

## Access Rules and Charging Methodology for the Greenlink Interconnector

### Preamble

This document contains the Greenlink Interconnector Limited Access Rules for users to access the Greenlink Interconnector (Part 1 within this document) and Charging Methodology (Part 2), both of which are required under Greenlink's Ofgem and CRU Interconnector Licences ("the Licences").

Greenlink Interconnector Limited (hereinafter "GIL" or "The ICO") is the CRU and Ofgem certified TSO and Interconnector Licence holder which will be the owner and operator of a High Voltage Direct Current (HVDC) Interconnector between GB and Ireland ("Greenlink Interconnector", "the Interconnector" or "Greenlink"). Greenlink is a 504MW HVDC Interconnector together with two convertor stations and associated equipment for onward transmission on the transmission network in GB and Ireland, with such convertor stations located in the south-east coast of the Republic of Ireland (Campile in Great Island, County Wexford) and the coast of Wales in the UK (Penfro in Pembrokeshire, Wales). GIL may commission a third party to operate the Greenlink Interconnector.

On the 1st of October 2018, the new I-SEM market on the island of Ireland went live. This incorporated the SEM into the EU's Single Day Ahead Coupling ("SDAC") and resulted in the SEM and GB markets being coupled. This means that the physical interconnector flows are determined by the relative prices in the two connected markets. During these arrangements, long-term transmission/capacity rights were allocated in the form of Financial Transmission Rights (FTRs) which paid out the positive day-ahead price difference between the SEM and GB markets to holders. These arrangements were underpinned by the UK's participation in the SDAC.

These arrangements came to an end following the completion of the Brexit transition period on the 31<sup>st</sup> of December 2020.

Interconnectors to GB from SEM are no longer able to participate in SDAC as of 1st January 2021, and therefore FTRs are not currently offered under the post-Brexit market arrangements. As a result of this, SEM-GB interconnector capacity is made exclusively available for allocation in two coupled intraday auctions between the SEM and GB.

Market participants in the SEM may access these auctions via SEMOpx whilst GB market participants can access them via either the EPEX SPOT or Nord Pool power exchanges. For further information on the coupled intraday auctions, including the timings of the auctions, please visit [SEMOpx](#), [EPEXSPOT](#) and [Nord Pool](#) websites.

Under these arrangements there is no mechanism to register on any SEM-GB Interconnector for capacity allocation. All SEM-GB interconnector capacity is solely allocated via the coupled market auctions, run by the appointed power exchanges in each jurisdiction.

The SEM Committee have completed a consultation on the cross-border trading arrangements. We await further direction from them and will make available new information once it is published.

## Part 1 – ACCESS RULES

### 1. INTRODUCTION

- 1.1. This Part 1 represents the Access Rules which the ICO is required to prepare under Condition 11A of the GB Interconnector Licence (the “Licence”) and Condition 20 of the CRU Interconnector Licence.
- 1.2. These Access Rules shall become effective upon such date as notified by the ICO, following approval by the Authority in accordance with Condition 11A (paragraph 7) of the Licence. The ICO shall review these Access Rules in accordance with Condition 11A (paragraph 8).
- 1.3. Future amendment of these Access Rules shall follow the process as described in Condition 11A (paragraphs 10-13) of the Licence.
- 1.4. Capitalised terms not otherwise defined in these Access Rules shall have the meaning used in applicable law.

### 2. SCOPE

- 2.1. These Access Rules relate to the current market arrangements on the Interconnector as further described in the Preamble. If developments to applicable law or market arrangements require an amendment to these Access Rules, for example implicit capacity allocation in the Day Ahead markets, the ICO will propose modifications in future as necessary.

### 3. CAPACITY ALLOCATION

- 3.1. Following the end of the transition period provided for by Article 126 of the UK-EU withdrawal agreement on 31 December 2020, GB no longer participates in the Internal Energy Market (“IEM”), and therefore no longer participates in Single Day-Ahead market Coupling (“SDAC”).
- 3.2. Interconnector capacity is no-longer allocated day ahead on the SEM-GB border. Under the market coupling arrangements which currently apply on the SEM-GB border, including any legal contracts and regulations (the “Intraday Market Arrangements<sup>1</sup>”), all available interconnector capacity is implicitly allocated in the SEM-GB Intraday Markets, which are operated by SEMOpx (SEM) and by EPEX Spot and Nord Pool (GB). Please see links to SEMOpx, EPEX Spot and Nord Pool websites in the Preamble.

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<sup>1</sup> Intraday Market Arrangements means the binding legal and regulatory instruments that are used on the SEM-GB border for market coupling (as may be amended time to time). The “Intraday Market Arrangements” include, without limitation the common arrangements endorsed by CRU, UR and Ofgem (as applicable), “[The Interim Cross Zonal TSO Arrangements](#) for GB-ISEM go-live” (“ICZAs”), the Interconnector Operating Protocols (“IOPs”) (for SEM-GB ICOs), the [GB Balancing and Settlement Code](#) (“BSC”) and the [SEM Trading and Settlement Code](#) (“TSC”) and the approved Operational Processes associated with Capacity Calculation and the management of NTC (from ICZAs and IOPs) and any other relevant agreements between TSOs, PXs, ICOs, SOs and NEMOs in relation to the SEM-GB border.

