

Mr Alberto Pototschnig,
Director
ACER

CC:
Dr Klaus-Dieter Borchardt,
Director
Internal Energy Market
DG ENER
European Commission

17 August 2017

Dear Alberto,

I am writing to you on behalf of all National Regulatory Authorities (NRAs) with regard to the proposed all Transmission System Operators (TSOs) Harmonized Allocation Rules (HAR) submitted in accordance with Articles 4(6) and 51 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation (Regulation 2016/1719). The proposal submitted by all TSOs was received by the last NRA on 21 April 2017.

On 16 August 2017, all NRAs, after having consulted and closely cooperated and coordinated with each other, agreed to request the Agency to adopt a decision on this methodology pursuant to Article 4(10) of Regulation 2016/1719. The reason for this request is that NRAs have not been able to agree on the provisions of Article 21(1)h of the proposed HAR, concerning the required credit rating for banks issuing collaterals for market participants: the current proposal, which states that, in case of an industry-wide downgrade of financial institutions, the Allocation Platform may decrease the required rating below BBB+ for a limited period of time, is opposed by at least one NRA. Alternative possibilities have been proposed by this NRA, namely: (i) maintain the default required credit rating level BBB+ even though there is an industry-wide downgrade, or (ii) delete all provisions of credit rating and leave the decision completely to TSOs; however, these alternative proposals are opposed by at least three other NRAs.

We are ready to assist the Agency to develop and adopt its decision.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lord Mogg', with a stylized flourish at the end.

Lord Mogg

Annex: additional areas that all regulators agree ACER may include and take into account when reaching a decision.