

IFA Interconnector's 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 April 2018

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-England border comprising the “Interconnexion France-Angleterre (IFA)” (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 IFA Intraday Explicit Allocation Rules unless otherwise specified below:

Capacity Shortage has the meaning set out in Section 14 of this Annex;

IFA has the meaning given to the term “Interconnector” under the Allocation Rules;

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

IFA Operators shall mean the operators of IFA, RTE and National Grid Interconnectors Limited;

Long Term Nomination Rules shall mean the document untitled “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 IFA Operators.

Mid Channel Day Ahead Market Spread means, in relation to a Contract Day and a specific hour and direction:

(i) when an Implicit Daily Auction occurs, the difference of the power exchange prices (in €/MWh) on the British and French day ahead markets a/ as adjusted at Mid Channel by application of the Loss Factor for such Contract Day and specific hour and b/ as set the day prior to the Contract Day by the Implicit Allocation Algorithm in €/MWh (such power exchanges to be chosen by the IFA Operators in their absolute discretion from time to time) and c/ as published by the Allocation Platform; and

(ii) when an Implicit Daily Auction has been cancelled, the difference of those power exchange prices (in €/MWh) on the British and French day ahead markets a/ as adjusted at Mid Channel by application of the Loss Factor for such Contract Day and specific hour and b/ as calculated by the Allocation Platform (using the Exchange Rate as specified by the IFA Operators) and c/ as published by the 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 chosen power exchange price (in €/MWh) on the British day ahead market for such Contract Day and specific hour

- Price FR is the power exchange price (in €/MWh) 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 IFA;

Shadow Allocation Rules shall mean the rules for allocation of day-ahead explicit products on IFA as published by the 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 take effect the sooner of:
 - (i) the date on which the first Rights Documents applicable to IFA are published by the Joint Allocation Office S.A. and;
 - (ii) the date published by the Allocation Platform with a notice published thirty (30) days prior on the website of the 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)&(b) (*Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights Options*) of the Allocation Rules, the price is to be adjusted to reflect transmission losses over the IFA.
2. The price 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 or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.

Section 4

Cancellation of a Long Term Nomination Gate

In the event of technical difficulties with the Nomination Platform, the IFA Operators may be forced to cancel a Long Term Nomination Gate Closure. In that case, the IFA Operators shall inform the Registered Participants as soon as practicable of such cancellation. Physical Transmission Rights will be considered as non-nominated by the 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 9 to incorporate transmission losses. For the avoidance of doubt, the remuneration described in this Section 10 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 IFA 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 Border in accordance with this chapter of the Annex and in conjunction with Chapter 9 (*Curtailement*) of the Allocation Rules. This chapter should be read in conjunction with the appropriate chapters of the Shadow Allocation Rules and the IFA Intraday Explicit Allocation Rules which cover the curtailement of Daily and Intraday Interconnector Capacity.
2. A Capacity Shortage shall be automatically deemed by the 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.
2. For the purposes of Chapter 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 17 of this Annex).
3. 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 IFA for any minute in a direction if:

$$IC_{dir} < \sum Capa_{dir}^{GNC} + \sum MCN_{dir}^{GC} - \sum MCN_{opp}^{GC}$$

where:

- a. IC_{dir} is the value of the Interconnector Capability at that time in that direction; and
- b. $\sum Capa_{dir}^{GNC}$ is the sum of the Interconnector Capacity rights across all Registered Participants in that direction, including Daily and Intraday rights allocated under the IFA Access 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. $\sum MCN_{dir}^{GC}$ is the sum of the MCN values across all 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 IFA Access Rules); and
- d. $\sum MCN_{opp}^{GC}$ is the sum of the MCN values across all 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 IFA Access Rules),

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

2. Where a Capacity Shortage occurs, the IFA Operators will communicate such information to the 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 13(2) of this Annex or otherwise) in any Settlement Period, the Long Term Transmission Rights of all Registered Participants in that Settlement Period in the required direction may be curtailed by the Allocation Platform in accordance with paragraphs 2, 3, 4 and 5 of this Section 15.
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 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 shall be curtailed on a pro rata basis between nominated and non-nominated rights and on a pro rata basis for all Registered Participants.

Section 9

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

By way of amendment of Article 59 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the Allocation Rules, the compensation payable with respect to curtailment of Long Term Transmission Rights to maintain operation within applicable Operational Security Limits shall be calculated to reflect transmission losses over the IFA. Holders of curtailed Long Term Transmission Rights under either Section 15 of this Annex shall therefore be entitled to receive reimbursement equal to the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread (subject to the caps set out in Section 17 of this Annex) in the direction of the Long-Term Transmission Rights of the day-ahead Implicit Allocation or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.

Section 10

Curtailment 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*) a monthly compensation cap will be applied.

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, in that Settlement Period and in that direction, for which Nomination Gate Closure has occurred, are curtailed on a pro-rata basis for all Registered Participants.
2. Should an Implicit Daily Auction be cancelled and the associated fallback Explicit Daily Auction also be cancelled, leading to the curtailment of all non-nominated Physical Transmission Rights, the Registered Participant will be compensated by the 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

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 compensation payable with respect to curtailment of Long Term Transmission Rights in the event of an emergency situation shall be calculated to reflect transmission losses over the IFA. Holders of curtailed Long Term nominated and non-nominated Physical Transmission Rights under Section 18 of this Annex shall be entitled to receive reimbursement for the corresponding curtailed units equal to 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 or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.

CHAPTER 10

Invoicing and Payment

Section 13

Directional invoicing

1. Where an invoice issued by the 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 IFA Intraday Explicit Allocation Rules provided that the products auctioned under the Shadow Allocation Rules and the IFA Intraday Explicit Allocation Rules are allocated by the Allocation Platform.

CHAPTER 11

Miscellaneous

Section 14

Duration and amendment of Allocation Rules

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.