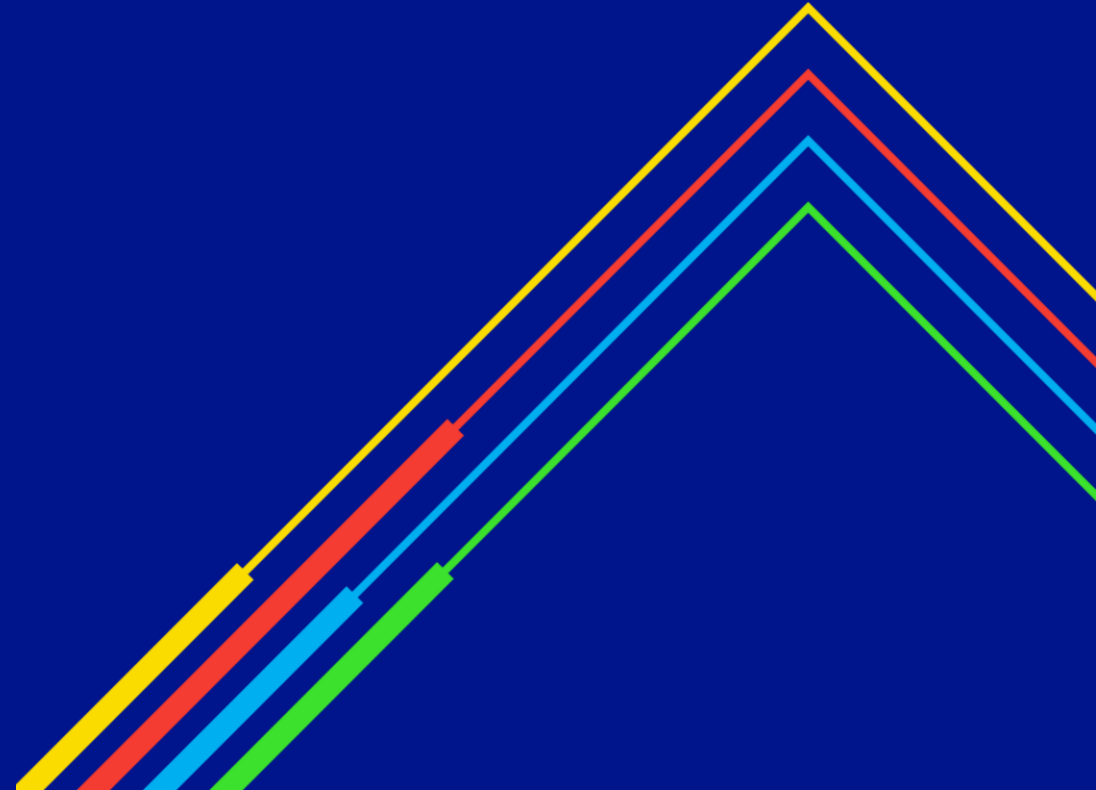


IFA New Systems Training Workshop

London, UK

Friday 8th November 2019

nationalgrid
Interconnectors



Introduction & Purpose



Future Interconnectors

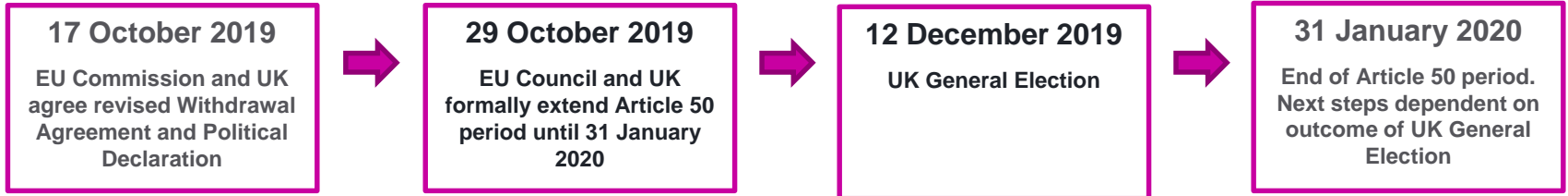
- **IFA2**
 - Already submitted the product mix to JAO
 - Go live with day ahead and intraday on JAO
 - Commissioning & start of trial operations in Summer 2020

- **North Sea Link**
 - Design and delivery phase
 - Commissioning of the interconnector in 2021

