

BritNed Access Rules

Non-Internal Energy Market Access Rules.

January 2021

Notice

The Dutch and British transmission systems are connected by a 1,000MW Interconnector between Maasvlakte in The Netherlands and Isle of Grain in England known as BritNed Development Limited (“BritNed”).

The Interconnector supports electricity trading in both directions. The Interconnector is operated by BritNed. BritNed offers rights to use the Interconnector to third parties.

These are BritNed’s Access Rules established by BritNed for allocating rights to use the Interconnector by explicit Auction and setting out the terms of use.

Contents

Section A: General Introduction	7
Rule A1: Introduction	7
Rule A2: Participants	7
A2.1: Participation in Auction and Use of Interconnector	7
A2.2: Collusion.....	7
A2.3: BritNed Participants Forum	7
Rule A3: Nominator on Behalf	7
Rule A4: BritNed's Role	7
A4.1: Operator	7
Rule A5: Definitions and Interpretation.....	8
Section B: Requirements and Process for Becoming a Participant.....	9
Rule B1: General Provisions	9
Rule B2: Eligibility to Participate in Auctions and Nominations	9
B2.1: Long Term and Day Ahead Auctions	9
B2.2: Intraday Auctions.....	9
B2.3: Long Term, Day Ahead, and Intraday Nominations	9
Rule B3: Third-Party Participation Agreement	10
Rule B4: Participation Agreement	10
B4.1: Application Form	10
B4.2: Returns of agreements and conclusion	10
B4.3: Application cost	10
B4.4: Accuracy and Completeness	11
B4.5: Warranties	11
B4.6: Refusal	11
Rule B5: Costs related to the participation in Auctions	12
Rule B6: BritNed information system rules.....	12
Rule B7: Regulatory and Legal Requirements	12
Section C: Financial Matters Applicable to these Rules	13
Rule C1: Introduction.....	13
Rule C2: Payments and Invoicing	13
C2.1: General.....	13
C2.2: Payment of invoices	13
C2.3: Invoicing	14
Rule C3: Collaterals and Credit Limit	16

C3.1:	Long Term and Day-Ahead	16
C3.2:	Intraday	16
C3.3:	Forms of Collateral	17
C3.4:	Calls on Collaterals	18
C3.5:	Modification of Collaterals	19
C3.6:	Collateral Incident.....	19
C3.7:	Credit Limit	19
Rule C4:	Late Payments.....	20
Rule C5:	Payment Disputes	21
Rule C6:	Additional fees	21
Rule C7:	Additional financial terms	22
Section D:	Auctions Rules for Long Term, Day Ahead, and Intraday Auctions	23
Rule D1:	Introduction.....	23
Rule D2:	Types of Auctions and general procedures.....	23
Rule D3:	Reduction Periods of Offered Capacity	23
Rule D4:	Submission of Bids	23
Rule D5:	Long Term Auctions	24
D5.1:	Auction Calendar.....	24
D5.2:	Auction Specification	24
D5.3:	Bid submission	25
D5.4:	Bid registration	26
D5.5:	Default Bid.....	26
D5.6:	Credit Limit verification	27
D5.7:	Reserve Price.....	28
D5.8:	Allocation	28
D5.9:	Notification of Provisional Auction Results.....	29
D5.10:	Contestation Period.....	30
D5.11:	Final Auction Results	30
Rule D6:	Return of Long Term Transmission Rights	31
D6.1:	General.....	31
D6.2:	Process of the return.....	31
D6.3:	Remuneration for allocated Long Term Transmission Rights.....	32
D6.4:	Remuneration for unallocated Long Term Transmission Rights.....	32
D6.5:	Transfer of Long Term Transmission Rights.....	33
D6.6:	Process of the transfer	33

D6.7: Legal consequences of the transfer	34
Rule D7: Fallback Procedures for Long Term Transmission Rights	34
Rule D8: Explicit Day Ahead Auctions	35
D8.1: General.....	35
D8.2 Auction Calendar.....	35
D8.3 Auction Specification	35
D8.4 Bid Submission.....	36
D8.5: Bid registration	36
D8.6: Default Bid.....	37
D8.7: Credit Limit Verification	37
D8.8: Reserve Price.....	38
D8.9: Allocation.....	38
D8.10: Notification of Provisional Auction Results.....	40
D8.11: Contestation Period	40
D8.12: Final Auction Results	41
D8.13: Fallback for Day Ahead Auctions.....	41
Rule D9: Intraday Auctions.....	41
D9.1: General.....	41
D9.2: Auction Calendar.....	42
D9.3: Auction Specification	42
D9.4: Bid Submission	42
D9.5: Bid registration	43
D9.6: Default Bid	43
D9.7: Credit Limit Verification.....	44
D9.8: Reserve Price.....	45
D9.9: Allocation	45
D9.10: Notification of Provisional Auction Results.....	46
D9.11: Contestation Period.....	46
D9.12: Final Auction Results	46
D9.13: Fallback for Intraday Auctions.....	47
Section E: Capacity Usage Rules	48
Rule E1: Introduction	48
Rule E2: Rights Document	48
Rule E3: Mid North Sea Nominations.....	49
E3.1: General.....	49

E3.2: Nomination	49
E3.3: Format	50
E3.4: Default Nomination	50
E3.5: Cancellation of Nomination Gate	50
Rule E4: Use It or Sell It	52
Rule E5: Use It or Lose It	52
Rule E6: Reduction Periods	53
Rule E7: Forced Outages	53
Rule E8: Curtailment	53
E8.1: General	53
E8.2: Capacity Shortage	54
E8.3: Notification of Curtailment	54
E8.4: Curtailment Process	55
E8.5: Curtailment Remuneration	56
Section F: General Conditions	58
Rule F1: Notices	58
Rule F2: Confidentiality	58
Rule F3: Assignment	59
Rule F4: Amendments to Access Rules	59
Rule F5: Force Majeure	60
Rule F6: Termination and suspension	61
Suspension	61
Termination	62
Rule F7: Liability	63
Rule F8: Dispute Resolution	64
Rule F9: Governing Law	65
Rule F10: Language	65
Rule F11: Intellectual Property	66
Rule F12: Relationship of the Parties	66
Rule F13: No third party right	66
Rule F14: Waiver	66
Rule F15: Entire Agreement	66
Rule F16: Remedies Exclusive	67
Rule F17: Severability	67
Schedule 1: Definitions and interpretation	68

Part I: Definitions	68
Part II: Interpretation.....	79
Schedule 2: Business Rules for Use of Physical Transmission Rights	81
1. Introduction	81
2. Energy Accounts	81
3. Long Term Business Rules	81
4. Explicit Day Ahead Auction Business Rules	82
5. Intraday Business Rules.....	82
Schedule 3: Deemed Metered Volume Allocation	84
1. Introduction	84
2. Deemed Metered Volumes.....	84
3. Losses	84
4. Adjustment for DC losses on the Interconnector.....	84

Section A: General Introduction

Rule A1: Introduction

A1.1 These Rules set out (in particular):

- a) the terms on which Participants may participate in Auctions;
- b) the procedures for auctioning rights to use Interconnector Capacity; and
- c) the terms for use of Interconnector Capacity.

Rule A2: Participants

A2.1: Participation in Auction and Use of Interconnector

A2.1.1 Any person wishing to participate in any Auction or wishing to use Interconnector Capacity shall comply with and agree to be bound by these Rules. These Rules apply to all persons on a non-discriminatory basis.

A2.2: Collusion

A2.2.1 There must be no collusion by any Participant with any other Participant and Participants must not otherwise seek to influence improperly the outcome of any Auction. As a result of evidence of collusive or other improper behaviour which might be considered as unlawful, BritNed will refer the matter to the relevant Competent Authorities or jurisdictions and, upon decision of the Competent Authority or jurisdiction that the Participant's behaviour is unlawful, may disqualify the relevant Bids.

A2.3: BritNed Participants Forum

A2.3.1 BritNed will from time to time invite Participants to meet and discuss commercial and operational aspects of the Interconnector. Details of those who may attend the meetings, the agenda and location will be notified by BritNed within a reasonable time before the meeting.

Rule A3: Nominator on Behalf

A3.1 A Participant or a party who has signed a Third-Party Participation Agreement may enter into an agreement with a party to Nominate Transmission Rights that they have been allocated. Such a party shall act as Nominator on Behalf for the Participant.

