



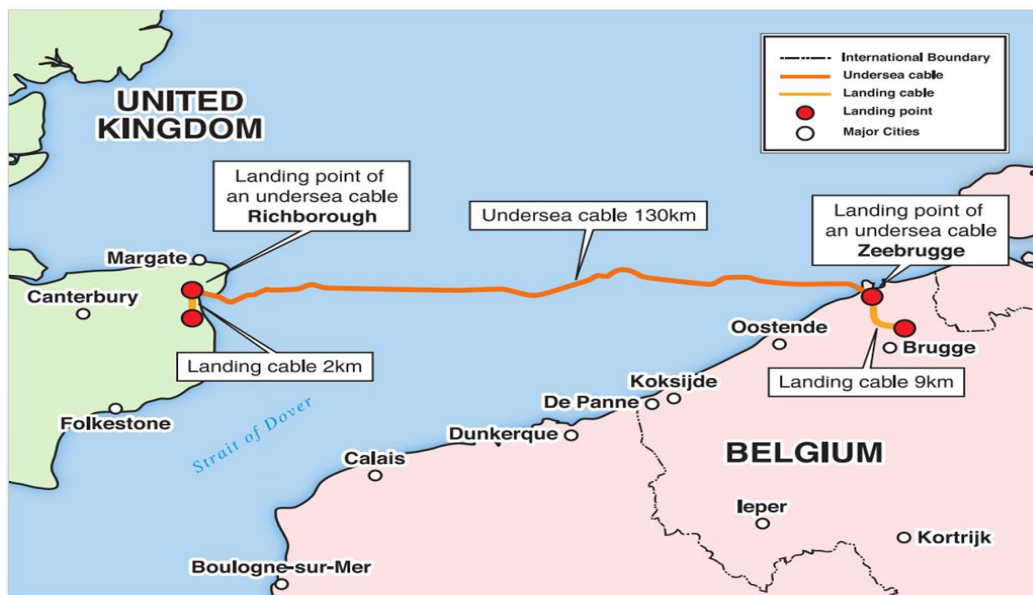
Consultation on the Nemo Link Trading Framework

This consultation describes the contractual framework underpinning proposals for trade on the Nemo Link Interconnector and invites feedback from all potential customers and stakeholders on the proposals ahead of submission to the relevant regulatory authorities for approval

May 2018

INTRODUCTION

- 1 Nemo Link Limited (NLL) and Elia System operator are responsible for the transmission of electricity across the Anglo-Belgian Interconnector. This interconnector connects the national electricity systems of Belgium (owned and operated by Elia) and Great Britain (owned by three companies but operated by National Grid Electricity Transmission plc (NGET)). NLL is a 50:50 joint venture between Elia and National Grid Plc holding an Interconnector Licence to operate Nemo Link, in GB and designated as a Transmission System Operator (TSO) under the European Third Package.
- 2 The interconnector circuits comprise two AC to DC converter stations connected by cables between Richborough in GB and Zeebrugge in Belgium, some 141km in total of which 130km is subsea. Electrical current enters and leaves the interconnector circuits at these two converter stations.

