

France – Great Britain Border Specific Annex 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

23rd March 2020 Consultation

CHAPTER 1

General Provisions

Section 1

Subject-matter and scope

1. In accordance with Article 4 (*Regional specificities*) of the Allocation Rules regional or border specificities may be introduced for one or more Bidding Zone borders. Rules described in this Annex apply to the France-Great Britain bidding zone border (the "Border").
2. The capitalised terms used in this Annex are defined in the Allocation Rules to which this Annex is attached or in the Relevant Intraday Explicit Allocation Rules unless otherwise specified below:

Capacity Shortage has the meaning set out in Section 7 of this Annex;

Relevant Intraday Explicit Allocation Rules shall mean the rules relating to the allocation of intraday explicit capacity on the relevant Interconnector as published by the relevant Allocation Platform;

Operators shall mean the operators of one or more Interconnectors on the Border;

Long Term Nomination Rules shall mean the document entitled "Proposal for nomination rules for Physical Transmission Rights for the bidding zone borders of the Channel region in accordance with Article 36 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation" as published by the Operators.

Mid Channel Day Ahead Market Spread means, in relation to a Contract Day and a specific hour and direction, when an Implicit Daily Auction occurs, the difference of the Bidding Zone prices (in €/MWh) on the British and French day ahead markets a/ as adjusted at Mid Channel by application of the Loss Factor and b/ as set the day prior to the Contract Day by the Implicit Allocation Algorithm in €/MWh (or in the event that, despite the otherwise correct operation of Implicit Allocation, the relevant power exchanges' price in either of the GB or France Bidding Zone are not the same then the Operators may nevertheless choose (acting in their absolute discretion) a particular power exchange price in such Bidding Zone for the purposes of this calculation) and c/ as published by the relevant Allocation Platform;

and for the avoidance of doubt the Mid Channel Day Ahead Market Spread for the direction France to England for a Contract Day and a specific hour is:

Price GB * (1 - Loss Factor) - Price FR * (1 + Loss Factor) where:

- Price GB is the price in €/MWh (as defined above) on the British day ahead market for such Contract Day and specific hour

- Price FR is the price in €/MWh (as defined above) on the French day ahead market for such Contract Day and specific hour;

And vice versa for the direction England to France:

Price FR * (1 - Loss Factor) - Price GB * (1 + Loss Factor)

Nomination Platform shall mean the relevant system used by PTR Holders to Nominate PTRs on the relevant Interconnector;

Shadow Allocation Rules shall mean the rules for allocation of day-ahead explicit products on the relevant Interconnectors as published by the relevant Allocation Platform;

Section 2

Effective date and application

1. The Allocation Rules and this Annex shall apply to Long Term Transmission Rights and all other rights and obligations in relation to the Border including those acquired before but with all or part of the delivery period occurring after the date on which this Annex takes effect from the sooner of:
 - a. the date on which the first Rights Documents applicable to the relevant Interconnector are published by the Joint Allocation Office S.A. and;
 - b. the date published by the relevant Allocation Platform with a notice published no less than thirty (30) days prior on the website of the relevant Allocation Platform.

CHAPTER 2

Not used

CHAPTER 3

Not Used

CHAPTER 4

Not used

CHAPTER 5

Not used

CHAPTER 6

Not used

CHAPTER 7

Use and remuneration of Long Term Transmission Rights

Section 3

Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights

1. By way of amendment of Article 48(1)(a) (*Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights*) of the Allocation Rules, the Market Spread shall be the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation in which that Cross Zonal Capacity was reallocated.
2. By way of clarification of Article 48(1)(c) (*Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights*) of the Allocation Rules, in case of day-ahead Explicit Allocation from fallback allocation for Implicit Allocation for Transmission Rights it is hereby confirmed that no day ahead price will be calculated in the GB Bidding Zone (due to the failure of single day ahead coupling) and therefore the price shall be the Marginal Price of the Explicit Auction at which Transmission Rights were allocated in a day ahead fallback mechanism, for the concerned hourly period.

