
[Effective date to be inserted post-approval]
CHAPTER 1
General Provisions

Section 1
Subject-matter and scope

1. In accordance with Article 4 (Regional specificities) of the Allocation Rules regional or border specificities may be introduced for one or more Bidding Zone borders. Rules described in this Annex apply to the France-Great Britain bidding zone border (the “Border”).

2. The capitalised terms used in this Annex are defined in the Allocation Rules to which this Annex is attached or in the Relevant Intraday Explicit Allocation Rules unless otherwise specified below:

Capacity Shortage has the meaning set out in Section 7 of this Annex;

Relevant Intraday Explicit Allocation Rules shall mean the rules relating to the allocation of intraday explicit capacity on the relevant Interconnector as published by the Allocation Platform;

Operators shall mean the operators of one or more Interconnectors on the Border;


Mid Channel Day Ahead Market Spread means, in relation to a Contract Day and a specific hour and direction:

(i) when an Implicit Daily Auction occurs, the difference of the power exchange prices (in €/MWh) on the British and French day ahead markets a/ as adjusted at Mid Channel by application of the Loss Factor and b/ as set the day prior to the Contract Day by the Implicit Allocation Algorithm in €/MWh (such power exchanges to be chosen by the Operators in their absolute discretion from time to time) and c/ as published by the Allocation Platform; and

(ii) when an Implicit Daily Auction has been cancelled, the difference of those power exchange prices (in €/MWh) on the British and French day ahead markets a/ as adjusted at Mid Channel by application of the Loss Factor and b/ as calculated by the Allocation Platform (using the Exchange Rate as specified by the Operators and where applicable such Power Exchange price(s) chosen by the Operators) and c/ as published by the Allocation Platform;

and for the avoidance of doubt the Mid Channel Day Ahead Market Spread for the direction France to England for a Contract Day and a specific hour is:

\[
\text{Price GB} \times (1 - \text{Loss Factor}) - \text{Price FR} \times (1 + \text{Loss Factor})
\]

where:

- Price GB is the chosen power exchange price (in €/MWh) on the British day ahead market for such Contract Day and specific hour

- Price FR is the power exchange price (in €/MWh) on the French day ahead market for such Contract Day and specific hour;

And vice versa for the direction England to France:
Price FR * (1 - Loss Factor) - Price GB * (1 + Loss Factor)

Nomination Platform shall mean the relevant system used by PTR Holders to Nominate PTRs on the relevant Interconnector;

Shadow Allocation Rules shall mean the rules for allocation of day-ahead explicit products on the relevant Interconnectors as published by the Allocation Platform;

Section 2
Effective date and application

1. The Allocation Rules and this Annex shall apply to Long Term Transmission Rights and all other rights and obligations in relation to the Border including those acquired before but with all or part of the delivery period occurring after the date on which this Annex takes effect from the sooner of:

(i) the date on which the first Rights Documents applicable to the relevant Interconnector are published by the Joint Allocation Office S.A. and;

(ii) the date published by the Allocation Platform with a notice published no less than thirty (30) days prior on the website of the Allocation Platform.

CHAPTER 2
Not used

CHAPTER 3
Not Used

CHAPTER 4
Not used

CHAPTER 5
Not used

CHAPTER 6
Not used

CHAPTER 7
Use and remuneration of Long Term Transmission Rights
Section 3
Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights

1. By way of amendment of Article 48(1)(a) & (b) (Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights Options) of the Allocation Rules, the price is to be adjusted to reflect transmission losses over the relevant Interconnector.

2. The price shall be the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.

Section 4
Cancellation of a Long Term Nomination Gate

In the event of technical difficulties with the Nomination Platform, the Operators may be forced to cancel a Long Term Nomination Gate Closure. In that case, the Operators shall inform the Registered Participants as soon as practicable of such cancellation. Physical Transmission Rights will be considered as non-nominated by the Allocation Platform, and the holder shall therefore be entitled to receive remuneration in accordance with Article 48 (Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights) of the Allocation Rules and as amended by Section 3 to incorporate transmission losses. For the avoidance of doubt, the remuneration described in this Section 4 shall be considered as remuneration paid in accordance with Article 48 of the Allocation Rules, and therefore shall be included in the calculation of the monthly compensation cap pursuant to Article 59(3) of the Allocation Rules.