A3.2 BritNed shall be informed of any such agreement and any party designated the role of Nominator on Behalf may be required to sign an agreement with BritNed.

Rule A4: BritNed's Role

A4.1: Operator

A4.1.1 BritNed operates the Interconnector, undertakes Capacity Allocation, nomination processes, and related activities in accordance with these Rules and applicable legislation.

A4.1.2 BritNed may commission a Third-Party to undertake all or parts of the Capacity Allocation, nomination processes, and related activities.

Rule A5: Definitions and Interpretation

A5.1 The definitions of capitalised words and phrases, and interpretation can be found in Schedule 1.

Section B: Requirements and Process for Becoming a Participant

Rule B1: General Provisions

- B1.1 Section B sets out the rules which are applicable to participation by Participants in Auctions, and the Nominations process.
- B1.2 To qualify as a Participant, a person must become a party to a Participation Agreement.
- B1.3 To be eligible to participate in Long-Term or Day-Ahead Auctions a person may need to be party to a Third-Party Participation Agreement.
- B1.4 To be eligible to participate in Intraday Auctions a person must become a Participant.

Rule B2: Eligibility to Participate in Auctions and Nominations

B2.1: Long Term and Day Ahead Auctions

B2.1.1 To be eligible to participate in a Long Term or Day Ahead Auction, a person must:

- a) be a party to a Third-Party Participation Agreement

B2.2: Intraday Auctions

B2.2.1 To be eligible to participate in an Intraday Auction, a person must:

- a) be a party to a Participation Agreement;
- b) not have its eligibility suspended under Rule F6 (Termination and Suspension).

B2.3: Long Term, Day Ahead, and Intraday Nominations

B2.3.1 To be eligible to Nominate Long Term, Day Ahead, or Intraday allocated capacity, a person must:

- a) be a party to a Participation Agreement;
- b) not have its eligibility suspended under Rule F6;
- c) accede to a Use of System Interconnector Agreement with National Grid Electricity Transmission Plc and the Framework Agreement established under the Connection and Use of System Code;
- d) accede to the Framework Agreement as defined in the Balancing and Settlement Code (BSC) together with full details of the Production and Consumption Interconnector BM Units registered to the Participant under the BSC; and
- e) enter into a Programme Responsible Party agreement with TenneT TSO B.V. and its submission to TenneT TSO B.V. of a completed authorisation form for Single Sided Transactions or priority nominator in the Dutch market, whichever is applicable.

Timescales	Auction	Nomination
Long Term	Third-Party Participation Agreement	Third-Party Participation Agreement and Participation Agreement
Day Ahead	Third-Party Participation Agreement	Third-Party Participation Agreement and Participation Agreement
Intraday	Participation Agreement	Participation Agreement

Table 1: Required Participation Agreement to participate in auctions and nominations overview

Rule B3: Third-Party Participation Agreement

B3.1 The details of a Third-Party Participation Agreement are not contained within these Rules but any relevant information will be made available on BritNed website.

Rule B4: Participation Agreement

B4.1: Application Form

B4.1.1 Any person ("Applicant") may apply to enter into a Participation Agreement with BritNed by submitting a completed Application Form together with all the information and documents required.

B4.1.2 The Applicant must complete one Application Form and may only enter into one Participation Agreement with BritNed at any one time.

B4.1.3 The Application Form and the requirements for its completion and submission will be specified by BritNed from time to time. BritNed may ask an Applicant to provide additional or outstanding information reasonably required by BritNed in connection with the Applicant's eligibility in accordance with these Rules to be party to a Participation Agreement.

B4.2: Returns of agreements and conclusion

B4.2.1 Once the Applicant submits an Application Form and the relevant information, BritNed will review the Application Form. If BritNed is satisfied it has all the required information, BritNed will send the Applicant a Participation Agreement.

B4.2.2 The Applicant will sign a Participation Agreement and then send it in duplicate to BritNed. BritNed will return one copy of the Participation Agreement executed by BritNed to the Applicant concerned.

B4.2.4 The Participation Agreement comes into force on the date of signature by BritNed

B4.3: Application cost

B4.3.1 Applicants shall bear their own costs and expenses of any application. For the avoidance of doubt, BritNed does not charge an application fee.

B4.4: Accuracy and Completeness

- B4.4.1 Each Applicant must ensure that all data and other information that it provides to BritNed in its Application Form is accurate and complete.
- B4.4.2 Upon signing the Participation Agreement, the Participant must ensure that all data and other information that it provides to BritNed is and remains accurate and complete.
- B4.4.3 An Applicant or a Participant must notify BritNed if there is any change to data it provides to BritNed at least 10 Business Days before the change comes into effect and, where that is not possible, as soon as practicable after the Applicant or Participant becomes aware of the change.

B4.5: Warranties

- B4.5.1 At the time of signing the Participation Agreement, the Participant warrants that:
- a) it will not by entering into the Participation Agreement or acquiring rights under these Rules infringe any anti-trust or competition legislation or any undertaking or other obligation arising under any antitrust or competition legislation;
 - b) in the case of a Participant that is not a natural person, it is duly incorporated and validly existing under the laws of its country of incorporation;
 - c) it has full power and authority to enter into and perform the Participation Agreement and to acquire and exercise rights under these Rules and all necessary action has been taken on its part to authorise entry into and performance of the Participation Agreement and rights under these Rules;
 - d) the Participation Agreement and rights acquired under these Rules constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
 - e) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
 - f) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
 - g) no winding-up or liquidation proceedings have been commenced with regard to the applicant;
 - h) it has no overdue payment obligations towards any other party.
 - i) it will not collude with any other Participant(s) or seek to improperly influence the outcome of any Auction; and
 - j) it warrants that it is not insolvent and that it has no knowledge of any possible insolvency proceedings that may be brought against it in the immediate future.
- B4.5.2 If any of the above ceases to be true any time prior to termination of this Agreement, then the Participant shall immediately notify BritNed of that fact and shall provide full details.
- B4.5.3 Each Party undertakes with the other Party to comply with and to perform its obligations in accordance with these Rules.

B4.6: Refusal

- B4.6.1 BritNed reserves the right to refuse to enter into a Participation Agreement with an Applicant. In the event of a refusal BritNed would explain the reasoning for a refusal to the Applicant.

Rule B5: Costs related to the participation in Auctions

- B5.1 All Participants will participate in Auctions and/ or will Nominate at their own cost, expense and risk. BritNed shall have no liability to any person for any cost, claim, or expense of any Participant in connection with the Participant participating in Auctions and/ or the Nominations process.
- B5.2 BritNed does not charge any fees to participate in Auctions.

Rule B6: BritNed information system rules

- B6.1 Each Participant must establish and maintain, at its own cost, its own Participant systems. BritNed shall have no liability if the Participant's system fails, for any reason, to communicate with the Auction Tool and/or Nomination Tool.
- B6.2 BritNed will give Participants the information reasonably required to enable Participant systems to access and interface with the Auction Tool and Nomination Tool.
- B6.3 BritNed shall, where possible, give Participants access to a training platform for the Auction Tool and Nomination Tool to test their interfaces.
- B6.4 BritNed may, where reasonably necessary, establish communication protocols and standards with which Participants must comply to protect the security and authenticity of communications. This includes those between the Auction Tool, Nomination Tool, and Participant systems.
- B6.5 Participants accept that data sent to the Auction Tool and Nomination Tool is binding and that Participants are fully responsible for those individuals who have access to the Auction Tool and Nomination Tool on behalf of the Participant.
- B6.6 BritNed shall grant access to the Auction Tool and Nomination Tool upon completion of the appropriate Participant forms.
- B6.7 Training for the use of the Auction Tool and Nomination Tool is available to the Participant upon request to BritNed.

Rule B7: Regulatory and Legal Requirements

- B7.1 It is the responsibility of each Participant to ensure that it has complied with all requirements, including applicable Laws and the requirements of any Competent Authority, and obtained all necessary authorisations in connection with its participation in Auctions and its use of Transmission Rights.

Section C: Financial Matters Applicable to these Rules

Rule C1: Introduction

C1.1 This Section C of the Rules sets out Rules which are applicable to invoicing, payments, Collaterals and Credit Limits.