Agenda – IFA New Systems Training Workshop

Time	Agenda
09:00 - 09:45	Introduction & Purpose, Business Updates
09:45 – 11:00	Interactive JAO Demo
11:00 – 11:15	Break
11:15 – 15:45	RNP Training with Working Lunch
15:45 Onwards	Networking Drinks

Political Update, and potential IFA consequences



There are three potential Brexit Outcomes on 31 January 2020:

1. The UK exits the European Union with a Withdrawal Agreement

Approved IEM Rules to apply

2. The UK exits the European Union without a Deal (aka “No Deal”)

If no request for an extension from UK Prime Minister or if EU Council refuse a further extension request

Approved non-IEM Rules to apply

3. The Article 50 Period is extended again

This option requires both a UK government to request it and the EU27 to agree to it.

Approved IEM Rules to apply through the extension period

Consequences of a No Deal Brexit – 31 January 2020

- **Access Rules**

- Ofgem has approved revised “No Deal” Access Rules that cater for an EU Exit on 31 January 2020 without a Withdrawal Agreement

- **Auctions**

- Day Ahead implicit auctions (via MRC) would cease
- Day ahead capacity will be sold via an explicit day ahead auction, also on JAO platform
- Long term and intraday capacity will not change and will continue to be sold via JAO platform

- **UloSI**

- Unused LT capacity will be re-allocated in the IFA Day Ahead explicit auction, and hence will be paid out at the clearing price of this auction.

Consequences of a No Deal Brexit – 31 January 2020

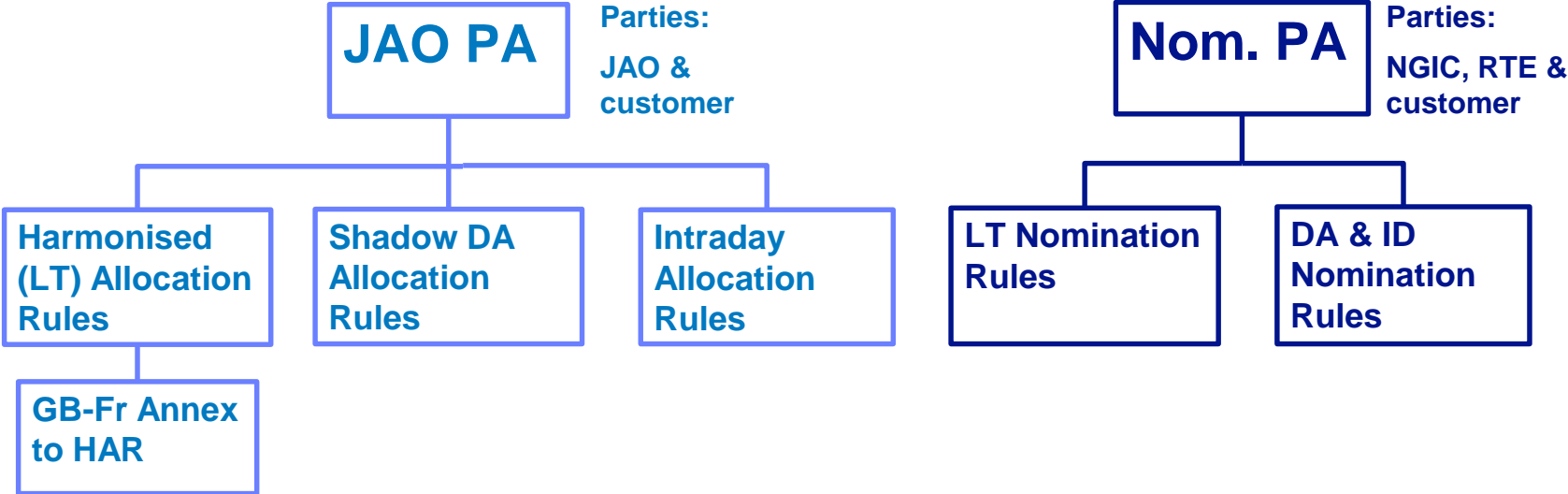
- **Curtailment**

- NGIC and RTE wanted to propose a market spread–based compensation, however feedback from NRAs was that there is insufficient certainty on the power exchange processes and of a robust GB market price in a No Deal BREXIT, and hence a market spread should not be used at this stage. Consequently compensation will be as follows:
 - Initial Price Paid for LT capacity curtailed prior to the Day Ahead Firmness Deadline
 - Day Ahead explicit auction price for LT capacity curtailed after the Day Ahead Firmness Deadline.