Section 5
Deemed Metered Volumes

When a Registered Participant submits a valid Mid-Channel Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses on the relevant Interconnector and for any reductions in Mid Channel Nominations as a result of curtailment, is allocated to the relevant Registered Participant using the Deemed Metered Volume allocation rules set out in Annex 2: “Deemed Metered Volumes Allocation” of the Long Term Nomination Rules.

CHAPTER 8
Not used
CHAPTER 9
Curtailment

Section 6
Curtailment general provisions

1. Curtailment shall be carried out for the relevant Interconnector in accordance with this chapter of the Annex and in conjunction with Chapter 9 (Curtailment) of the Allocation Rules. This chapter should be read in conjunction with the appropriate chapters of the Shadow Allocation Rules and the Relevant Intraday Explicit Allocation Rules which cover the curtailment of explicit Daily and Intraday Interconnector Capacity.

2. A Capacity Shortage shall be automatically deemed by the Allocation Platform as requiring a curtailment to ensure operation remains within the applicable Operational Security Limits to the extent it occurs before the Day-Ahead Firmness Deadline.

3. For the purposes of Chapter 9 (Curtailment) of the Allocation Rules any calculation of the “Market Spread” as defined in the Allocation Rules shall be calculated as the Mid Channel Day Ahead Market Spread (and such calculation shall be subject to the cap set out in Section 10 of this Annex).

4. Long Term MCNs may be curtailed ex-post after Long Term Nomination Gate Closure whether before or after the DAFD in accordance with this Annex.

Section 7
Capacity Shortage

1. A Capacity Shortage occurs on the relevant Interconnector for any minute in a direction if:

\[ |C_{dir}^*| < \Sigma \text{ Capa}_{dir}^{GC} + \Sigma \text{ MCN}_{dir}^{GC} - \Sigma \text{ MCN}_{opp}^{GC} \]

where:

a. \( |C_{dir}^*| \) is the value of the Interconnector Capability at that time in that direction; and

b. \( \Sigma \text{ Capa}_{dir}^{GC} \) is the sum of the Interconnector Capacity rights across all relevant Registered Participants in that direction, including Daily and Intraday rights allocated under the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules, for any Timescale for which Nomination Gate Closure has not yet occurred, (before curtailment of these rights in respect of the relevant Capacity Shortage); and

c. \( \Sigma \text{ MCN}_{dir}^{GC} \) is the sum of the MCN values across all relevant Registered Participants in that direction for all Timescales for which Nomination Gate Closure has occurred, (before curtailment of that MCN in respect of the relevant Capacity Shortage in accordance with this Annex or the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules); and

d. \( \Sigma \text{ MCN}_{opp}^{GC} \) is the sum of the MCN values across all relevant Registered Participants in the
opposite direction for all Timescales, for which Nomination Gate Closure has occurred, (before curtailment of that MCN in respect of the relevant Capacity Shortage in accordance with this Annex or the Relevant Intraday Explicit Allocation Rules or Shadow Allocation Rules),

and the “Curtailment Quantity” is the positive number equal to the difference between IC\text{dir} in such direction and \(\Sigma\text{Capa}^{\text{GC}}_{\text{dir}}+\Sigma\text{MCN}^{\text{GC}}_{\text{dir}}-\Sigma\text{MCN}^{\text{GC}}_{\text{opp}}\).

2. Where a Capacity Shortage occurs, the Operators will communicate such information to the Allocation Platform which will then process the curtailment.

Section 8

Curtailment of Long Term Transmission Rights to ensure operation remains within Operational Security Limits before DAFD

1. In order to ensure operation remains within applicable Operational Security Limits (pursuant to Section 6(2) of this Annex or otherwise) in any Settlement Period, the Long Term Transmission Rights of all relevant Registered Participants in that Settlement Period in the required direction may be curtailed by the Allocation Platform in accordance with paragraphs 2 and 3 of this Section 8.