C1.2: Obligation to pay independent of use

C1.2.1 Each Participant must pay BritNed the Unit Prices for all Unit Quantities acquired even if all or some of the Units have been Returned or transferred and even if the Participant does not use the corresponding Interconnector Capacity.

C1.3 Currency

C1.3.1 All prices referred to in these Rules are indicated in Euros.

C1.3.2 All payments made must be in Euros

C1.3.3 All Collaterals made must be in Euros.

Rule C2: Payments and Invoicing

C2.1: General

C2.1.1 When a Third-Party is operating the Auction Tool then the invoicing shall be as determined by the Third-Party.

C2.1.2 When BritNed is operating the Auction Tool then the invoicing shall follow the terms in this Rule C2.

C2.2: Payment of invoices

C2.2.1 In case of a balance due from the Participant under an invoice, the Participant must pay the full value of that balance invoiced to it under this Rule C2 in full, free of any charge, set off or counterclaim, by the due date for payment, even if it disputes any amount in the invoice, by making payment to the bank account notified from time to time to the Participant by BritNed for the purpose of these Rules.

C2.2.2 In case of a balance due from BritNed under a credit note, BritNed must pay the full value of that balance under this Rule C2 in full, free of any charge, set off or counterclaim, by the due date for payment, even if it disputes any amount in the invoice, by making payment to the bank account notified from time to time to BritNed by the Participant for the purpose of these Rules.

C2.2.3 Payments are due no later than five (5) Business Days after the date of issuance of the invoice or credit note. If the day that payment is due is not a Business Day, then the payment is due on the next Business Day.

C2.3: Invoicing

C2.3.1 No later than the tenth (10th) Business Day of each month, BritNed shall send, by email as a PDF attachment (or by any other means as indicated from time to time by BritNed), to the Participant an invoice or credit note stating at least:

- a) the monthly instalments payable by the Participant in respect of:
 - i. the portion related to month M+1 of Long Term Transmission Rights, the Product Period of which is equal to or greater than one month, and the allocation of which will have taken place before the third (3rd) Business Day of month M;
 - ii. the portion related to month M of Long Term Transmission Rights, the Product Period of which is equal to or greater than one month, and the allocation of which will have taken place after or on the third (3rd) Business Day of month M-1;
 - iii. Long Term Transmission Rights, the Product Period of which is less than one (1) month and starts in month M-1;
 - iv. the amount payable by the Participant in respect of Day Ahead and Intraday Units, calculated as the product of the Unit Quantity and the Unit Price

Product Type	Auction Date	Invoice Month
Annual Seasonal Quarterly Monthly	Before third (3 rd) Business Day in the month preceding the start of the Product Period	Month preceding start of Product Period
Annual Seasonal Quarterly Monthly	After third (3 rd) Business Day in the month preceding the start of the Product Period	Month when Product Period starts
Weekly Weekend Long Weekend Easter Weekend	Does not influence invoicing month	Month after start of Product Period
Day Ahead	Does not influence invoicing month	Month after start of Product Period
Intraday	Does not influence invoicing month	Month after start of Product Period

Table 2: monthly instalments payable by the Participants

- b) the monthly instalments payable by BritNed to the Participant in respect of:
 - i. the amount payable for Use It or Sell It;
 - ii. any remuneration for Returns of Transmission Rights will be credited to same invoice month;
 - iii. the portion related to month M+1 of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is equal to or greater than one month, and the

- allocation of which will have taken place before the third (3rd) Business Day of month M;
- iv. the portion related to month M of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is equal to or greater than one month, and the reallocation of which will have taken place after or on the third (3rd) Business Day of month M-1;
 - v. the Long Term Transmission Rights returned for reallocation in Auctions in accordance with Rule D6 (Return of LTTR), the Product Period of which is less than one (1) month and starts M-1;

Product Type	Auction Date	Invoice Month
Return of Transmission Rights to: Seasonal Quarterly Monthly	Before third (3 rd) Business Day in the month preceding the start of the Product Period	Month preceding start of Product Period
Return of Transmission Rights to: Seasonal Quarterly Monthly	After third (3 rd) Business Day in the month preceding the start of the Product Period	Month when Product Period starts
Return of Transmission Rights to: Weekly Weekend Long Weekend Easter Weekend	Does not influence invoicing month	Month after start of Product Period
Use It or Sell It	Does not influence invoicing month	Month after start of Product Period

Table 3: monthly instalments payable by BritNed

- c) any amounts payable or credits due to the Participant by BritNed;
- d) any amount payable by the Participant to BritNed for any training requested by the Participants, in addition to the Standard Training provided to the use of the Auction Tool;
- e) any taxes payable by the Participant or BritNed in respect of amounts in the invoice;
- f) the total amounts payable by the Participant to BritNed under that invoice (or receivable by the Participant from BritNed under that credit note); and
- g) any other information required to be included in the invoice under English or Dutch law or any law applicable under the Third-Party Participation Agreement.

C2.3.2 Where an invoice issued by BritNed does not contain full background data for the derivation of invoice summary amounts, then the Participant may consult BritNed, or Third-Party if applicable, to obtain such background data.

C2.3.3 If the balance of the payments as set forth in Rule C2.2 (Payment of Invoices) results in a net payment from the Participant to BritNed, the Participant shall settle this balance within five (5) Business Days after the date of issuance of the invoice.

- C2.3.4 Payments by the Participant under Rule C2.2 (Payment of Invoices) shall be made as follows:
- a) the Participant shall ensure payment through a non-automated transaction to the account of BritNed specified on the invoice by indicating the invoice reference; or
 - b) through the account specified by the Third-Party.
- C2.3.5 If the balance of the payments as set forth in Rule C2.2 results in a net payment from BritNed to the Participant, BritNed shall pay this balance within seven (7) Business Days after the date of issuance of the invoice to the bank account as announced during the Application of the Participation Agreement by the Participant who is entitled to the payments.
- C2.3.6 Upon the collection of the payment as set forth in Rule C2.2, BritNed shall update the Credit Limit accordingly.
- C2.3.7 In case of an erroneous invoice resulting in an additional payment of BritNed or the Participant, BritNed shall correct the invoice and any due amount shall be settled as soon as they have been notified to Participant.
- C2.3.8 Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank shall be covered by the Participant.
- C2.3.9 The Participant shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an Auction, against any claims towards BritNed, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Participant's claim against BritNed is established by a legally binding judgement or is uncontested.

Rule C3: Collaterals and Credit Limit

C3.1: Long Term and Day-Ahead

C3.1.1 Participants shall provide Collaterals in line with Third-Party Rules.

C3.2: Intraday

C3.2.1 Participants must provide Collaterals to secure payments to BritNed resulting from Auctions of Intraday Transmission Rights and, where applicable, potential other payments falling due.

C3.2.2 Only the following forms of Collaterals shall be accepted:

- (a) a Bank Guarantee;
- (b) a Cash Deposit in a dedicated Collateral Account.

C3.2.3 Collaterals may be provided in one of the forms mentioned in Rule C3.3 (Forms of Collaterals) of these Rules or a combination of these forms, provided that BritNed is entitled as beneficiary to the full Collateral.

C3.2.4 Collateral may be increased or decreased but must always be greater than or equal to zero.

C3.3: Forms of Collateral

Bank Guarantee

C3.3.1 Collaterals that are provided in the form of a Bank Guarantee shall:

- a) be provided in the form of the template that is available on BritNed website;
- b) be written in English;
- c) cover all relevant Auctions;
- d) allow partial and multiple drawing by BritNed, up to the maximum amount guaranteed;
- e) provide for payment upon first request of BritNed. It shall further provide that, if BritNed calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from BritNed.
- f) be irrevocable, unconditional and non-transferable;
- g) be issued by a bank permanently established, including via a branch, in an EU member state, European Economic Area, Switzerland or the United Kingdom;
- h) be issued by a bank or financial group it belongs to that has a long term credit rating of not less than:
 - i. BBB+ by Standard and Poor's Corporation;
 - ii. BBB+ by Fitch; or
 - iii. Baa1 by Moody's Investors Service Inc.

C3.3.2 If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the issuing bank shall provide BritNed with a parental guarantee or an equivalent document issued by the financial group.

C3.3.3 If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Participant shall within five (5) Business Days submit to BritNed a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit.

