

## Annex to the ElecLink Access Rules (issue 2.0)

The ElecLink Access Rules (issue 2.0) consist of a number of documents which are each considered to be part of the ElecLink Access Rules. These include:

a) ElecLink open season rules

These are the rules applicable to multi-year products which are allocated through open season. They include participation requirements, credit cover requirements, auction rules and the capacity limits in relation to open season participants' market share in Great Britain and France. They are included in Part 1 of the ElecLink Access Rules.

b) Harmonised allocation rules for long-term transmission rights (including the France – Great Britain border specific annex)

These rules are required under Article 52 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (“FCA Regulation”).

They contain at least harmonised definitions and scope of applications, the description of the allocation process/procedure for long-term transmission rights, including the minimum requirements for participation, financial matters, type of products offered in explicit auctions, nomination rules, curtailment and compensation rules, rules for market participants in case they are transferring their long-term transmission rights, the use-it-or-sell-it principle, rules as regards force majeure and liability. These rules also contain a contractual framework between the single allocation platform and the market participants.

In addition, the rules include regional or bidding zone border specific requirements with regard (but not limited) to the description of the type of long-term transmission rights which are offered on each bidding zone border within the capacity calculation region, the type of long-term transmission rights remuneration regime to be applied on each bidding zone border within the capacity calculation region according to the allocation in the day-ahead timeframe, the implementation of alternative coordinated regional fallback solutions and the regional compensation rules defining regional firmness regimes.

c) Shadow allocation rules

These are the shadow allocation rules for day-ahead explicit fall-back allocation which are published by the Joint Allocation Office. They are applicable in the event of unavailability of the multiregional price coupling which is the mechanism where the market clearing prices and the net positions are determined in the day-ahead timeframe in a single step in accordance with the multi-regional procedures.

The shadow allocation rules set out the rights and obligations of the parties as well as the requirements for participation in the shadow auctions. They also describe the process of the shadow auction, including the determination of the marginal price as a result of a shadow auction and invoicing/payment.

d) ElecLink intraday allocation rules

These rules contain the terms and conditions for the allocation of intraday transmission rights on the ElecLink interconnector. In particular, these rules set out the rights and obligations of the parties as well as the requirements for participation in auctions. They describe the auction process, including the determination of the marginal price as a result of an auction and the process for curtailment of intraday transmission rights and invoicing/payment. They are

included in Part 2 of the ElecLink Access Rules.

e) Nomination rules for physical transmission rights for the bidding zone borders of the Channel region

These long-term nomination rules are required under Article 36 of the FCA Regulation. They cover the entitlement of a physical transmission rights holder to nominate electricity exchange schedules, minimum technical requirements to nominate, description of the nomination process, nomination timings and format of nomination and communication. For the avoidance of doubt, these rules do not include provisions on the nomination of day ahead and intraday transmission rights. Such provisions can be found in the ElecLink explicit day ahead and intraday nomination rules mentioned below.

f) ElecLink explicit day ahead and intraday nomination rules

These rules cover the entitlement of a physical transmission rights holder to nominate electricity exchange schedules, minimum technical requirements to nominate, description of the nomination process, nomination timings and format of nomination and communication. They are included in Part 3 of the ElecLink Access Rules. For the avoidance of doubt, the rules do not cover the nomination of long-term transmission rights. The provisions in respect of the nomination of long-term transmission rights can be found in the nomination rules for physical transmission rights for the bidding zone borders of the Channel region mentioned above.

g) Channel transmission system operators proposal for fallback procedures

These fallback procedures are required under Article 44 of the CACM Regulation. They provide additional measures that can be initiated to ensure the cross-border capacity can be provided to the market in the event that the day-ahead coupling process is unable to produce results.

h) Capacity calculation methodology for long-term transmission rights in the Channel region

This methodology is required under Article 10 of the FCA Regulation. At the time of approval of the ElecLink Access Rules by Ofgem, this methodology has not been finalised or formally approved by the competent authorities yet. The methodology shall contain common and coordinated processes for the calculation of cross-border capacity within the long-term market timeframe.

i) Channel transmission system operators proposal of common capacity calculation methodology for the day-ahead and intraday market timeframes

This methodology is required under Article 20 of the CACM Regulation. It establishes common and coordinated processes for the calculation of cross-border capacity at the day-ahead and intraday stages. The methodology includes methodologies for the calculation of the inputs to capacity calculation, a detailed description of the capacity calculation approach, a methodology for the validation of cross-zonal capacity and a fallback procedure in the event the initial capacity calculation does not lead to any results.

All the above-mentioned rules and methodologies (which are not already included in Part 1, 2 or 3 of the ElecLink Access Rules) can be found at the following link: <http://www.eleclink.co.uk/european-network-codes.php>.

Once the capacity calculation methodology for long-term transmission rights in the Channel region is approved by the competent authorities, it will also be available at the same link.

For the avoidance of doubt, ElecLink will also be compliant with any other methodology applicable to ElecLink at the Channel or European level and which is required by the European network codes.