Section 4

Cancellation of a Long Term Nomination Gate

In the event of technical difficulties with the Nomination Platform, the Operators may be forced to cancel a Long Term Nomination Gate Closure. In that case, the Operators shall inform the Registered Participants as soon as practicable of such cancellation. Physical Transmission Rights will be considered as non-nominated by the relevant Allocation Platform, and the holder shall therefore be entitled to receive remuneration in accordance with Article 48 (*Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights*) of the Allocation Rules and as amended by Section 3. For the avoidance of doubt, the remuneration described in this Section 4 shall be considered as remuneration paid in accordance with Article 48 of the Allocation Rules, and therefore shall be included in the calculation of the monthly compensation cap pursuant to Article 59(3) of the Allocation Rules.

Section 5

Deemed Metered Volumes

When a Registered Participant submits a valid Mid-Channel Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses on the relevant Interconnector and for any reductions in Mid Channel Nominations as a result of curtailment, is allocated to the relevant Registered Participant using the Deemed Metered Volume allocation rules set out in Annex 2: “Deemed Metered Volumes Allocation” of the Long Term Nomination Rules.

CHAPTER 8

Not used

CHAPTER 9

Curtailement

Section 6

Curtailement general provisions

1. Curtailement shall be carried out for the relevant Interconnector in accordance with this chapter of the Annex and in conjunction with Title 9 (*Curtailement*) of the Allocation Rules. This chapter should be read in conjunction with the appropriate chapters of the Shadow Allocation Rules and the Relevant Intraday Explicit Allocation Rules which cover the curtailement of explicit Daily and Intraday Interconnector Capacity.
2. A Capacity Shortage shall be automatically deemed by the relevant Allocation Platform as requiring a curtailement to ensure operation remains within the applicable Operational Security Limits to the extent it occurs before the Day-Ahead Firmness Deadline.
3. For the purposes of Title 9 (*Curtailement*) of the Allocation Rules any calculation of the Market Spread as defined in the Allocation Rules shall be calculated as the Mid Channel Day Ahead Market Spread (and such calculation shall be subject to the cap set out in Section 10 of this Annex).
4. Long Term MCNs may be curtailed ex-post after Long Term Nomination Gate Closure whether before or after the DAFD in accordance with this Annex.

Section 7

Capacity Shortage

1. A Capacity Shortage occurs on the relevant Interconnector for any minute in a direction if:

$$IC_{dir} < \sum \text{Capa}_{dir}^{GNC} + \sum \text{MCN}_{dir}^{GC} - \sum \text{MCN}_{opp}^{GC}$$

where:

- a. IC_{dir} is the value of the Interconnector Capability at that time in that direction; and
- b. $\sum \text{Capa}_{dir}^{GNC}$ is the sum of the Interconnector Capacity rights across all relevant Registered Participants in that direction, including Daily and Intraday rights allocated under the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules, for any Timescale for which Nomination Gate Closure has not yet occurred, (before curtailement of these rights in respect of the relevant Capacity Shortage); and
- c. $\sum \text{MCN}_{dir}^{GC}$ is the sum of the MCN values across all relevant Registered Participants in that direction for all Timescales for which Nomination Gate Closure has occurred, (before curtailement of that MCN in respect of the relevant Capacity Shortage in accordance with this Annex or the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules); and
- d. $\sum \text{MCN}_{opp}^{GC}$ is the sum of the MCN values across all relevant Registered Participants in the

opposite direction for all Timescales, for which Nomination Gate Closure has occurred, (before curtailment of that MCN in respect of the relevant Capacity Shortage in accordance with this Annex or the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules),

and the “Curtailment Quantity” is the positive number equal to the difference between IC_{dir} in such direction and $(\Sigma Capa_{dir}^{GNC} + \Sigma MCN_{dir}^{GC} - \Sigma MCN_{opp}^{GC})$.

2. Where a Capacity Shortage occurs, the Operators will communicate such information to the relevant Allocation Platform which will then process the curtailment.

Section 8

Curtailment of Long Term Transmission Rights to ensure operation remains within Operational Security Limits before DAFD

1. In order to ensure operation remains within applicable Operational Security Limits (pursuant to Section 6(2) of this Annex or otherwise) in any Settlement Period, the Long Term Transmission Rights of all relevant Registered Participants in that Settlement Period in the required direction may be curtailed by the relevant Allocation Platform in accordance with paragraphs 2 and 3 of this Section 8.
2. Further to paragraph 1, the Long Term Transmission Rights, in respect of which Long Term Nomination gate has not closed at the time of the curtailment incident being recorded on the Auction Tool, in that Settlement Period and in that direction, shall be curtailed pro rata for all relevant Registered Participants. Each relevant Registered Participant shall lose its entitlement to use such curtailed Long Term Transmission Rights.
3. In the event of a need of curtailment in order to ensure operation remains within Operational Security Limits between Long Term Nomination Gate Closure and DAFD, Long Term Transmission Rights on the affected interconnector shall be curtailed on a pro rata basis between nominated and non-nominated rights and on a pro rata basis for all relevant Registered Participants. When calculating each Registered Participant’s share of the Curtailment Quantity, netting of its Nominations across the two directions is applied.