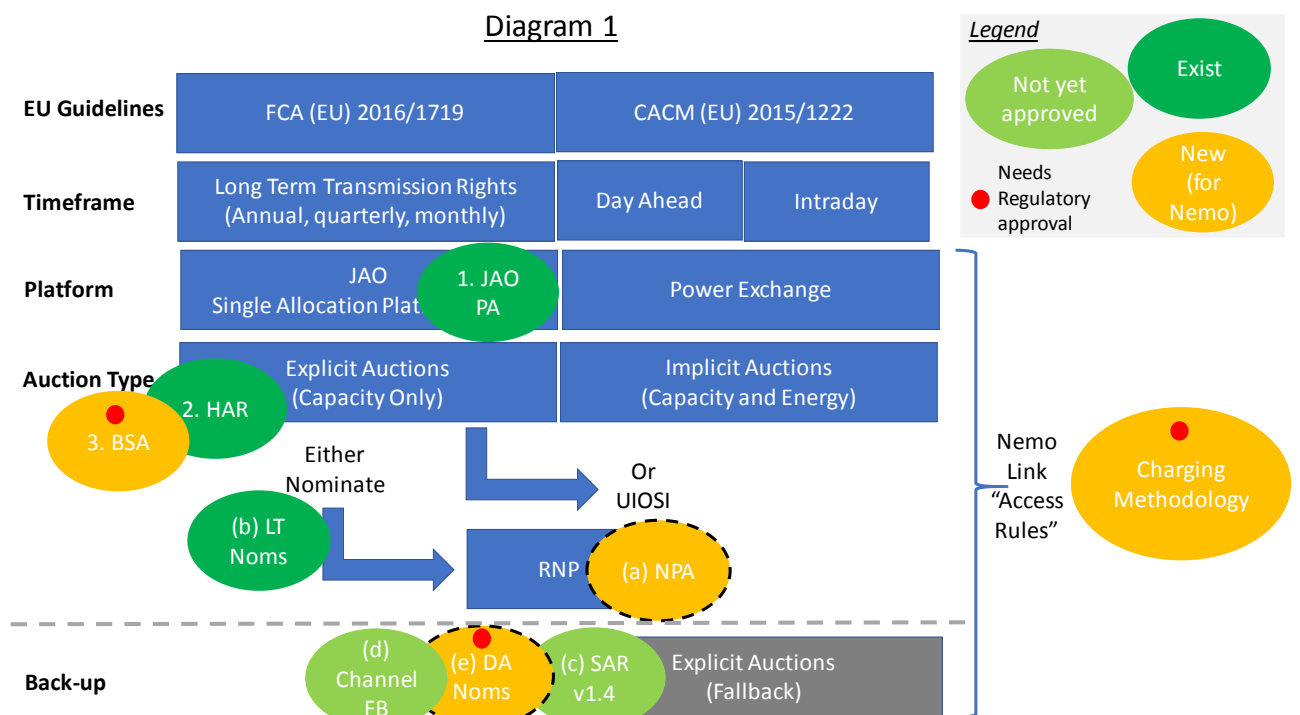


- 3 This document sets out the structure of the contractual framework and describes the consultation documents and a template is available in Appendix 1 for responses.
- 4 Further information is available on the Nemo Link website:
<http://www.nemolink.co.uk>
- 5 If you have any questions on the information contained in this document or would like to respond to the consultation using the template in Appendix 1, please email the following address:

Email: info@nemolink.co.uk

CONSULTATION DOCUMENTS

- 6 Trading on Nemo Link will be governed by a number of documents, some already established at EU wide level, some already agreed or in development in the channel region, and some local to Nemo Link. Although all relevant documents are provided for background and context, it is only a subset of those to which the consultation requests response from interested parties. Elia is formally consulting together with NLL on the Border Specific Annex to the Harmonised Allocation Rules and on the Day Ahead Nomination Rules but will receive from NLL all responses to the present consultation. The diagram and table below summarises the framework:

