

**CCR Hansa TSOs methodology for splitting long-term  
cross-zonal capacity in accordance with Article 16 of the  
Commission Regulation (EU) 2016/1719 of 26  
September 2016 establishing a Guideline on Forward  
Capacity Allocation**

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**THE RELEVANT TRANSMISSION SYSTEM OPERATORS OF CAPACITY CALCULATION REGION HANSA,  
TAKING INTO ACCOUNT THE FOLLOWING:**

**WHEREAS**

- (1) This document (hereafter referred to as "Splitting Rules Methodology") is a common methodology developed by all Transmission System Operators (hereafter referred to as "TSOs") within the Capacity Calculation Region Hansa (hereafter referred to as "CCR Hansa"), as defined in accordance with Article 15 of Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (hereafter referred to as the "CACM Regulation"), regarding the methodology for splitting long-term cross-zonal capacity. This methodology is required by Article 16 of Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation (hereafter referred to as the "FCA Regulation"), which entered into force on 26 September 2016.
- (2) The goal of the FCA Regulation is the coordination and harmonisation of cross-zonal capacity calculation and capacity allocation in the forward markets, and it sets requirements for the TSOs to cooperate on the level of capacity calculation regions (hereinafter referred to as "CCRs"), on a Pan-European level and across bidding-zone borders. The FCA Regulation also sets rules for establishing capacity calculation methodologies, and in case of the TSO(s) allocating long-term transmission rights, also sets rules for establishing a methodology for the splitting of long-term capacity on different time frames, e.g. monthly, quarterly and yearly time frames.
- (3) In accordance with Article 16(1) of the FCA Regulation, the Splitting Rules Methodology shall propose a methodology for splitting long-term cross-zonal capacity in a coordinated manner between different long-term time frames within the respective region.
- (4) In accordance with Article 16(1) of the FCA Regulation, the common methodology for the Splitting Rules Methodology should be developed no later than the submission of the capacity calculation methodology referred to in Article 10 of the FCA Regulation.
- (5) In accordance with Article 16(1) of the FCA Regulation, the common methodology for the Splitting Rules Methodology shall be subject to consultation in accordance with Article 6 of the FCA Regulation, and subject to approval by the relevant regulatory authorities of the CCR Hansa in accordance with Article 4 of the FCA Regulation.
- (6) In accordance with Article 30(7) of the FCA Regulation, where regulatory authorities decide that long-term transmission rights shall not be issued by the respective TSOs or that other long-term cross-zonal hedging products shall be made available by the respective TSOs, Article 16 of the FCA Regulation, among others, shall not apply to the TSOs of the bidding-zone borders. As a result, the relevant TSOs and regulatory authorities for this Splitting Rules Methodology are those of bidding-zone borders where long-term products will be offered. This Splitting Rules Methodology will be submitted for approval only by these relevant TSOs to these relevant regulatory authorities.
- (7) This Splitting Rules Methodology takes into account the general principles, goals and other methodologies set in the FCA Regulation, CACM Regulation, Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereafter referred to as "SO Regulation"), and Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as "Regulation (EC) No 714/2009").
- (8) This Splitting Rules Methodology takes into account the long-term capacity calculation methodology (hereafter referred to as "LT CCM") developed in accordance with Article 10 of the FCA Regulation and considers it available and implemented in order to execute allocation

of transmission rights for the long-term time frame. Thus, the frequency of the allocation of long-term transmission rights depends on the frequency of capacity calculations for the long-term time frame.