Section 9

Compensation of curtailed Long Term Transmission Rights to ensure operation remains within Operational Security Limits before DAFD

1. By way of amendment of Article 59(1)(a) (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the Allocation Rules, the Market Spread for holders of curtailed Long Term Transmission Rights on such interconnector under Section 8 of this Annex shall be the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread (subject to the caps set out in Section 10 of this Annex) in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation in which that Cross Zonal Capacity was reallocated.
2. By way of clarification of Article 59(1)(b) (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the Allocation Rules, in case of day-ahead Explicit Allocation from fallback allocation for Implicit Allocation for Transmission Rights it is hereby confirmed that no day ahead price will be calculated in the GB Bidding Zone (due to the failure of single day ahead coupling) and therefore

the price shall be the Marginal Price of the Explicit Auction at which Transmission Rights were allocated in a day ahead fallback mechanism, for the concerned hourly period.

*Section 10
Curtailement Compensation Caps*

1. In accordance with Article 59(3) (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the Allocation Rules, a monthly compensation cap will be applied. The monthly compensation cap will be calculated and applied individually in respect of each interconnector on the FR-GB Bidding Zone border.

*Section 11
Curtailement of non-nominated and nominated Physical Transmission Rights
due to an emergency situation after DAFD*

1. If curtailment is required due to an emergency situation, the non-nominated and nominated Physical Transmission Rights for that interconnector, in that Settlement Period and in that direction, for which Nomination Gate Closure has occurred, are curtailed on a pro-rata basis for all relevant Registered Participants. When calculating each Registered Participant's share of the Curtailment Quantity, netting of its Nominations across the two directions is applied.
2. Should an Implicit Daily Auction be cancelled and the associated fallback Explicit Daily Auction(s) for one or more relevant interconnectors also be cancelled, leading to the curtailment of non-nominated Physical Transmission Rights, the relevant Registered Participants will be compensated by the relevant Allocation Platform for the corresponding curtailed Physical Transmission Rights.

*Section 12
Compensation of curtailed nominated and non-nominated Physical
Transmission Rights due to an emergency situation after DAFD*

1. By way of amendment of Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline*) of the Allocation Rules, the Market Spread for holders of curtailed Long Term nominated and non-nominated Physical Transmission Rights under Section 11 of this Annex shall be for the corresponding curtailed units the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation in which that Cross Zonal Capacity was reallocated.
2. For the avoidance of doubt, in case of day-ahead Explicit Allocation from fallback allocation for Implicit Allocation for Transmission Rights it is hereby confirmed that no day ahead price will be calculated in the GB Bidding Zone (due to the failure of single day ahead coupling) and therefore the price shall be in accordance with Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline*) of the Allocation Rules.

CHAPTER 10

Invoicing and Payment

Section 13

Invoicing

1. Where an invoice issued by the relevant Allocation Platform does not contain full background data for the derivation of invoice summary amounts, then the Registered Participant may consult the Auction Tool to obtain such background data.
2. The invoice may include other payment obligations of the Registered Participant under the Shadow Allocation Rules and/or the Relevant Intraday Explicit Allocation Rules provided that the products auctioned under the Shadow Allocation Rules and the Relevant Intraday Explicit Allocation Rules are allocated by the relevant Allocation Platform.

CHAPTER 11

Miscellaneous

Section 14

Duration and amendment of Allocation Rules

1. By way of clarification to Article 68(6) (*Duration and amendment of Allocation Rules*) of the Allocation Rules, the biennial review required of the Allocation Rules and the border and /or regional specific annexes included with the Allocation Rules by the relevant TSOs shall be treated as satisfied to the extent that any such review is undertaken in accordance with the requirements of competent National Regulatory Authorities.