriers to trade between the Union and the United Kingdom, each Party shall ensure that:

- (a) capacity allocation and congestion management on electricity interconnectors is market based, transparent and non-discriminatory;*
- (b) the maximum level of capacity of electricity interconnectors is made available, respecting the:
 - (i) need to ensure secure system operation; and*
 - (ii) most efficient use of systems**
- (c) electricity interconnector capacity may only be curtailed in emergency situations and any such curtailment takes place in a non-discriminatory manner;*
- (d) information on capacity calculation is published to support the objectives of this Article;*

¹⁷ <https://www.eirgridgroup.com/site-files/library/EirGrid/200422-Long-Term-CZC-Calculation-Methodology-%5BFOR-PUBLICATION%5D.pdf>

- (e) there are no network charges on individual transactions on, and no reserve prices for the use of, electricity interconnectors;*
- (f) capacity allocation and congestion management across electricity interconnectors is coordinated between concerned Union transmission system operators and United Kingdom transmission system operators; this coordination shall involve the development of arrangements to deliver robust and efficient outcomes for all relevant timeframes, being forward, day-ahead, intraday and balancing; and*
- (g) capacity allocation and congestion management arrangements contribute to supportive conditions for the development of, and investment in, economically efficient electricity interconnection.”*

3. Consultation Questions

Stakeholders are invited to submit comments on any aspect of this consultation paper and are requested to respond to the following points in particular:

1. Please set out your view on the appropriate arrangements for NTC reduction compensation going forward in the SEM, given the current arrangements for cross-border trading. Would this be impacted if cross-border forward hedging instruments were introduced in advance of MRLVC and, if so, in what way?
2. This paper references various principles that underpin different approaches to compensation arrangements for NTC reduction (i.e. ‘causer pays’, ‘cost neutrality’, ‘different compensation arrangements for allocated and unallocated capacity’). In your view, what principles should underpin compensation arrangements for NTC reduction going forward in the SEM?
3. Are there any other factors, not covered in this paper, which should be considered by the RAs ahead of a decision? If providing, please explain relevance.

4. Next Steps

The SEM Committee requests the views of industry and stakeholders on the arrangements regarding compensation for NTC reductions in the SEM going forward. Responses should be sent in electronic form to Emer Gerrard (egerrard@cru.ie) and Simon O’Hare (simon.ohare@uregni.gov.uk) by close of business on Friday, 21st April 2023.

Once the responses are reviewed, the SEM Committee intends to publish a decision paper on this issue.

All responses received may be published unless the respondent clearly indicates that their response is confidential.