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## **Consultation on the proposed modification of the IFA Access Rules and the IFA Participation Agreement**

Dear IFA Participants and Market Parties,

The French and British electricity transmission systems are connected by a 2000 MW HVDC link between Les Mandarins in France and Sellindge in England known as the Interconnexion France-Angleterre (IFA). This interconnector is jointly owned and operated by National Grid Interconnectors Limited (NGIC) and Réseau de Transport d'Electricité (RTE), and supports electricity trading in both the GB to France and France to GB directions.

### **Modification of the IFA Access Rules**

Historically, the IFA Access Rules, established by NGIC and RTE, have governed the allocation of rights to use the Interconnector by explicit auction across all timescales, as well as setting out more general terms of use. Aspects of these rules relating to Long Term capacity allocation will ultimately be contained in the Allocation Rules for Forward Capacity Allocation (HARs) as required by the Regulation on Forwards Capacity Allocation (FCA Regulation). (Indeed this format has been adopted since July 2016, under the early implementation HARs project).

The HARs including IFA's Border Specific Annex (IFA BSA) as required by the FCA Regulation have been submitted to National Regulatory Authorities (NRAs) in April 2017. The decisions on these documents are expected in October 2017 (with FCA stipulating a 6month approval timescale) and it is proposed that these will come into force on 1<sup>st</sup> January 2018.

Some of the changes proposed to the IFA Access Rules in this consultation are intended to complement the changes that have been proposed to the HARs and IFA BSA i.e. the rules relating to curtailment of capacity.

There are other, consequential changes required to the IFA Access Rules associated with this FCA HARs implementation which, subject to approval, will enter into force at the same time as the IFA BSA and HARs. These changes are generally of a 'housekeeping' nature, (eg paragraph cross-referencing), and not introducing any different commercial terms in their own right.

## Participation Agreement

Separate to the Access Rules changes, the Participation Agreement is the contract between NGIC and RTE and the participant who wishes to trade on IFA. For those participants wishing to participate in auctions only (and not nominate) we propose to remove the following requirements for those participants wishing to participate in auctions only:

- a. the participant providing evidence of its accession to a Use of System Interconnector Agreement with National Grid Electricity Transmission (NGET) and the Framework Agreement established under the Connection and Use of System Code (CUSC);
- b. the participant providing evidence of its accession to the Framework Agreement as defined in the Balancing and Settlement Code (BSC); and
- c. the participant providing evidence of its entry into an Accord de Participation with RTE.

(Collectively, agreements referred to in a, b, and c shall hereinafter be referred to as "**Agreements**".)

The changes to the Participation Agreement proposed in this consultation are consistent with the provisions of the FCA, namely, paragraphs 1 and 2 of Article 32, relating to Physical Transmission Rights and the entitlement to nominate.

Instead, subject to regulatory approval, these requirements will only apply to customers who wish to have the right to nominate Transmission Rights.

It is expected that this change will come into effect on the date at which Ofgem approves the new Participation Agreement. All customers who register after this date will sign the new Participation Agreement.

Current customers will by default remain with their current arrangements under their existing IFA Participation Agreement. Subject to regulatory approval, should existing Customers wish to discontinue their right to Nominate they should inform NGIC and RTE of their intention to do so and we will work with you to facilitate the required changes.

On the basis of the above, **NGIC and RTE are hereby initiating a consultation on the proposed changes to the IFA Access Rules and the IFA Participation Agreement.** The specific IFA documents that are the subject of this consultation are as follows, and appended to this letter:

- i. IFA Access Rules v12; and
- ii. IFA Participation Agreement.

To help support consideration of the consultation documents see also tracked changed versions which are as follows, and are appended to this letter:

- i. IFA Access Rules Tracked Changed; and
- ii. IFA Participation Agreement Tracked Changed.

These IFA consultation documents can be obtained on NGIC's and RTE's website, as follows:

<http://www.nationalgrid.com/uk/Interconnectors/France/consultations/>

[https://clients.rte-france.com/lang/fr/clients\\_traders\\_fournisseurs/services\\_clients/inter\\_france\\_angleterre.jsp](https://clients.rte-france.com/lang/fr/clients_traders_fournisseurs/services_clients/inter_france_angleterre.jsp)

**NGIC and RTE would like to invite feedback from Market Participants on the above consultation documents.**

**The latest date for responses to this consultation will be 18.00 CEST on **21<sup>st</sup> June 2017**.**

All responses should be titled **'IFA Consultation on Access Rules'** and are to be submitted via email to [ifa.customerenquiries@nationalgrid.com](mailto:ifa.customerenquiries@nationalgrid.com) and [marketservices@rte-france.com](mailto:marketservices@rte-france.com).

When responding please state your contact details and whether you are responding as an individual company or representing the views of an association.

If you have any questions in relation to this consultation please contact Osaaf Syed at [Osaaf.Syed@nationalgrid.com](mailto:Osaaf.Syed@nationalgrid.com).

**Yours faithfully,**

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