



Consultation on Nemo Link Intraday Allocation and Nomination Rules

Nemo Link is proposing the development of an intraday capacity product. This consultation includes the allocation and nomination rules for both IEM and Non-IEM scenarios.

1st July 2019

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 System Operator (NGESO)). NLL is a 50:50 joint venture between Elia and National Grid NGIH holding an Interconnector Licence to operate Nemo Link in GB and designated as a Transmission System Operator (TSO) under the European Third Package.
- 2 Nemo Link Ltd (NLL) and Elia are consulting on an amendment to the Access Rules for the Nemo Link Interconnector; the existing 1000MW HVDC I/C which connects the British and Belgian electricity transmission systems. This Access Rules amendment supports the introduction of an intraday capacity product for the scenarios where GB remains in the EU Internal Energy Market (IEM) and should, following Brexit, GB no longer be part of the IEM. This consultation opens on the date of this letter, and will be open until 5th August 2019.
- 3 In summary, Nemo Link’s intraday capacity product will be.
 - (a) Auctioned explicitly until such time as Nemo Link joins the XBID project;
 - (b) Consist of 4 auctions for each forthcoming 6 hour fraction of the day;
 - (c) Include 24 hourly nomination gates; and
 - (d) Capacity will be nominated on the Regional Nomination Platform (RNP).

CONSULTATION DOCUMENTS

- 4 The suite of documents included in the consultation that detail the Nemo Link intraday Access Rules are set out in the table below, and for the purposes of this consultation are published on the Nemo Link and Elia websites. Nemo Link and Elia invite market parties to review the documents and provide feedback.

DOCUMENT	RELEVANCE TO CONSULTATION
IEM Intraday Allocation Rules	For consultation Details of the explicit intraday capacity auction rules where GB remains within the IEM.
IEM Day Ahead and Intraday Nomination Rules	For consultation Holders of explicit intraday capacity are required to nominate their rights on the Regional Nomination Platform (RNP). The proposed intraday nomination rules have been bundled together with the existing IEM day ahead nomination rules.
Non-IEM Intraday Allocation Rules	For consultation Details of the explicit intraday capacity auction rules where GB is not within the IEM.
Non-IEM Day Ahead and Intraday Nomination Rules	For consultation Holders of explicit intraday capacity are required to nominate

	their rights on the Regional Nomination Platform (RNP). The proposed intraday nomination rules have been bundled together with the Non-IEM day ahead nomination rules.
Intraday Auction and Nomination Gate Times	For feedback (as outlined in this document) Nemo Link proposes to document the precise timings of auction and nomination gates separately from the Access Rules to enable a degree of flexibility to alter timings should that become necessary in future.

- 5 Nemo Link would welcome feedback on the proposed intraday product design, as described in this document.
- 6 Nemo Link wish to consult on the proposed intraday access rules, as described in the above table. These Nemo Link consultation and supporting documents can also be obtained on the Nemo Link website:
- <http://www.nemolink.co.uk>
- 7 The latest date for responses to this consultation will be Monday 5th August 2019 and responses should be submitted via email to customer.service@nemolink.co.uk. Please write to the same address if you have any questions in relation to this consultation.

BACKGROUND

- 8 Currently, Nemo Link capacity is offered implicitly into the day ahead market through Multi Regional Coupling (MRC), or market participants may purchase long term products through explicit auctions on the JAO Single Allocation Platform. Following feedback from market participants, Nemo Link is now proposing to add an intraday capacity product to its product mix in order to provide additional flexibility to market participants. Nemo Link aims to implement an explicit intraday product by the end of 2019. Given the existing uncertainties surrounding Brexit, Nemo Link is therefore consulting in this consultation on both IEM and Non-IEM versions of the relevant rules.

