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25th November 2013

Amendment Notice – IFA Access Rules

Dear Industry Colleague, Market Participant and IFA Users,

By way of background, the England–France electricity interconnector (IFA) is a 2000MW DC link connecting the transmission systems of Great Britain and France. The link is jointly owned and operated by National Grid Interconnectors Limited (NGIC) and Réseau de Transport d'Electricité (RTE).

This letter constitutes a Notice of Amendment under Rule A4.1.1 of the existing IFA Access Rules in respect of new IFA Access Rules Issue 9.0.

The primary reason for the new IFA Access Rules Issue 9.0 is for the introduction of Implicit Daily Auctions on IFA. IFA day ahead capacity allocation in normal circumstances will cease to be conducted via Explicit Daily Auctions, and will be administered by the Price Coupling algorithm within the overall NWE Price Coupling solution. Explicit Daily Auctions will be used as the IFA fallback process should Implicit Daily Auctions mechanism be operationally unavailable.

The physical flow on IFA being subject to losses, a loss factor of 2.313% will be applied by the algorithm of the NWE Price Coupling solution.

In addition, there are changes to other aspects of the IFA business process such as firmness of explicit capacity.

In accordance with Rule A4 in the IFA Access Rules, and following approval from both CRE and Ofgem, the IFA Access Rules Issue 9.0 will become active at the start of the contract day 4th February 2014. This date is still subject to the agreement of the NWE JSC (Joint Steering Committee) whose decision regarding the official NWE go-live date will be made in December and announced to the market as soon as possible thereafter.

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The IFA Access Rules Issue 9.0 and all documentation relating to the recent consultation, including background and details of all the changes, are available on both NGIC and RTE's websites. This also includes a change-marked version of the Access Rules identifying all the differences which will take effect once the transition from the current version (Issue 8.0) to Issue 9.0 takes place on the date noted in the paragraph above.

If you require any further information please contact us.

Yours faithfully,

Laure Lamoureux

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