2. Further to paragraph 1, the Long Term Transmission Rights, in respect of which Long Term Nomination gate has not closed at the time of the curtailment incident being recorded on the Auction Tool, in that Settlement Period and in that direction, shall be curtailed pro rata for all relevant Registered Participants. Each relevant Registered Participant shall lose its entitlement to use such curtailed Long Term Transmission Rights.

3. In the event of a need of curtailment in order to ensure operation remains within Operational Security Limits between Long Term Nomination Gate Closure and DAFD, Long Term Transmission Rights on the affected interconnector shall be curtailed on a pro rata basis between nominated and non-nominated rights and on a pro rata basis for all relevant Registered Participants. When calculating each Registered Participant’s share of the Curtailment Quantity, netting of its Nominations across the two directions is applied.

Section 9

Compensation of curtailed Long Term Transmission Rights to ensure operation remains within Operational Security Limits before DAFD

1. By way of amendment of Article 59 (Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline) of the Allocation Rules, the compensation payable with respect to curtailment of Long Term Transmission Rights to maintain operation within applicable Operational Security Limits shall be calculated to reflect transmission losses over the relevant Interconnector. Holders of curtailed Long Term Transmission Rights on such interconnector under Section 8 of this Annex shall therefore be entitled to receive reimbursement equal to the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread (subject to the caps set out in Section 10 of this Annex) in the direction of the Long-Term Transmission Rights of the day-ahead Implicit Allocation or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.

Section 10

Curtailment Compensation Caps
In accordance with Article 59(3) (Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline) a monthly compensation cap will be applied. The monthly compensation cap will be calculated and applied individually in respect of each interconnector on the FR-GB Bidding Zone border.

Section 11
Curtailment of non-nominated and nominated Physical Transmission Rights due to an emergency situation after DAFD

1. If curtailment is required due to an emergency situation, the non-nominated and nominated Physical Transmission Rights for that interconnector, in that Settlement Period and in that direction, for which Nomination Gate Closure has occurred, are curtailed on a pro-rata basis for all relevant Registered Participants. When calculating each Registered Participant’s share of the Curtailment Quantity, netting of its Nominations across the two directions is applied.

2. Should an Implicit Daily Auction be cancelled and the associated fallback Explicit Daily Auction(s) for one or more relevant interconnectors also be cancelled, leading to the curtailment of non-nominated Physical Transmission Rights, the relevant Registered Participants will be compensated by the Allocation Platform for the corresponding curtailed Physical Transmission Rights.

Section 12
Compensation of curtailed nominated and non-nominated Physical Transmission Rights due to an emergency situation after DAFD

1. By way of amendment of Article 61 (Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline) of the Allocation Rules, the compensation payable with respect to curtailment of Long Term Transmission Rights in the event of an emergency situation shall be calculated to reflect transmission losses over the relevant Interconnector. Holders of curtailed Long Term nominated and non-nominated Physical Transmission Rights under Section 11 of this Annex shall be entitled to receive reimbursement for the corresponding curtailed units equal to the maximum of (a) 0€/MWh and (b) the Mid Channel Day Ahead Market Spread in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation or fallback explicit daily allocation in which that Cross Zonal Capacity was reallocated.
CHAPTER 10
Invoicing and Payment

Section 13
Invoicing

1. Where an invoice issued by the Allocation Platform does not contain full background data for the derivation of invoice summary amounts, then the Registered Participant may consult the Auction Tool to obtain such background data.

2. The invoice may include other payment obligations of the Registered Participant under the Shadow Allocation Rules and/or the Relevant Intraday Explicit Allocation Rules provided that the products auctioned under the Shadow Allocation Rules and the Relevant Intraday Explicit Allocation Rules are allocated by the Allocation Platform.
CHAPTER 11
Miscellaneous

Section 14
Duration and amendment of Allocation Rules

1. By way of clarification to Article 68(6) (Duration and amendment of Allocation Rules) of the Allocation Rules, the biennial review required of the Allocation Rules and the border and/or regional specific annexes included with the Allocation Rules by the relevant TSOs shall be treated as satisfied to the extent that any such review is undertaken in accordance with the requirements of competent National Regulatory Authorities.