- **Invoicing**

- Day ahead explicit auctions will be invoiced monthly. Customers should ensure they maintain sufficient credit with JAO to secure against potentially 6-7 weeks of DA commitment

Access Rules for IFA JAO/RNP transition on 1st Dec



Key Access Rules changes for SAP/RNP implementation

The changes reflect the adoption of JAO processes, which are different in some areas to past DAMAS practice on IFA. Specifically:

1. **Collateral.** Banks providing LoC require credit rating of BBB+.
2. **Curtailment.** To be pro rata across LT products, not in product order.
3. **Invoicing.** For explicit capacity, all to be via JAO for both capacity directions.
4. **Intraday.** Rules allow for future implementation of 4xAuctions, 24xNom Gates, upon notice (28days).

IFA2 Rules – will be identical to those for IFA.

IFA Access Rules and platforms transition

The new SAP/RNP platforms for IFA and associated IFA Access Rules documents will be phased in across 29/11-1/12. The following table summarises the elements of Rules and platform operation throughout this period.

ACTIVITY DATE	PROCESS	For DELIVERY DAY	PLATFORM	APPLICABLE RULES DOC
28/11	All processes	28-30/11	CMS	Current HAR, BSA, Access Rules
29/11	All DA/ID processes	29-30/11	CMS	Current Access Rules
	LT Rights Issue	1/12	JAO	HAR & new BSA*
	LT Noms Gate Open	1/12	RNP	LT Noms Rules*
30/11	ID Auction#2 & Noms	30/11	CMS	Current Access Rules
	DA fallback	1/12	JAO	SARs*
	ID Auction #1	1/12	JAO	ID Allocation Rules*
	DA, ID#1 Noms	1/12	RNP	DA/ID Noms Rules*
	LT Rights Issue	2/12	JAO	HAR & new BSA*
	LT Noms Gate Open	2/12	RNP	LT Noms Rules*
1/12 onwards	All processes	1-3/12	JAO/RNP	All new Rules*

* Denotes new Rules document

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IFA & IFA2 Product Update

- **As part of the systems transition, you will be onboarded on to IFA2 before it goes live**
- **Long term auction schedule IFA & IFA2**
- **All products are still physically firm**
- **All explicit products for IFA & IFA2 will be on JAO**
- **New intraday schedule to go live early next year**
- **New products, Contract for Difference**

System Transition

- **From 1 December 2019 the Capacity Management System (CMS) currently used to bid and nominate capacity on IFA will be replaced by two new systems.**
- **To bid for IFA long term and Intraday capacity you must be registered with the Joint Allocation Platform (JAO).**
- **To nominate capacity you must be registered on the Regional Nomination Platform (RNP)**
- **As part of the transition to the new systems you will also be registered for IFA2, our second connection to France, which is scheduled for go live in Summer 2020**

Onboarding information



IFA System Transition ACTION REQUIRED.msg

Dear IFA customers,

As you will be aware from 1 December 2019 the Capacity Management System (CMS) currently used to bid and nominate capacity on IFA will be replaced by two new systems.

To continue to trade on IFA, all customers must transition to the new systems.

To bid for capacity you must be registered with the **Joint Allocation Office (JAO)** to use their auction platform (known as SAP/eCAT).

To nominate capacity you must be registered on the **Regional Nomination Platform (RNP)**.

Please click on the links below to take you through the relevant process and requirements for the new systems.

As part of the transition to the new systems you will also be registered for IFA2, our second connection

How to register with JAO:

In order to bid for capacity on IFA & IFA2, customers must be registered with JAO on their auction platform (known as SAP/eCAT)

To register with JAO:

Sign Participation Agreement Amendment

Review collateral

How to register on RNP:

In order to nominate capacity on IFA & IFA2, customers must be registered on the Regional Nomination Platform hosted by Unicorn.

To register with RNP:

Sign Participation Agreement

Complete User Access Form

Testing environment open from 7 October – 22 November, if you still require further testing access after this time, this is available on request.

Collateral

- **You will need to continue to hold collateral on CMS until settlement of the December 2019 invoice.**
- **From 1 December 2019, you will need to ensure you hold sufficient collateral on JAO as you cannot transfer collateral between the two platforms. Please ensure you have enough collateral on JAO to cover your existing liabilities.**
- **For a small period of time, you will need to hold collateral on two platforms.**
- **Detailed information on this can be found in the systems transition pack.**