C3.3.4 If there are industry-wide downgrades of financial institutions BritNed may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the relevant NRAs.

C3.3.5 The Bank Guarantee shall not be issued by a bank that is an Affiliate of the Participant.

C3.3.6 A Bank Guarantee shall contain the following:

- a) a maximum amount guaranteed;
- b) BritNed's identification as beneficiary;
- c) BritNed's bank account;
- d) BritNed's bank's address;
- e) the Participant's full identification, including name, address, commercial/company register;
- f) full identification of the providing bank; and
- g) the validity time.

C3.3.7 BritNed must receive the Bank Guarantee at least two (2) Business Days before the Bidding Period closure of the Auction for which it shall be used as Collateral or otherwise, it shall be considered for the subsequent Auctions.

C3.3.8 BritNed shall accept the Bank Guarantee provided by a Participant if the Bank Guarantee is provided in line with the specifications set out in this Rule C3.3 (Forms of Collaterals) and the original of the Bank Guarantee has been received by BritNed.

C3.3.9 BritNed shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Participant, at the latest, two (2) Business Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the Participant.

Validity and renewal of the Bank Guarantee

C3.3.10 Collaterals in the form of a Bank Guarantee shall be valid for the minimum periods as follows:

- a) for Long Term and Day Ahead, these would be covered under the Third-Party Participation Agreement;
- b) for Intraday, until at least sixty (60) days after the end of the Product Period(s).

C3.3.11 The Participant shall replace or renew the Collaterals in form of a Bank Guarantee to fulfil the requirements of Rule C3.3.10.

Cash Deposit

C3.3.12 For Collaterals that are provided in the form of a Cash Deposit in a dedicated Collateral Account the following conditions shall apply:

- a) the money shall be deposited in a dedicated Collateral Account at a financial institution selected by BritNed;
- b) until withdrawal as permitted by the following provisions of Rule C3.4 (Calls on Collaterals), the Cash Deposit in the dedicated Collateral Account belongs to the Participant;
- c) withdrawals from the dedicated Collateral Account pursuant to Rule C3.5 (Modification of Collaterals) and Rule C3.4 may be made solely on the instruction of BritNed;
- d) the dedicated Collateral Account will not be used by BritNed for the purposes of settlement;
- e) positive interest on the amount deposited in the dedicated Collateral Account shall accrue for the benefit of the Participant, after deduction of taxes and bank charges if any; and
- f) negative interest on the amount deposited in the dedicated Collateral Account shall be charged to the Participant, after deduction of taxes and bank charges if any.

C3.4: Calls on Collaterals

C3.4.1 BritNed is entitled to call upon Collaterals of a Participant in the event of a registered Payment Incident in accordance with Rule C4 (Late Payments).

C3.4.2 The Participant shall immediately restore its Collaterals after a Payment Incident or Collaterals Incident by following the conditions as set forth in this Section C unless the Participation Agreement is suspended or terminated in accordance with Rule F6 (Suspension and Termination).

C3.4.3 The right of BritNed to call upon the Collateral of a Participant under Rules C5 (Payment Disputes) and this Rule C3.4 (Calls on Collaterals) of these Rules shall additionally apply in relation to any sum invoiced under these Rules that a Participant has failed to pay by the due date for payment.

C3.5: Modification of Collaterals

C3.5.1 A Participant may request in written form at any time:

- a) an increase of the Collaterals in form of a Bank Guarantee and/or Cash Deposit;
- b) a decrease of the Collaterals in form of a Bank Guarantee and/or Cash Deposit; or
- c) change of the form of the Collaterals.

C3.5.2 A decrease of the Collaterals shall only be allowed if the Credit Limit after applying the requested decrease of the Collaterals would be greater than or equal to zero.

C3.5.3 BritNed shall accept the modification of the Collaterals if the request for a modification of Collaterals is compliant with these Rules.

C3.5.4 The modification of the Collaterals shall become valid and effective only when BritNed has made the requested modification of the Collaterals of the Participant within the Auction Tool.

C3.5.5 BritNed shall assess the request for modification of Collaterals and confirm the acceptance or send a refusal note to the Participant, at the latest, two (2) Business Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the Participant.

C3.5.6 BritNed shall process the request within ten (10) Business Days of the request being accepted.

C3.6: Collateral Incident

C3.6.1 A Collateral Incident occurs in the following cases:

- a) the Collaterals are insufficient to secure the amount due for the relevant Transmission Rights held by a Participant on the next payment date as set forth in Rule C2.3 (Invoicing) considering the amount and the validity of the Collaterals; or
- b) the Collaterals are not renewed in accordance with Rules C3.3.10 and C3.3.11 (Validity and Renewal of Bank Guarantee); or
- c) the Collaterals are not restored after a Payment Incident in accordance with Rule C4 (Late Payments) or new Collateral was provided that is not compliant with the conditions specified in this Rule C3 (Collaterals and Credit Limit).

C3.6.3 BritNed shall notify the Collateral Incident to the Participant by email. The Participant shall increase its Collaterals within two (2) Business Days from sending of the notification if this is done during Business Hours. If sent after Business Hours, then two (2) Business Days starting from next Business Day. If the Collaterals provided by the Participant remains insufficient after this period, BritNed may suspend or terminate the Participation Agreement in accordance with Rule F6 (Termination and Suspension).

C3.7: Credit Limit

C3.7.1 A Credit Limit shall be calculated for each Participant in respect of any explicit Auction.

C3.7.2 A Participant will only be able to participate in an Auction if its Credit Limit in respect of that Auction is greater than zero.

Long Term and Day Ahead

C3.7.3 The Credit Limit shall be calculated by the Third-Party Participation Agreement.

Intraday

- C3.7.4 The potential maximum commitment associated with any Bid, considering Taxes and levies in force, will be assessed against the Credit Limit.
- C3.7.5 Any Bid that breaches the Credit Limit will be treated in accordance with Rule D9.4 (Bid Submission).
- C3.7.6 Any Bid submitted to an Auction will be used to calculate a revised Credit Limit for any concurrent Auction and the Auction evaluation of any concurrent Auction will be used to calculate a revised Credit Limit.
- C3.7.7 BritNed shall calculate and continuously update the Credit Limit of each Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the Collaterals in place minus any outstanding payment obligations.
- C3.7.8 Outstanding payment obligations are calculated according to Rule C1 (Introduction) and C2 (Payments and Invoicing) subject to this Rule and Rule D9.4 (Bid Submission).
- C3.7.9 For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the Taxes and levies in force.
- C3.7.10 Reduction Periods are taken into consideration for the calculation of the Credit Limit.
- C3.7.11 Maximum payment obligations for a Participant resulting from its Bid(s) registered at the closure of the Bidding Period, shall be considered provisionally as the outstanding payment obligations. From the publication of the Provisional Auction Results until the moment when the Final Auction Results are published the due amount notified shall be provisionally considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised based on the actual allocated Transmission Rights when the Final Auction Results are published.
- C3.7.12 Any outstanding payment obligations of the Participant under these Rules shall additionally be considered.

Rule C4: Late Payments

- C4.1 In case of late payment or refund, the Parties shall pay interest on the amount due including Taxes and levies from the first (1st) day following the date on which the payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
- a) a flat rate of 100 €; or
 - b) eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which BritNed is located and round up to the nearest half percentage point.
- C4.2 Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
- C4.3 Following a Payment Incident, BritNed shall notify the Participant that a Payment Incident will be registered if the amount including applicable interest due is not received within three (3) Business

Days upon sending of the notification. In case of no payment within the deadline, BritNed shall notify the Participant that the Payment Incident was registered.

- C4.4 Immediately after registration of the Payment Incident BritNed may invoke the collaterals.
- C4.5 BritNed may suspend or terminate the Participation Agreement in case of a registered Payment Incident in accordance with Rule F6 (Suspension and Termination).