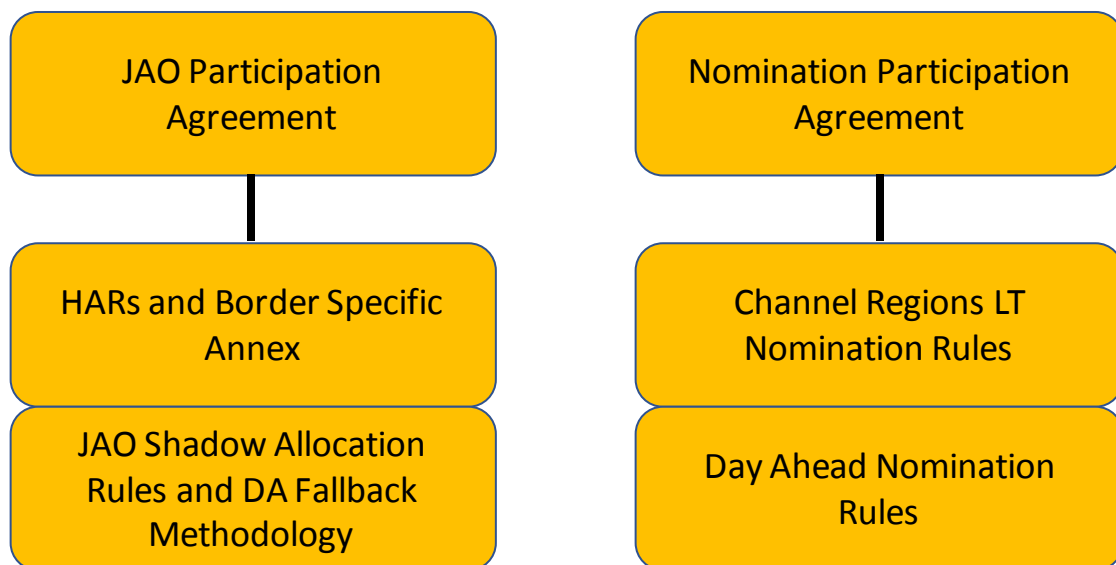


| Document | Description | Already in existence? | For this consultation? | Regulated document? |
|--------------------------------------|---|-----------------------|---|---------------------|
| Charging Methodology | High level summary of the entire framework. | No | Yes | Yes |
| 1_JAO Participation Agreement | The contract all customers sign with JAO to carry out cross border trade across Europe through explicit auctions using the Single Allocation Platform for | Yes | Supporting document included for background information | No |

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| | long term products. | | | |
| 2_Harmonised Allocation Rules for Long Term Transmission Rights | Detailed rules explaining how explicit auctions will be undertaken and the rights of participants. | Yes | Supporting document included for background information | Yes |
| 3_Border Specific Annex to the Harmonised Allocation Rules | Annex containing exemptions from the HAR for the GB-Belgian border e.g. treatment of HVDC losses and compensation cap. | No | Yes | Yes |
| a_Nomination Participation Agreement | The contract users will sign with Nemo Link to nominate flows using the Nomination Platform (RNP) | No | Yes | No |
| b_Channel Long Term Nomination Rules | The rules that apply for nominating capacity on the RNP for long term capacity products. Requirement under FCA Article 36. | Yes | Supporting document included for background information | Yes |
| c_JAO Shadow Allocation Rules | High level rules for allocating capacity explicitly where market coupling breaks down | Yes | Supporting document Included for background. GB-Belgium will be added to Annex 1 of the List of Bidding Zone Borders | Yes |
| d_Channel Day Ahead Fallback Procedure | High level process to allocate capacity where JAO unable to perform an auction. Requirement under CACM Article 44. | No | Supporting document included for background information | Yes |

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| e_Day Ahead Nomination Rules | The rules that apply for nominating capacity on the RNP for day ahead capacity products where market coupling breaks down | No | Yes | Yes |

7 Customers trading on Nemo Link will be required to sign the JAO Participation Agreement and, should they want to nominate capacity rights, they will have to sign the Nomination Participation Agreement:



8 All of the documents in the above table can be found on the NemoLink website and comments are invited on the 4 documents that are part of this consultation by 25th June:

- Nemo Link Charing Methodology (consulted on by NLL)
- 3_GB-Belgium Border Specific Annex (consulted on by NLL and Elia)
- a_Nomination Participation Agreement (consulted on by NLL)
- e_Day Ahead Nomination Rules (consulted on by NLL and Elia)

APPENDIX 1 – CONSULTATION RESPONSE TEMPLATE

Please provide any comments you may have on the consultation documents using the template below:

| Consultation Document | Comments/ Feedback/ Questions |
|---|--------------------------------------|
| Charging Methodology | |
| Border Specific Annex | |
| Nomination Participation Agreement | |
| Day Ahead Nomination Rules | |

Please return this template by 25th June to info@nemolink.co.uk