
**Estonia-Latvia Bidding Zone Border Specific Annex for the Baltic
Capacity Calculation Region to the All TSOs' Proposal for
Harmonised Allocation Rules for Long-term Transmission Rights in
Accordance with Article 52(3) of Commission Regulation (EU)
2016/1719 of 26 September 2016 Establishing a Guideline on Forward
Capacity Allocation**

13 April 2018

The Transmission System Operators of the Baltic Capacity Calculation Region, taking into account the following,

Whereas

- (1) This document is a common proposal developed by the relevant Transmission System Operators (hereafter referred to as “**TSOs**”) of the Baltic Capacity Calculation Region (hereafter referred to as “**Baltic CCR**”) regarding regional or Bidding Zone border specific requirements for the Baltic CCR.
- (2) This common proposal constitutes an Annex to the All TSOs' proposal for harmonised allocation rules for long-term transmission rights in accordance with Article 51 of Commission Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation (hereafter referred to as the “**FCA Regulation**”) on EU level (hereafter referred to as “**HAR**”).
- (3) This common proposal sets out specific requirements applicable to the Baltic CCR at the Estonia-Latvia Bidding Zone border level (hereafter referred to as “**EE-LV Border Specific Annex**”) pursuant to Article 52(3) of the FCA Regulation.
- (4) This EE-LV Border Specific Annex includes the following titles:
 - a. the first title covers general provisions of the EE-LV Border Specific Annex;
 - 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 Baltic CCR in accordance with Article 52(3) of the FCA Regulation.
- (5) In accordance with Article 6 of the FCA Regulation, this proposals was submitted to consultation at least at regional level.
- (6) This EE-LV Border Specific Annex replaces former the Regional and Bidding Zone Border Specific Annex for Baltic Capacity Calculation Region 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 dated on 13 April 2017.
- (7) This EE-LV Border Specific Annex is submitted for the approval to the national regulatory authorities (hereafter referred to as the “**NRAs**”) of the respective Bidding Zone border of the Baltic CCR.
- (8) The TSOs understand that for the purposes of the approval or the future amendment of Bidding Zone border specific requirements of this EE-LV Border Specific Annex, only the NRAs of the respective Bidding Zone border will have to state their explicit approval. Non-concerned NRAs of the Baltic CCR will be duly informed.

SUBMIT THE FOLLOWING EE-LV BORDER SPECIFIC ANNEX PROPOSAL TO THE RELEVANT NRAs:

TITLE 1

General provisions

Article 1

Subject matter and scope

1. In accordance with Article 4(7)(e) and Article 52(3) of the FCA Regulation regional or Bidding Zone border specific requirements may be introduced for one or more bidding zone borders. This EE-LV Border Specific Annex applies to the Baltic CCR Estonia-Latvia Bidding Zone border in direction from Estonia to Latvia.
2. Once those EE-LV Border Specific regional requirements have entered into force, they shall prevail over the general requirements defined in the HAR. For the avoidance of doubt, Article 6 of this EE-LV Border Specific Annex explicitly stipulates Articles of the HAR which deviate to the border Estonia – Latvia. The list of these Articles of the HAR referred to in Article 6 of this EE-LV Border Specific Annex could be amended in case but not limited to if the general requirements of the HAR are amended. .
3. This EE-LV Border Specific Annex may be reviewed based on the request of the relevant NRAs. In case this EE-LV Border Specific Annex needs to be amended based on a decision of the NRAs, Article 68 of the HAR shall apply.

Article 2

Duration

This EE-LV Border Specific Annex enters into force after the approval of the NRAs and applies starting from Year 2019 Auctions of Financial Transmission Right Option on the border Estonia-Latvia as defined in this EE-LV Border Specific Annex with implementation of the Single Allocation Platform (hereafter referred to as “**SAP**”) in accordance with the decision of all NRAs, made at the Energy Regulators’ Forum on 18 September 2017 based on the NRAs approved All TSOs’ proposal for the establishment of a SAP in accordance with Article 49 and for the cost sharing methodology in accordance with Article 59 of the FCA Regulation dated on 17 April 2017 and on condition that these Auctions of Financial Transmission Right Option on the border Estonia-Latvia as defined in this EE-LV Border Specific Annex shall be organized by the SAP.

Article 3

Language

The reference language for this EE-LV Border Specific Annex shall be English. For the avoidance of doubt, where the TSOs need to translate this EE-LV Border Specific Annex into national language(s), in the event of inconsistencies between the English version published by TSOs in the Baltic CCR 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 NRAs with an updated translation of the EE-LV Border Specific Annex. As long as this inconsistency is being corrected, the English version of the EE-LV Border Specific Annex shall prevail.

TITLE 2

Cap on compensation

Article 4

Bidding zone borders where cap is applicable

For the purposes of this EE-LV Border Specific Annex and the HAR, a cap on compensation shall only apply to the Bidding Zone borders listed in the present Title.

Article 5

Estonia – Latvia (EE-LV)

A cap on compensation shall not be applicable to the border Estonia – Latvia in accordance with Article 59(2) and Article 59(3) of the HAR.

TITLE 3

Further regional or Bidding Zone border specific requirements

Article 6

Articles of the HAR which deviate for the Estonia – Latvia Bidding Zone border

1. In deviation to Article 28(1), Article 31(1) and Article 56(1) of the HAR, the following border specific requirements as further described in this Article 6 are applied to the Estonia – Latvia Bidding Zone border.
2. (Article 28(1)) The standard Forward Capacity Allocation timeframes, subject to product availability, are defined as follows:
 - (a) yearly timeframe: it starts on the first day and ends on the last day of a calendar year;
 - (b) quarterly timeframe: it starts on the first day and ends on the last day of a quarter (three (3) months); and
 - (c) monthly timeframe: it starts on the first day and ends on the last day of a calendar month.
3. (Article 31(1)) The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with the requirements defined in the HAR and additionally with the following requirements:
 - (f) maximum volume of Bid Quantity per Registered Participant is one third (1/3) of the Offered Capacity.
4. (Article 56(1)) Long Term Transmission Rights irrespectively of the Forward Capacity Allocation timeframes may be curtailed only in the event of Force Majeure.