- (9) This Splitting Rules Methodology shall fulfil the conditions set out in Article 16(2) of the FCA Regulation:
- a. It shall meet the hedging needs of market participants;
  - b. It shall be coherent with the capacity calculation methodology;
  - c. It shall not lead to restrictions in competition, in particular for access to long-term transmission rights.
- (10) This Splitting Rules Methodology should contribute to and not in any way hinder the achievement of the aims of Article 3 of the FCA Regulation. In accordance with the requirement of Article 4(8) of the FCA Regulation, the expected impact of the Splitting Rules Methodology is set out in this article. This Splitting Rules Methodology:
- a. promotes effective long-term cross-zonal trade by offering long-term cross-zonal hedging opportunities for market participants, in accordance with Article 3(a) of the FCA Regulation, by allowing flexibility per Interconnector in the splitting of long-term capacity to account for market requirements;
  - b. does not hinder the optimisation of the calculation and allocation of long-term cross-zonal capacity, in accordance with Article 3(b) of the FCA Regulation, since the Splitting Rules Methodology sequentially follows the outcomes of the long-term capacity calculation process and accounts for market requirements;
  - c. provides non-discriminatory access to long-term cross-zonal capacity, in accordance with Article 3(c) of the FCA Regulation, as there are no barriers for access to the auctions of LTTRs if the conditions, cf. harmonised allocation rules for long-term transmission rights in accordance with Article 51 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation (hereafter referred to as "HAR"), are fulfilled.
  - d. ensures fair and non-discriminatory treatment of TSOs, the Agency, regulatory authorities and market participants, in accordance with Article 3(d) of the FCA Regulation, by setting coordinated LTTR splitting and allocation principles throughout the region, making available adequate volumes to the LTTR auctions for all market participants meeting the HAR requirements and providing access to data to the Agency, the CCR Hansa regulatory authorities and market participants;
  - e. respects the need for a fair and orderly forward capacity allocation and orderly price formation, in accordance with Article 3(e) of the FCA Regulation, by publishing and making available in due time the cross-zonal capacity to be auctioned as LTTRs in each long-term time frame, where appropriate;
  - f. ensures and enhances the transparency and reliability of information on forward capacity allocation, in accordance with Article 3(f) of the FCA Regulation, through setting transparent principles and processes for allocating LTTRs and requiring transparent publication of relevant information on cross-zonal capacities and the LTTR allocation process to aid forecasting and hedging purposes; and,
  - g. contributes to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union, in accordance with Article 3(g) of the FCA Regulation, by meeting the conditions of Article 16(2) of the FCA Regulation and providing the flexibility to facilitate the market requirements to be addressed in the long-term time frames without increasing administrative burden.
- (11) This Splitting Rules Methodology shall apply to all capacity made available for allocation

within the requirements in Directive 2009/72/EC, Article 32 relating to Third-party access.

**HEREBY SUBMIT THE FOLLOWING METHODOLOGY FOR A SPLITTING RULES METHODOLOGY FOR THE RELEVANT BIDDING-ZONE BORDERS OF CAPACITY CALCULATION REGION HANSA TO THE RELEVANT NATIONAL REGULATORY AUTHORITIES OF THE CAPACITY CALCULATION REGION HANSA:**

## **CHAPTER 1 GENERAL PROVISIONS**

### **Article 1 Subject matter and scope**

1. According to Article 16 of the FCA Regulation, the CCR Hansa TSOs shall jointly develop a methodology for splitting long-term cross-zonal capacity in a coordinated manner between different long-term time frames within the respective region.
2. In line with Article 30(7) of the FCA Regulation, this methodology shall not apply to the CCR Hansa TSOs of the CCR Hansa bidding-zone borders of which the regulatory authorities have decided that long-term rights shall not be issued by the respective TSOs or that other long-term cross-zonal hedging products shall be made available by the respective TSOs.
3. This Splitting Rules Methodology is the common methodology of all CCR Hansa TSOs offering LTTRs, in accordance with Article 16(1) of the FCA Regulation. It covers the methodology for splitting long-term cross-zonal capacity for the long-term time frame into volumes of LTTRs made available for allocation.

### **Article 2 Definitions**

1. For the purposes of the methodology, the terms used shall have the meaning given to them in:
  - a. Article 2 of Regulation (EC) No 714/2009;
  - b. Article 2 of the FCA Regulation;
  - c. Article 2 of the CACM Regulation;
  - d. Article 2 of the HAR;
  - e. Article 2 of Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (hereafter referred to as "Transparency Regulation");
2. In addition, in this Splitting Rules Methodology, the following definitions shall apply:
  - a. "LTTR" means a Physical or a Financial Long-Term Transmission Right in accordance with Article 2 of the FCA Regulation.
  - b. "Interconnector" has the meaning as given in Regulation (EC) 714/2009. Multiple Interconnectors can exist on a bidding-zone border.
  - c. "Responsible TSOs" means the CCR Hansa TSOs responsible for the splitting and allocation of the long-term cross-zonal capacity on the concerned Interconnector.
  - d. "Capacity Split Ratio" means the time frame specific ratio for splitting the long-term cross-border capacity into the Capacity Split on the concerned Interconnector by the Responsible TSOs.
  - e. "Capacity Split" means the specific volumes being made available for allocation on the concerned Interconnector by the Responsible TSOs for each long-term time frame.
  - f. "NTC" means the "Net Transfer Capacity" available for cross-zonal exchange resulting from the long-term capacity calculation for a specific long-term time frame on a specific bidding-

zone border as defined in Article 2 of the LT CCM.

3. In this Splitting Rules Methodology, unless the context requires otherwise:
  - a. The singular indicates the plural and vice versa;
  - b. Headings are inserted for convenience only and do not affect the interpretation of the methodology;
  - c. References to an “Article” are, unless otherwise stated, referring to an article of this Splitting Rules Methodology; and
  - d. Any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment includes any modification, extension or re-enactment of it when in force.