Rule C5: Payment Disputes

- C5.1 A Participant may dispute the amount of an invoice, including any amounts to be credited to the Participant. In this case, the Participant shall notify the nature of the dispute and the amount in dispute to BritNed as soon as practicable and in any event within fifteen (15) Business Days after the date of issuance of the invoice or credit note by email. Beyond this period, the invoice shall be deemed to have been accepted by the Participant.
- C5.2 If the Participant and BritNed are unable to resolve the difference within ten (10) Business Days after the notification, the procedure for the dispute resolution in accordance with Rule F8 (Dispute Resolution) shall apply.
- C5.3 A dispute shall in no way relieve the Party from the obligation to pay the amounts due as set forth in Rule C2 (Payments and Invoicing).
- C5.4 If it is agreed or determined based upon the dispute resolution procedure as set forth in Rule F8 that an amount paid or received by the Participant was not properly payable, the following process shall apply:
 - a) BritNed shall refund any amount including interest to be calculated according to Rule C2.2 (Payments of invoices) to the Participant in case that the amount paid by the Participant as set forth in Rule C2.3 (Invoicing) was higher or the amount paid by BritNed was lower than the due amount. BritNed shall make the payment to the bank account indicated by the Participant for this reimbursement under the Participation Agreement
 - b) The Participant shall pay any amount including interest to be calculated according to Rule C2.2 (Payment of Invoices) to BritNed in case that the amount paid by the Participant as set forth in Rule C2.3 (Invoicing) was lower or the amount paid by BritNed was higher than the due amount. The Participant shall make the payment in accordance with the procedure set out in Rule C2.2. Upon such payment BritNed shall update the Credit Limit of the Participant as set out in Rule C3.7 (Credit Limit).
- C5.5 The interest paid in case of a payment in accordance with Rule C5 (Payment Disputes) of these Rules shall be applied from the first (1st) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all Taxes and levies required by English or Dutch law or any law applicable under the Third-Party Participation Agreement.

Rule C6: Additional fees

- C6.1 BritNed can collect additional fees that are applicable to Participants. Any fees that are required to be collected shall be notified to the Participant with at least twenty (20) Business Days notice.

Rule C7: Additional financial terms

- C7.1 BritNed can develop and publish additional financial terms that are applicable to Participants. Any additional financial terms shall be notified to the Participant with at least twenty (20) Business Days notice.

Section D: Auctions Rules for Long Term, Day Ahead, and Intraday Auctions

Rule D1: Introduction

D1.1 This Section sets out the Rules relating to the Auction processes for Long Term, Day Ahead and Intraday Units.

Rule D2: Types of Auctions and general procedures

D2.1 The Interconnector Capacity made available by BritNed via a combination of Long Term, Day Ahead, and Intraday Auctions will reflect the total available Interconnector Capacity. The amount of capacity made available for each Auction will be determined by BritNed.

D2.2 Each category of Unit will be auctioned separately. Long-Term, Day Ahead, and Intraday Units will be auctioned respectively in single Auctions. Separate Auctions may be conducted concurrently.

D2.3 Subject to Rule D7, D8.13 and D9.13 (Fallback) BritNed will use the following procedures for Auctions:

- a) General conditions for Auctions;
- b) Auctions for Long Term Transmission Rights will follow procedure described in Rule D5;
- c) Auctions for Day Ahead Transmission Rights will follow the procedure described in Rules D8;
- d) Auctions for Intraday Transmission Rights will follow the procedure described in Rule D9.

Rule D3: Reduction Periods of Offered Capacity

D3.1 BritNed may announce one or more Reduction Periods in the Auction Specification. In this case, the Auction Specification shall include for each Reduction Period information on the duration of the Reduction Period and the amount of Offered Capacities.

D3.2 For the avoidance of doubt, Reduction Periods do not apply to already allocated Transmission Rights.

D3.3 If the Reduction Period is shortened then the Units becoming available will be allocated in subsequent explicit Day Ahead and Intraday Auctions

Rule D4: Submission of Bids

D4.1 Where BritNed accepts any Bid by allocating one or more Units to a Participant in accordance with these Rules, then the Participant will acquire such Unit(s) for the Unit Price on the terms and conditions of these Rules and the relevant Auction Specification. The rights and obligations of Participants are set out in these Rules.

Rule D5: Long Term Auctions

D5.1: Auction Calendar

D5.1.1 The operator of the Auction Tool shall provide information on forthcoming Auctions by publishing on its website a provisional Auction Calendar with the dates of Auctions reasonably in advance before the Auctions takes place. A provisional calendar for each calendar year shall be published no later than 1 December of the year preceding including provisional information on the form of the product, Product Period, Bidding Period, and Reduction Period.

D5.1.2 The products types offered for Long Terms Auctions shall be Physical Transmission Rights offered in the following timeframes:

- a) Annual
- b) Seasonal
- c) Quarterly
- d) Monthly
- e) Weekly
- f) Easter Weekend
- g) Long Weekend
- h) Weekend

D5.2: Auction Specification

D5.2.1. The operator of the Auction Tool shall publish a provisional Auction Specification and a final version of the Auction Specification as set forth in this Rule D5.2.

D5.2.2 For Annual Auctions, the operator of the Auction Tool shall publish the provisional Auction Specification no later than seven (7) Calendar Days before the end of the Bidding Period of an Auction. For any other shorter Capacity Allocation time frame no later than two (2) Business Days before the end of the Bidding Period of an Auction.

D5.2.3 The provisional Auction Specification shall state in particular:

- a) the code identifying the Auction in the Auction Tool;
- b) type of Long Term Transmission Rights;
- c) Capacity Allocation timeframe (e.g. yearly, monthly or other);
- d) form of product (e.g. base, peak, off-peak);
- e) identification of the Bidding Zone Border and direction covered;
- f) deadline for return of the Long Term Transmission Rights allocated in previous Auctions for the Bidding Zone Border.
- g) the Product Period;
- h) Reduction Period(s) associated with the Product Period when applicable;
- i) the Bidding Period;
- j) the deadline for the publication of the Provisional Auction Results;
- k) the Contestation Period;
- l) the provisional Offered Capacity which shall not include Interconnector Capacity released via return of Long Term Transmission Rights; and
- m) any other relevant information or terms applicable to the product or the Auction.

D5.2.4 Not earlier than four (4) hours after publication of the provisional Auction Specification, the operator of the Auction Tool shall publish the final Auction Specification for that Auction stating

the final Offered Capacity and any other update of relevant information or terms applicable to the product or the Auction.

D5.2.5. The final Offered Capacity shall consist of the sum of:

- a) the provisional Offered Capacity;
- b) the available Interconnector Capacity already allocated to Participants for which a valid request for return of Long Term Transmission Rights has been submitted for this Auction; and
- c) the available Cross Zonal Capacity already allocated to Participants which will be reallocated as a result of suspension or termination.

D5.3: Bid submission

D5.3.1 The Participant shall submit a Bid or Set of Bids in accordance with following requirements:

- a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
- b) it shall identify the Auction via an identification code;
- c) it shall identify the Participant submitting the Bid through its EIC code;
- d) it shall identify the Bidding Zone Border and the direction for which the Bid is submitted;
- e) it shall state the Bid Price, which shall be different for each Bid of the same Participant unless otherwise provided for in the Information System Rules of a Third-Party, exclusive of Taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero; and
- f) it shall state the Bid Quantity in full MW which must be expressed without decimals.

D5.3.2 The Participant may modify its previously registered Bid or Set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or Set of Bids shall be considered for the Auction results determination.

D5.3.3 If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Participant exceeds the Offered Capacity announced in the final Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.

D5.3.4 If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Participant exceeds the relevant Offered Capacity announced after the Bids submission, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.

D5.3.5 In cases where the Information System Rules of a Third-Party allows submission of Bids with the same Bid Price by one Participant a Third-Party may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the Information System Rules and shall be one or more from the following:

- a) chronological submission (time stamp); and/or
- b) Bid identification assigned by the Auction Tool; and/or
- c) rejection of all relevant Bids with the same Bid Price.

D5.3.6. The above-mentioned process shall apply to all forms of an Auction product within Long Term timeframes.

D5.3.7 All Bid prices are deemed to be exclusive of Taxes.

D5.4: Bid registration

D5.4.1 A Bid shall not be registered that:

- a) does not comply with the requirements of Rule D5.3 (Bid Submission); or
- b) is submitted by a Participant who is suspended.

D5.4.2 Provided that a Bid or a Set of Bids fulfils the requirements, the operator of the Auction Tool shall confirm to the Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If an acknowledgment of receipt is not issued for a Bid, such Bid shall be deemed not to have been registered.

D5.4.3 A Participant whose Bid is rejected as invalid shall be notified and the reason for this rejection, without undue delay after the Bid is rejected.

