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Date: 7 September 2018

Dear colleague,

### **Approval of the Common Grid Model Methodology under the guideline on System Operation.**

On 12 February 2018, we<sup>1</sup> received a proposal for a common grid model methodology (CGMM). The proposal was developed and submitted to us by the relevant Transmission System Operator (TSO) of Great Britain (GB) in accordance with Articles 67(1) and 70(1) of the guideline on System Operation (the SOGL Regulation)<sup>2</sup> and in line with our assignment of obligations under the SOGL Regulation.<sup>3</sup>

This letter sets out our decision to approve the CGMM proposal, pursuant to Article 6(2)(b) of the SOGL Regulation, and outlines the necessary next steps following publication.

### **Background**

The CGMM proposed processes to create a Common Grid Model representing the European interconnected system for the purpose of facilitating the efficient and coordinated use of remedial actions which are necessary for real-time operation. These processes are required by the SOGL Regulation to allow TSOs to maintain the operational security, quality and stability of the interconnected system.

The CGMM proposal addresses the building of CGMs for various system operation processes. The proposal concerns year-ahead, day-ahead and intraday common grid models, takes into account and complements where necessary the CGMM developed in accordance with Article 17 of Regulation (EU) 2015/1222 and Article 18 of Regulation (EU) 2016/1719.

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<sup>1</sup> The terms "we", "us", "our", "Ofgem" and "the "Authority" are used interchangeably in this document and refer to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

<sup>2</sup> Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation. The SOGL Regulation came into force 14 September 2017 and specifies what transmission system operators should do to manage their transmission system.

<sup>3</sup> See decision here: <https://www.ofgem.gov.uk/publications-and-updates/decision-assignment-transmission-system-operator-obligations-under-guideline-electricity-transmission-system-operation-regulation-within-gb>. The relevant GB TSOs that were assigned responsibilities under Art. 67(1) and Art. 70(1) of the SOGL Regulation are National Grid Electricity Transmission plc, Moyle Interconnector Limited, East-West Interconnector Company, BritNed Development Limited, EirGrid Interconnector Designated Activity Company, and National Grid Interconnectors Limited.

The methodologies required by Article 67(1) and Article 70(1) are linked and were submitted as a joint, single proposal for efficiency reasons.

The CGMM is a pan-European proposal, developed by all relevant TSOs. The SOGL Regulation<sup>4</sup> requires the competent Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and publish a decision within six months following receipt of a proposal by the last regulatory authority. The Agency for the cooperation of Energy Regulators (ACER) has confirmed that the last Regulatory Authority received the proposal by 21 March 2018.

## **Our decision**

We have reviewed the all-TSO proposal submitted to us in line with the requirements of the SOGL 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 the submission of the proposal, for the inclusion or exclusion of views submitted by stakeholders during the consultation undertaken by all TSOs on the CGMM.<sup>6</sup>

As required by the Article 6(7) of the SOGL Regulation, we have consulted, and closely cooperated and coordinated with other Regulatory Authorities in order to reach agreements on this proposal. This all Regulatory Authority agreement, reached on 11 June 2018, is attached as an annex to this decision letter and constitute the reasons for our decision.

In line with this all Regulatory Authority agreement, we hereby approve the CGMM proposed by the relevant GB TSO.

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

We have not undertaken an Impact Assessment for this proposal. The proposal is limited in scope and does not constitute a significant change to existing GB requirements and arrangements. Furthermore, the adoption of a framework for modelling the network in a coordinated manner is a requirement of the SOGL Regulation, which has already been subject to an impact assessment. Accordingly, we consider that an impact assessment is unnecessary.

## **Next steps**

In accordance with this decision, the CGMM will take effect following approval by all competent authorities. As such, the TSOs must publish the CGMM on the internet in line with Article 8(1) of the SOGL Regulation, and must meet the implementation deadlines required by Article 24 of the CGMM.

If you have any questions about the contents of this letter please contact Alastair Owen ([Alastair.Owen@ofgem.gov.uk](mailto:Alastair.Owen@ofgem.gov.uk)).

Yours sincerely,

## **Grendon Thompson**

Head of SO Regulation, Systems & Networks

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<sup>4</sup> Article 6(7) of the SOGL Regulation.

<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 related to the CGMM are available on the ENTSOE website, here: <https://consultations.entsoe.eu/system-operations/cgmm-v3/>