#### 4. LONG TERM TRANSMISSION RIGHTS

- 4.1. At the end of the transition period provided for by Article 126 of the UK-EU withdrawal agreement on 31 December 2020, the Single Electricity Market (“SEM”) Day Ahead Market became uncoupled from the GB day ahead market and interconnector capacity is no-longer traded on the SEM-GB border at the day ahead timeframe.
- 4.2. The SEM continues to operate as an isolated, all-island market within SDAC; however, there is no market coupling between the SEM and the wider EU market at the Day Ahead stage.
- 4.3. On and from 1 January 2021, GB bidding zones and the interconnectors connected to GB were removed from SDAC, therefore no capacity is allocated day-ahead between the SEM, GB, and the wider EU market. Intraday capacity on SEM-GB interconnectors is allocated implicitly via the separate Intraday Market Arrangements.
- 4.4. As SEM Financial Transmission Rights (“FTRs”) were indexed to the coupled Day Ahead Market, FTRs are no longer available on SEM-GB interconnectors and no SEM-GB interconnector capacity is available in long term auctions.

#### 5. CAPACITY CALCULATION

- 5.1. Under the Intraday Market Arrangements all available interconnector capacity is implicitly allocated in the SEM-GB intraday markets.
- 5.2. The Interconnector’s intraday capacity shall be made available to the power exchange(s) in accordance with the Intraday Market Arrangements.
- 5.3. Since all available capacity is implicitly allocated in the SEM-GB intraday markets under the Intraday Market Arrangements, and Long-Term Transmission Rights are not issued, therefore there are no users. These Access Rules therefore do not include arrangements for users (in the form of Long-Term Transmission Rights holders) should the Licensee reduce the available interconnector capacity.

#### 6. ANCILLARY SERVICES

- 6.1. The ICO will make available to the GB and Irish System Operators mandatory ancillary services as set out in the respective Grid Codes, and the ancillary services required in Bilateral Connection Agreements, where applicable.
- 6.2. The ICO may consider the provision of other commercial ancillary services that may be of interest to the GB and Irish System Operators from time to time.

#### 7. GENERAL

- 7.1. These Access Rules are solely intended to satisfy the ICO’s Licence obligations and shall not be construed or interpreted as creating any legal relationship or liability between the

ICO and any third party. Nor shall these Access Rules in any way limit or impair any present or future rights which the ICO has against, or any present or future obligations which are owed by the ICO to, any third party.

## **Part 2 – GREENLINK CHARGING METHODOLOGY**

### **1. INTRODUCTION**

- 1.1. This Part 2 represents the Charging Methodology which the ICO is required to prepare under Condition 10 of the Licence.
- 1.2. This Charging Methodology shall become effective upon such date as notified by the ICO, following approval by the Authority in accordance with Condition 10 (paragraph 7) of the Licence. The ICO shall review this Charging Methodology in accordance with Condition 10 (paragraph 9).
- 1.3. Future amendment of this Charging Methodology shall follow the process as described in Condition 10 (paragraphs 11-14) of the Licence.
- 1.4. Capitalised terms not otherwise defined in this Charging Methodology shall have the meaning used in applicable law.

### **2. CHARGING METHODOLOGY**

- 2.1. Following the end of the transition period provided for by Article 126 of the UK-EU withdrawal agreement on 31 December 2020, GB no longer participates in the IEM, and therefore no longer participates in SDAC.
- 2.2. At the end of the transition period, the SEM day ahead market became uncoupled from the GB day ahead market and interconnector capacity is no-longer traded implicitly on the SEM-GB border in the day-ahead timeframe. The current market arrangements are further described in the Preamble.
- 2.3. Licence Condition 10 requires the ICO to set out the methodologies for charging for certain processes or services, as follows:
  - 2.3.1. Congestion Management

The ICO makes no separate charges for congestion management purposes.
  - 2.3.2. Ancillary Services
    - 2.3.2.1. The ICO will make available to the GB and Irish System Operators mandatory ancillary services as set out in the respective Grid Codes, and the ancillary services required in Bi-lateral Connection Agreements, where applicable.
    - 2.3.2.2. Terms for additional Ancillary Services may be agreed from time to time on a commercial basis.

2.3.2.3. There are no payments made by the ICO for the provision of ancillary services provided by users or relevant system operators.

2.3.3. Firmness

The Interconnector's capacity shall be made available to the power exchange(s) in accordance with the Intraday Market Arrangements.

3. GENERAL

3.1. This Charging Methodology is solely intended to satisfy the ICO's Licence obligations and shall not be construed or interpreted as creating any legal relationship or liability between the ICO and any third party. Nor shall these Access Rules in any way limit or impair any present or future rights which the ICO has against, or any present or future obligations which are owed by the ICO to, any third party.