ALLOCATION PLATFORM

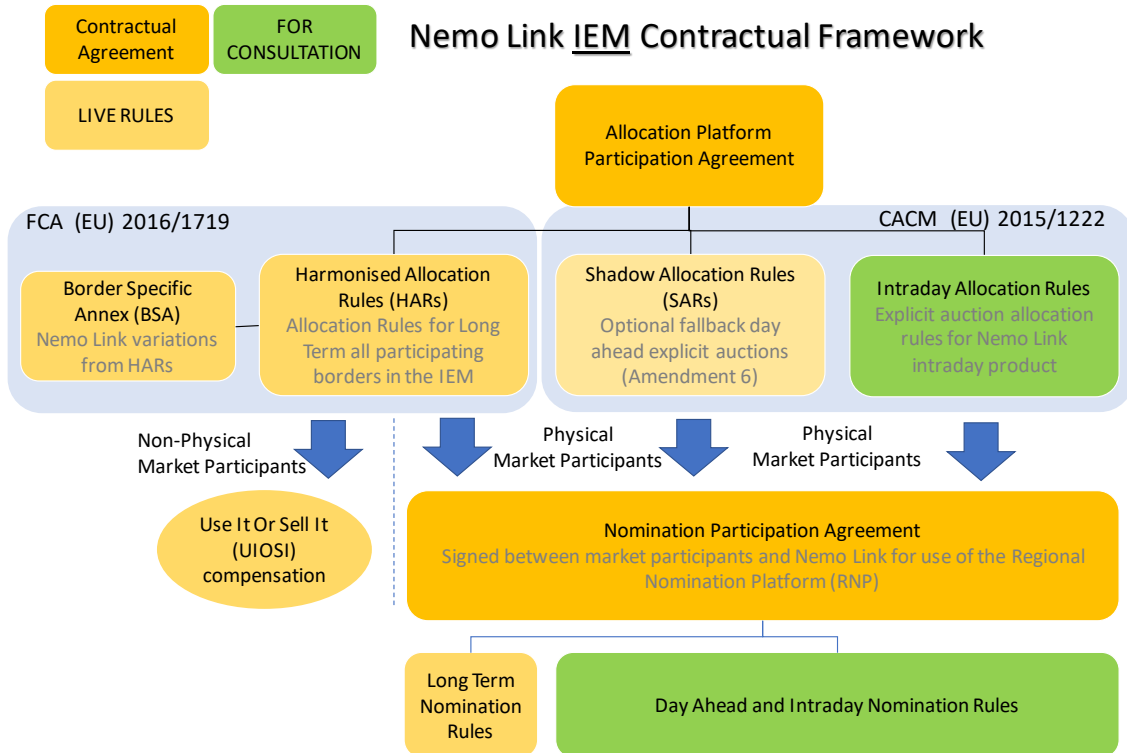
- 9 Nemo Link Long Term capacity is made available explicitly on the JAO Single Allocation Platform. JAO also allocate Day Ahead capacity explicitly through shadow auctions in the event of any decoupling. The current intention is that Nemo Link intraday capacity will also be made available on JAO's systems through explicit auctions, so that market participants benefit from being able to acquire Nemo Link capacity from one place – in effect a one stop shop. Market participants will likely have already signed a JAO Participation Agreement, and will only be required to additionally indicate an intention to participate in Nemo Link intraday capacity auctions.

NOMINATION PLATFORM

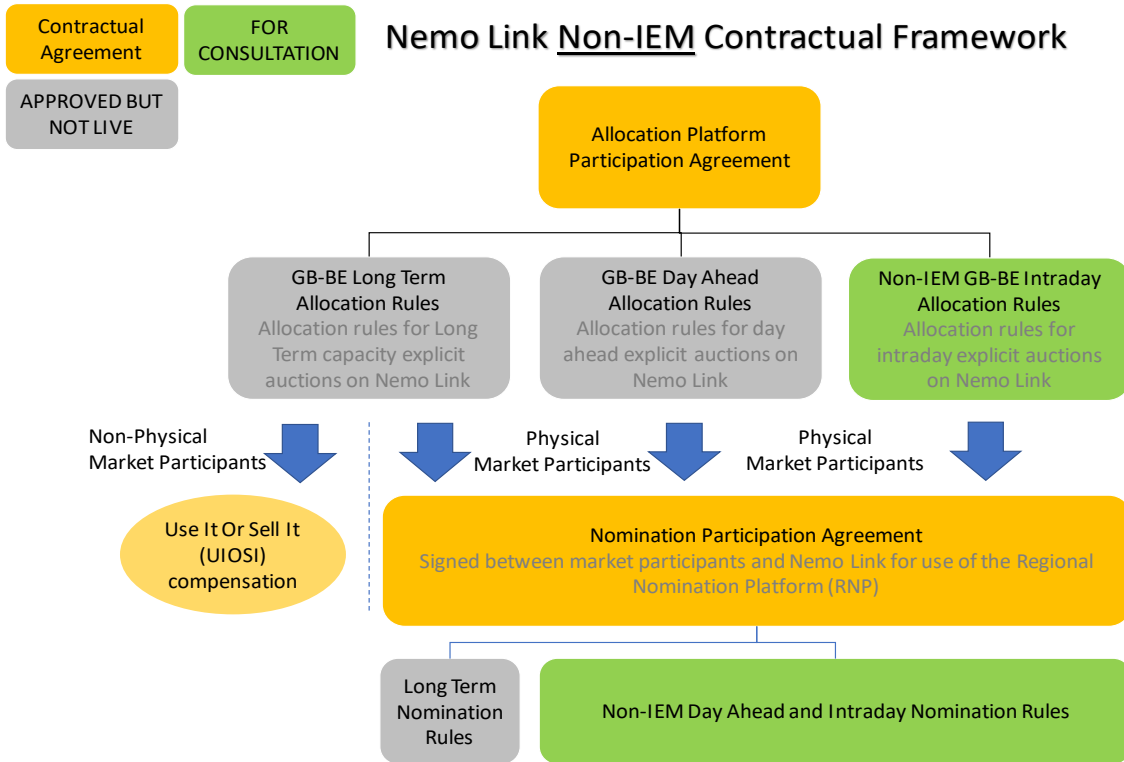
10 Nemo Link explicit intraday capacity will be nominated on the Regional Nomination Platform (RNP). Market participants interested in acquiring and nominating intraday capacity will be required to sign a Nomination Participation Agreement with Nemo Link.