D5.4.4 A record of all valid Bids received shall be maintained.

D5.4.5 Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Participant to buy Long Term Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Rules and the relevant Auction Specification.

D5.5: Default Bid

D5.5.1 The Participant has the option to place Default Bids for Auctions.

D5.5.2 A Default Bid, once identified as such by the Participant, shall apply automatically to each subsequent relevant Auction as defined by the Participant when placing the Default Bid. At the opening of a relevant Bidding Period, the registered Default Bid shall be considered as a Bid submitted by the Participant for the relevant Auction. This Bid shall be considered as a delivered when the Auction Tool acknowledges the generation of Default Bids.

D5.5.3 If a Default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Default Bids submitted for the same Auction by a Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.

D5.5.4 In case where the Information System Rules of a Third-Party allows submission of Bids with the same Bid Price by one Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the Information System Rules and shall be one or more from the following:

- a) chronological submission (time stamp); and/or
- b) Bid identification assigned by the Auction Tool; and/or
- c) rejection of all relevant Bids with the same Bid Price.

D5.5.5 A Participant who wants to modify a Default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its Default Bids before the applicable Auction Bidding Period opening.

D5.5.6 A Participant not wishing to submit the Default Bid on the Auction Tool for future Auctions can cancel its Default Bids before the subsequent Auction Bidding Period opening.

D5.6: Credit Limit verification

D5.6.1 Upon submission by a Participant of a Bid or Set of Bids, the operator of the Auction Tool shall check whether the maximum payment obligations connected with that Participant's registered Bid(s) calculated at the time of Bid(s) submission exceed the Credit Limit.

D5.6.2 If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the operator of the Auction Tool shall issue automatically via the Auction Tool a warning to the Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in Rule D5.6.3.

D5.6.3 At closure of the Bidding Period, the operator of the Auction Tool shall check again whether the maximum payment obligations connected with registered Bids calculated according to Rule D5.6.6 exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. A Third-Party may apply additional criteria or rules to decide which Bid shall be rejected.

D5.6.4 If a Collateral Incident occurs it shall be indicated as the reason for the Bid exclusion in the Auction results notification to the Participant.

D5.6.5 All the Bids shall be continuously assessed irrespectively to which Auction and direction the are submitted. In case of Bids connected with various and overlapping Auctions all calculated maximum payment obligations as outstanding payment obligations shall be considered.

D5.6.6 For the calculation of the maximum payment obligations related to one Bidding Zone Border and direction, the registered Bids of a Participant shall be sorted by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the lowest Bid Price. The maximum payment obligations shall be calculated according to the following equation:

$$MPO = \sum_{hours} \text{Max} \left[\text{Bid Price (1)} * \text{Bid Quantity (1)}; \text{Bid Price (2)} * \sum_{i=1}^2 \text{Bid Quantity (i)}; \dots \right. \\ \left. \dots; \text{Bid Price (n - 1)} * \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \text{Bid Price (n)} * \sum_{i=1}^n \text{Bid Quantity (i)} \right]$$

D5.6.7 When calculating the maximum payment obligations according to Rule D5.6.6, the following shall also be considered:

- a. if applicable, for each individual hour of the Reduction Period the maximum quantity of Long Term Transmission Rights which can be allocated to the Participant during the Reduction Period;
- b. increase of the maximum payment obligations with applicable Taxes and levies in force; and

- c. in respect of Long Term Transmission Rights with a Product Period of one (1) or more months, one (1) or two (2) monthly instalments respectively should be secured.

D5.7: Reserve Price

D5.7.1 The Reserve Price is determined by BritNed.

D5.7.2 When calculating the Marginal Price for an Auction, the Reserve Price will be applied based on the following criteria:

- a) Bids with prices lower than the Reserve Price will be excluded for the purposes of determining the Auction results and, therefore, the Marginal Price will always be equal to or higher than the Reserve Price, which will be applied to all capacity allocated within the relevant Auction;
- b) If the total quantity of Interconnector Capacity for which valid Bids have been submitted is equal to or lower than the Offered Capacity for the relevant Auction then the Bids will be accepted and the Marginal Price will be the Reserve Price;
- c) if the total quantity of Interconnector Capacity for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
- d) All capacity, including Return of Long Term Transmission Rights, which was unallocated within the relevant Auction will be returned to BritNed with no remuneration due;

D5.7.3 The Reserve Price for a particular Auction will be made available to Participants as soon as practicable after the Auction has finished. Confirmation of the Reserve Price shall be submitted to both The Gas and Electricity Markets Authority in Great Britain and the Authority for Consumers and Markets (*Autoriteit voor Consument en Markt*) in the Netherlands immediately before any Auction is conducted.

D5.8: Allocation

D5.8.1 After the expiration of the Bidding Period for an Auction and the Credit Limit verification, the operator of the Auction Tool shall determine the Auction results and allocate the Long Term Transmission Rights.

D5.8.2 The Auction results determination shall include the following:

- a) determination of the total quantity of the allocated Long Term Transmission Rights;
- b) identification of winning Bids to be fully or partially satisfied; and
- c) determination of the Marginal Price, considering the Reserve Price.

D5.8.3 If the total number of Units for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, then the lowest Bid accepted will set the Marginal Price. The Auction results are obtained using the methodology described below:

- a) First, for each Auction the Auction Tool ranks the valid Bids in decreasing Bid Price order (Different Bids with the same Bid Price receive the same rank);
- b) The Reserve Price will be applied and only Bids equal to or greater than the Reserve Price will be considered for the further evaluation process;
- c) The highest ranked valid Bid(s) received for a number of Units requested which in aggregate does(do) not exceed the Offered Capacity is (are) allocated. Any residual available Offered Capacity is then allocated to the next highest ranked valid Bid(s). If the

number of Units requested in such next highest ranked valid Bid(s) does/do not exceed in aggregate the residual Offered Capacity, this process is then repeated for the remainder of the residual Offered Capacity;

- d) Following the iterative process described in Rule D5.8.3.c, when the number of Units requested under the next highest ranked valid Bid is equal to or greater than the residual Offered Capacity, the Bid is allocated either in full, or partially up to the limit of the residual Offered Capacity, as the case may be. The price of this Bid constitutes the Marginal Price;
- e) If two (2) or more Participants have submitted valid Bids with the same Bid Price in an Auction, that cannot be accepted in full for the total requested quantity of Long Term Transmission Rights, the operator of the Auction Tool shall determine the winning Bids and the quantity of the allocated Long Term Transmission Rights per Participant as follows:
 - i. The Interconnector Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Participants which submitted these Bids;
 - ii. in case the quantity of Long Term Transmission Rights requested by a Participant at Marginal Price is lower than or equal to the share calculated according to item (i) above, the request of this Participant shall be fully satisfied;
 - iii. in case the requested quantity of Long Term Transmission Rights by a Participant at Marginal Price exceeds the share calculated according to item (i) above, the request of this Participant shall be satisfied up to the amount of the share as calculated according to item (i) above;
 - iv. any remaining Interconnector Capacity after the allocation according to items (ii) and (iii) shall be divided by the number of the Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (i), (ii) and (iii) above.
 - v. If the calculation does not result in a whole MW amount, the Long Term Transmission Rights shall be rounded down to the nearest full MW. The case when Long Term Transmission Rights allocated to individual Participants are equal to zero after rounding shall not impact the Marginal Price determination.

D5.8.4 For the avoidance of doubt, where a Reduction Period is indicated in the Auction Specification for an Auction pro rata within that Reduction Period will be allocated.

D5.8.5 The Long Term Transmission Rights are deemed to have been allocated to a Participant from the moment the Participant has been informed of the Results and the Contestation Period is closed.

D5.9: Notification of Provisional Auction Results

D5.9.1 When a Third-Party operates the Auction Tool it shall publish on its website the Provisional Auction Results as soon as possible but not later than specified in the final Auction Specification.

D5.9.2 The publication of the Provisional Auction Results for the Bidding Zone Border included in the Auction shall comprise at least the following data:

- a) total requested Long Term Transmission Rights in MW;
- b) total allocated Long Term Transmission Rights in MW;
- c) Marginal Price in Euros/MW per hour;
- d) number of Participants participating in the Auction;

- e) list of names and number of Participants who placed at least one winning Bid in the Auction;
- f) list of registered Bids without identification of the Participants (bid curve); and
- g) Congestion Income.