### **Article 3**

#### **Avoidance of undue discrimination**

1. In accordance with Article 16(2)(c) of the FCA Regulation, this Splitting Rules Methodology shall not lead to restrictions in competition for access to LTTRs or undue restrictions in competition between purchasers of LTTRs in the auctions of LTTRs.
2. All market players shall be given access to purchase LTTRs via the Single Allocation Platform if they fulfil the general conditions set out in Chapters 2 and 3 of the HAR.

**CHAPTER 2**  
**DETERMINATION OF THE CAPACITY SPLIT FOR THE AVAILABE LONG-TERM CAPACITY**

**Article 4**  
**Coherence with the long-term capacity calculation**

1. In accordance with Article 16(2)(b) of the FCA Regulation, the Splitting Rules Methodology shall be coherent with the capacity calculation methodology. Consequently, the total volume of LTTRs made available for allocation in a time frame, in addition to already allocated LTTRs (if applicable), shall not exceed the NTC for that respective time frame.
2. In case the volume of the already allocated LTTRs exceeds the most current NTC, no additional volume for LTTRs shall be made available for allocation.

**Article 5**  
**Capacity Split Principles**

1. The Capacity Split Ratio will be submitted by CCR Hansa TSOs to CCR Hansa NRAs for approval prior to each iteration of the year-ahead capacity calculation.
2. The process and timeline for determining the Capacity Split will be identical for all Interconnectors and shall result in a Capacity Split for each Interconnector that contains direction specific volumes of all LTTR products to be made available for allocation.
3. The Capacity Split for a specific Interconnector is based on the long-term capacity calculation results combined with the relevant Capacity Split Ratio and shall be updated after each update of the long-term capacity calculation.

**Article 6**  
**Assessment of the Capacity Split Ratio and revenue adequacy**

1. The CCR Hansa TSOs shall make a yearly assessment of the Capacity Split Ratio.
  - a. Prior to each iteration of the year-ahead capacity calculation, taking place in year t, and covering year t+1 the CCR Hansa TSOs shall assess if the split of capacity shall be amended in accordance with changed market needs.
  - b. This assessment shall be based on a public consultation, where the market players shall be consulted on the needs for split between time frames.
  - c. CCR Hansa TSOs shall consider the outcome of the consultation when amending the Capacity Split Ratio for year t+1.
2. The CCR Hansa TSOs shall prepare a yearly report on the degree of revenue adequacy from the previous 12 monthly LTTR auctions of calendar year t. This report shall be submitted to the CCR Hansa NRAs no later than January in year t+1.
  - a. Revenue adequacy is defined as a situation where the LTTR auction revenue is not systematically lower compared to day-ahead congestion revenue. The report to the CCR Hansa NRAs shall contain reporting on two elements:
    - i. The LTTR auction revenue for each month compared to the day-ahead congestion revenue.
    - ii. The LTTR auction revenue for each month compared to the yearly total cost of ownership of one or more tie lines constituting a particular bidding zone.
  - b. The CCR Hansa NRAs shall take note of the report when deciding whether a future lack of revenue adequacy shall be avoided and shall propose a solution to CCR Hansa TSOs.

## **CHAPTER 3 REPORTING PROVISIONS**

### **Article 7**

#### **Provision of data to national regulatory authorities**

1. All technical and statistical information related to this Splitting Rules Methodology shall be made available upon request to the applicable CCR Hansa NRAs.
2. Any data requirements should be managed in line with confidentiality requirements pursuant to national legislation.

### **Article 8**

#### **Reporting obligations**

The Responsible TSOs shall, in compliance with national legislation and in accordance with Article 3(f) of the FCA Regulation, and in addition to the data items and definitions of Transparency Regulation, publish the following on a regular basis and as soon as possible.

**CHAPTER 4  
FINAL PROVISIONS**

**Article 9  
Implementation**

1. In accordance with Article 4(8) of the FCA Regulation, implementation of this Splitting Rules Methodology shall be aligned to the implementation of the LT CCM required by Article 10 of the FCA Regulation or aligned with a decision taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 4(9), Article 4(10) and Article 4(11) of the FCA regulation regarding the Splitting Rules Methodology or the LT CCM.
2. The first LTTR auctions to which the splitting rules in this Splitting Rules Methodology are applied are the first LTTR auctions of the first calendar year for which no long-term allocation has yet taken place after implementation of the LT CCM.

**Article 10  
Language**

1. The reference language for this methodology shall be English.
2. For the avoidance of doubt, where CCR Hansa TSOs need to translate this Splitting Rules Methodology into their national language(s), in the event of inconsistencies between the English version published by the TSOs in accordance with Article 4(13) of the FCA Regulation and any version in another language, the relevant TSOs shall, in accordance with national legislation, provide the relevant CCR Hansa NRAs with an updated translation of the Splitting Rules methodology.