CONTRACTUAL FRAMEWORK

11 The diagram below describes the contractual framework if GB remains in the IEM. It shows the NRA approved and live documents (available on the Nemo Link website) and the documents that make up the content of this consultation.



12 The diagram below describes the contractual framework if GB was to leave the IEM.



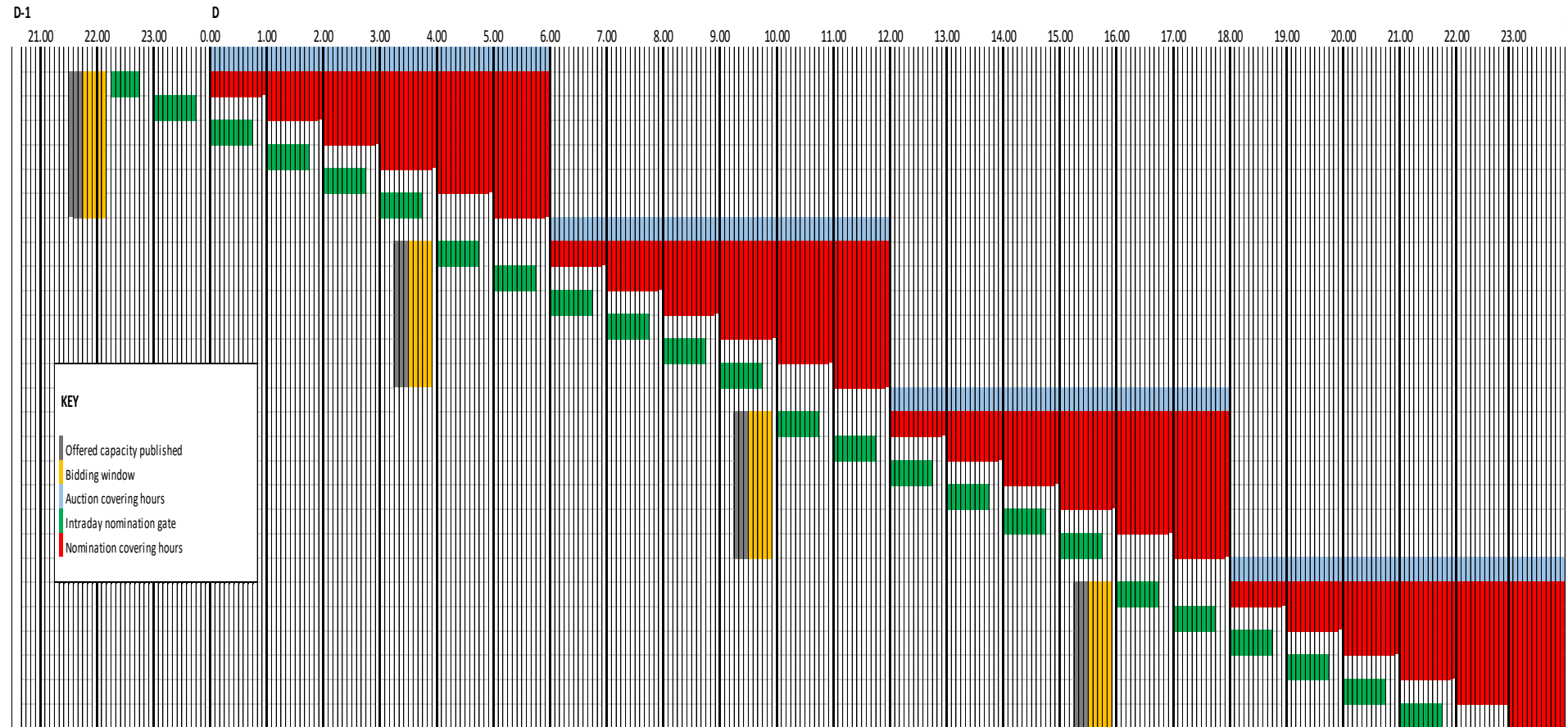
13 In both scenarios, if market participants wish to trade Nemo Link intraday capacity, they will be required to sign both a Participation Agreement with the allocation platform and the Nomination Participation Agreement with Nemo Link.