D5.9.3 No later than 30 minutes after the publication of the Provisional Auction Results the Third-Party shall make available via the Auction Tool to each Participant who submitted a Bid in an Auction at least the following data:

- a) allocated Long Term Transmission Rights for each hour of the Product Period in MW;
- b) Marginal Price in Euros/MW per hour; and
- c) due amount for allocated Long Term Transmission Rights in Euro, rounded to two decimal places; and
- d) due amount for one monthly instalment for allocated Long Term Transmission Rights in Euro, rounded to two decimal places, if the Product Period is longer than one month.

D5.9.4 If the Auction Tool is unavailable, the operator of the Auction Tool shall inform the Participants of the Provisional Auction Results.

D5.10: Contestation Period

D5.10.1 Participants shall check the Auction results and, where reasonably appropriate, may contest Auction results within the Contestation Period. The operator of the Auction Tool shall only consider a contestation where the Participant is able to demonstrate an error made by BritNed or a Third-Party in the Auction results. For the avoidance of doubt, human error on the part of the Participant is not grounds for contestation.

D5.10.2 The Participant may contest the Auction results within the deadline set out in the relevant Auction Specification but no later than two (2) Business Days after the Provisional Auction Results have been notified to the Participant, whichever is first.

D5.10.3 The contestation shall be notified to the party operating the Auction Tool and headed as the "Contestation Period".

D5.10.4 Any contestation shall contain the following:

- a) Date of contestation;
- b) identification of contested Auction;
- c) identification of the Participant;
- d) name, e-mail address and telephone number of the Participant;
- e) detailed description of the facts and the reason for contestation; and
- f) evidence of erroneous Auction results;

D5.10.5 The operator of the Auction Tool shall notify its decision on the contestation to the Participant no later than four (4) Business Days after the Provisional Auction Results have been notified to the Participant.

D5.11: Final Auction Results

D5.11.1 At the end of the fourth (4th) Business Day after the publication of the Provisional Auction Results and unless an Auction is cancelled, the Provisional Auction Results shall be considered as final and binding with no further notification.

Rule D6: Return of Long Term Transmission Rights

D6.1: General

- D6.1.1 Long Term Transmission Right holder(s) may return some or all of their Long Term Transmission Rights to BritNed for reallocation at a subsequent long term Auction once the Final Auction Results are published.
- D6.1.2 Returned Long Term Transmission Rights shall be a constant band of whole MW(s) over the specific timeframe of the subsequent Auction. The Auction at which the Long Term Transmission Rights were allocated and the subsequent Auction to which the Long Term Transmission Rights are to be returned shall be for the same form of products.
- D6.1.3 The minimum volume for a returned Long Term Transmission Right shall be one (1) MW over the specific timeframe of the subsequent Auction.
- D6.1.4 BritNed or a Third-Party shall make the volumes of returned Long Term Transmission Rights available at the subsequent Long Term Auction, increasing the Offered Capacity announced in the provisional Auction Specification accordingly and equally for each hour of the Product Period. For the avoidance of doubt, if a Reduction Period is within a provisional Auction Specification, no Returned capacity will be accepted for the Reduction Period

D6.2: Process of the return

- D6.2.1 Long Term Transmission Right holder(s) wishing to return their Long Term Transmission Rights shall send a notification via the Auction Tool no later than the deadline specified in the provisional Auction Specification for the subsequent Auction to which the Long Term Transmission Right is to be returned.
- D6.2.2 A valid notification of the Return shall contain the following information:
- a) EIC code of the Long Term Transmission Right holder;
 - b) identity of the subsequent Auction to which the Long Term Transmission Right is returned; and
 - c) the volume of the Long Term Transmission Rights for return.
- D6.2.3 In order to be able to return Long Term Transmission Rights the Participant shall:
- a) have a valid and effective Participation Agreement with BritNed and/or a Third-Party;
 - b) hold the relevant Long Term Transmission Rights at the time of the notification of the Return;
 - c) send the notification before the deadline; and
 - d) fulfil or secure its financial obligations pursuant to these Rules.
- D6.2.4 If the requirements are fulfilled, the Auction Tool shall send without undue delay a notification to the Participant containing:
- a) a message confirming the acceptance of the return subject to Rule D6.2.7; or
 - b) a message rejecting the return including the reasons for rejection subject to paragraph D6.2.7.
- D6.2.5 If the return is accepted, BritNed or Third-Party shall decrease the total volume of the Long Term Transmission Rights held by the respective Long Term Transmission Right holder by the amount Returned.

D6.2.6 Long Term Transmission Right holder(s) wishing to modify their Return shall send a notification via the Auction Tool with the adjusted volume of the Long Term Transmission Rights to be returned before the deadline for Return of Long Term Transmission Rights pursuant to paragraph 1 expires. Where the volume of the Long Term Transmission Rights to be returned is adjusted to zero (0) MW, the related return shall be deemed as cancelled.

D6.2.7 If BritNed or a Third-Party is unable to register a return, a fallback procedure may be applied. If no fallback procedure for return is technically possible, no financial remuneration may be claimed by the Participants.

D6.3: Remuneration for allocated Long Term Transmission Rights

D6.3.1 Participants who Returned Long Term Transmission Right are entitled to receive a remuneration equal to the value of the Returned Long Term Transmission Rights set during the relevant subsequent Auction(s) calculated for each hour as follows:

- a) the Marginal Price of the Auction at which the Returned Long Term Transmission Right was reallocated in Euros/MW per hour multiplied by
- b) the amount of MW which was reallocated.

D6.3.2 On return the Participant ceases to be holder of Long Term Transmission Right for the Returned amount of Long Term Transmission Right. This means that all rights and obligations of the Participant connected to the Returned amount of Long Term Transmission Right will cease except those connected to its payments obligations and the remuneration. All rights and obligations of the Participant related to the not returned proportion of Long Term Transmission Right will remain unaffected.

D6.3.3 If the returned Long Term Transmission Rights are rounded down to the nearest full MW in accordance with Rule D5.8 (Allocation) BritNed shall remunerate the Participant for the full amount of the Returned Long Term Transmission Rights.

D6.4: Remuneration for unallocated Long Term Transmission Rights

D6.4.1 Any Returned Long Term Transmission Rights will be allocated in a subsequent long term Auction but only after any BritNed capacity offered into the same Auction.

D6.4.2 Returns that cannot be allocated within the Auction due to insufficient Bids above the Reserve Price will not be compensated, in accordance with Rule D5.7 (Reserve Price).

D6.4.3 For Returns that have been offered but not allocated in a subsequent Auction, such Returns shall be subject to the following:

- a) those Returned Unit(s) will be unavailable for subsequent use by the Participant;
- b) the Participant shall still pay BritNed for those Returned Unit(s) unless the Returned Unit(s) were acquired in a Transmission Rights Transfer in which case the original Participant shall still pay BritNed for those Returned Unit(s);
- c) BritNed will make those Returned Unit(s) available in subsequent Auctions; and
- d) gain the proceeds of the sale in the subsequent Auctions of those Returns

D6.4.4 Unit(s) will not be paid by BritNed to the Participant.

D6.5: Transfer of Long Term Transmission Rights

- D6.5.1 Long Term Transmission Right holder(s) may transfer some or all of their Long Term Transmission Rights to another Participant once the Auction results in respect of those rights are final. Regardless of how the transfer was concluded, it shall be notified to BritNed or a Third-Party via the Auction Tool.
- D6.5.2 The minimum volume of Long Term Transmission Rights that may be transferred shall be one (1) MW over one (1) hour.