THE DESIGN

14 The proposed Nemo Link intraday capacity product can be best described by reference to the following diagram:

Proposed Nemo Link Intraday Capacity Design

Proposed Intraday Product Structure for Nemo Link (All times in CET/CEST)



NEMO-NLL-CO-GEN-1027

- 15 The design diagram shows that there will be four auctions of intraday capacity, each one for a forthcoming 6 hour fraction of the day as shown in the table below:

Time of auction (CET/CEST)	For delivery period on Day D
21:45-22:10 (D-1)	00:00-06:00
03:30-03:55 (D)	06:00-12:00
09:30-09:55 (D)	12:00-18:00
15:30-15:55 (D)	18:00-24:00

- 16 Following the 25 minute auction bidding window, a series of nomination gates will open, each 45 minutes long (except the first which is 30 minutes long). The nomination gate will close 1hr and 15mins ahead of delivery:

Nomination Gate Times (CET/CEST)	For Delivery Period on Day D
22:15-22:45 (D-1)	00:00-06:00
23:00-23:45 (D-1)	01:00-06:00
00:00-00:45 (D)	02:00-06:00
01:00-01:45	03:00-06:00
02:00-02:45	04:00-06:00
03:00-03:45	05:00-06:00
04:00-04:45	06:00-12:00
05:00-05:45	07:00-12:00
06:00-06:45	08:00-12:00
07:00-07:45	09:00-12:00
08:00-08:45	10:00-12:00
09:00-09:45	11:00-12:00
10:00-10:45	12:00-18:00
11:00-11:45	13:00-18:00
12:00-12:45	14:00-18:00

13:00-13:45	15:00-18:00
14:00-14:45	16:00-18:00
15:00-15:45	17:00-18:00
16:00-16:45	18:00-24:00
17:00-17:45	19:00-24:00
18:00-18:45	20:00-24:00
19:00-19:45	21:00-24:00
20:00-20:45	22:00-24:00
21:00-21:45	23:00-24:00

17 Market participants will have multiple opportunities to acquire capacity, and nominate capacity to optimise positions. Nemo Link would welcome feedback on any aspects of the design, such as:

- (a) The frequency, timing and length of auction bidding windows;
- (b) The frequency, timing and length of the nomination gates; and
- (c) Any concerns over automated overnight auctions.

ALLOCATION RULES – KEY POINTS

18 Nemo Link would like to highlight some key points, for the attention of market participants:

- (a) **Article 34 – Contestation of Auction Results** notes the ex post nature of the contestation period;
- (b) **Article 35 – Auction Cancellation** has been amended to remove references to auction cancellation as a result of information coming to light in the contestation period, which is ex post;
- (c) **Article 40 – Process and notification of curtailment** paragraph 3 refers to ex post curtailment for automated or overnight auctions;
- (d) **Article 41 – Reimbursement for curtailments due to Force Majeure or emergency situation**

	IEM Rules	Non-IEM Rules
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Force Majeure	Initial price paid	Initial price paid
Emergency Situation	Initial price paid	Initial price paid

- 19 The draft IEM and Non—IEM Intraday Allocation Rules and Intraday Nomination Rules can be found on the Nemo Link website nemolink.co.uk and comments are invited by 5th August 2019 to the customer.service@nemolink.co.uk email address.