D6.6: Process of the transfer

- D6.6.1 The transferor shall send a notification of the transfer via the Auction Tool with the following information:
- a) the EIC codes of the transferor and transferee;
 - b) the time period of the transfer including the start and end dates and hours; and
 - c) the volume (MW) of the transferred Long Term Transmission Right in whole MW(s) defined per hour.
- D6.6.2 The notification of the transfer shall be delivered no later than at 12:00 CE(S)T on D-2.
- D6.6.3 In order to be able to transfer the Long Term Transmission Rights the following requirements shall be fulfilled:
- a) the transferor and transferee have a valid and effective Participation Agreement with BritNed and/or a Third-Party and the transferor holds the concerned Long Term Transmission Rights at the time of the notification of the transfer;
 - b) the transferor has fulfilled or secured its financial obligations pursuant to these Rules regardless whether the transferor transfers all or only part of its Long Term Transmission Rights and even in the case of multiple transfers among several Participants; and
 - c) the transferor has delivered the notification of the transfer before the deadline pursuant to Rule D6.6.2.
- D6.6.4 BritNed or a Third-Party shall issue without undue delay an acknowledgement of receipt of the notification to the transferor. Where the notification fulfils the requirements BritNed or a Third-Party shall inform the transferee about the notification of the transfer.
- D6.6.5 If the acknowledgement is not sent by BritNed or a Third-Party, the concerned notification shall be deemed not to have been submitted.
- D6.6.6 The notification of transfer shall be confirmed by the transferee within four (4) hours upon receiving the transfer information from BritNed or a Third-Party and no later than at 12:00 CE(S)T on D-2.
- D6.6.7 If the transferee does not confirm the transfer by the deadline, BritNed or a Third-Party shall automatically cancel the process of the transfer notification.
- D6.6.8 BritNed or a Third-Party shall then issue without undue delay to the transferor and the transferee a second acknowledgement via the Auction Tool stating either:
- a) that the transfer notification has been accepted and is effective; or
 - b) that the transfer notification has been rejected including the reason(s).

- D6.6.9 If for any technical reason the acknowledgement is not sent by BritNed or a Third-Party, the concerned transfer is deemed not to have been submitted.
- D6.6.10 The Transferor shall not be entitled to withdraw the transfer notification once the transferee has accepted it. The transferee may initiate another transfer to transfer the Long Term Transmission Rights further.
- D6.6.11 In the event of Auction Tool failure, a fallback procedure shall apply. If the process of the transfer notification cannot be completed due to an IT system and/or fallback procedure failure, Participants shall not be entitled to claim any financial remuneration from BritNed or a Third-Party.

D6.7: Legal consequences of the transfer

- D6.7.1 All rights and obligations resulting from these Rules, with exception of the payment obligation of the original Long Term Transmission Right holder regarding the allocation of Long Term Transmission Right pursuant to Rule C2 (Payments and Invoicing) shall be transferred together with the Long Term Transmission Right.

Rule D7: Fallback Procedures for Long Term Transmission Rights

- D7.1 When a Third-Party is operating the Auction Tool then the fallback procedures shall be as decided by the Third-Party.
- D7.2 When BritNed is operating the Auction Tool then the fallback procedures shall be as follows:
- D7.3 If the Auction Tool fails, and in the reasonable opinion of BritNed it is not practical to conduct an Auction electronically, BritNed may allocate the Units using a procedure for conducting the Auctions by email.
- D7.4 In the unlikely event of unavailability, technical difficulties, or Capacity Shortage, BritNed may be forced to cancel an Auction:
- a) before and during the course of the Auction itself: Participants are informed by a message that appears directly on the Auction Tool or by an electronic message;
 - b) after the preliminary Auction results have been published, in the event of erroneous results: Participants are informed by an electronic message. The results of the Auction are thereupon cancelled.
- D7.5 BritNed shall notify the Participants as soon as possible of the reasons which caused the Auction cancellation.
- D7.6 BritNed may defer the dates or times of an Auction by notifying Participants of the revised date or time of such Auction. In this event, the Bidding Period will open and close at the revised time as notified by BritNed. Only Bids submitted during the revised Bidding Period and confirmed by BritNed will be valid.
- D7.7 If the fallback procedure described cannot, in the reasonable opinion of BritNed, and based on objective grounds (for example due to a lack of time or to technical difficulties), be implemented as necessary to enable an Auction to be conducted, the Auction will be deferred.

D7.8 If deferral of an Auction is not considered by BritNed as being possible, based on objective grounds (for example due to a lack of time or to technical difficulties), the Auction will be cancelled and all Bids already submitted will automatically be cancelled.

Rule D8: Explicit Day Ahead Auctions

D8.1: General

D8.1.1 BritNed or a Third-Party will conduct Explicit Day Ahead Auctions.

D8.1.2 The Day Ahead Auction held on day “D-1” is for Units relating to use of Transmission Rights on the Contract Day commencing at 00:00hrs (CE(S)T) on day “D”.

D8.1.3 Explicit Day Ahead Auctions are held if the Offered Capacity is at least one (1) Unit to the extent that the Interconnector Capability permits, and subject to the outcome of Use It or Sell It (UIOSI) processes pursuant to Rule E4 (Use It or Sell It).

D8.1.4 The total Offered Capacity for any Contract Day in Day Ahead Auctions will include:

- a) available Transmission Rights (in the form of Units) not already allocated to Participants in Long Term Auctions under these Rules;
- b) Unused Units (if any) that have become available for the Day Ahead Auctions pursuant to UIOSI processes pursuant to Rule E4; and
- c) Units (if any) that have become available by application of Netting on Long Term Nominations; and
- d) the above in this Rule D8.1.4 shall include Units that are not unavailable due to Forced Outages, Reduction Periods and/or due to the application of Curtailment

D8.1.5 No later than fifteen (15) minutes before opening of the Bidding Period of a Day Ahead Auction, the operator of the Auction Tool will publish the Auction Specification for that Day Ahead Auction.

D8.1.6 The Bidding Period for each Day Ahead Auction will be specified in Schedule 2 (Business Rules for Use of PTRs) of these Rules. In case of contradiction between the times specified in Schedule 2 and in the relevant Auction Specification, the Auction Specification shall prevail.

D8.2 Auction Calendar

D8.2.1 Day Ahead Auctions will be conducted daily. The timings will be as indicated in Schedule 2.

D8.3 Auction Specification

D8.3.1 The operator of the Auction Tool shall publish a final Auction Specification. A provisional Auction Specification may not be published.

D8.3.2 The final Auction Specification shall state in particular:

- a) the code identifying the Auction in the Auction Tool;
- b) identification of the Bidding Zone Border and direction covered;
- c) the Product Period;
- d) Reduction Period(s) associated with the Product Period when applicable;
- e) Bidding Period;
- f) the deadline for the publication of the Provisional Auction Results;

- g) the Contestation Period;
- h) the Offered Capacity;
- i) any other relevant information or terms applicable to the product or the Auction.

D8.4 Bid Submission

D8.4.1 The Participant shall submit a Bid or Set of Bids in accordance with following requirements:

- a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
- b) it shall identify the Auction via an identification code;
- c) it shall identify the Participant submitting the Bid through its EIC code;
- d) it shall identify the Bidding Zone Border and the direction for which the Bid is submitted;
- e) it shall state the Bid Price, which shall be different for each Bid of the same Participant unless otherwise provided for in the Information System Rules of a Third-Party, exclusive of Taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;
- f) it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.

D8.4.2 The Participant may modify its previously registered Bid or Set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or Set of Bids shall be considered for the Auction results determination.

D8.4.3 If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Participant exceeds the Offered Capacity announced in the final Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.

D8.4.4 If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Participant exceeds the relevant Offered Capacity announced after the Bids submission, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.

D8.4.5 In case where the Information System Rules of a Third-Party allows submission of Bids with the same Bid Price by one Participant a Third-Party may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the Information System Rules and shall be one or more from the following:

- a) chronological submission (time stamp); and/or
- b) Bid identification assigned by the Auction Tool; and/or
- c) rejection of all relevant Bids with the same Bid Price.

D8.4.6 All Bid prices are deemed to be exclusive of Taxes.

D8.5: Bid registration

D8.5.1 A Bid shall not be registered that:

- a) does not comply with the requirements of Rule D8.4 (Bid Submission); or
- b) is submitted by a Participant who is suspended.

- D8.5.2 Provided that a Bid or a Set of Bids fulfils the requirements, the operator of the Auction Tool shall confirm to the Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If an acknowledgment of receipt is not issued for a Bid, such Bid shall be deemed not to have been registered.
- D8.5.3 A Participant whose Bid is rejected as invalid shall be notified and the reason for this rejection, without undue delay after the Bid is rejected.
- D8.5.4 A record of all valid Bids received shall be maintained.
- D8.5.5 Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Participant to buy Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Rules and the relevant Auction Specification.

D8.6: Default Bid

- D8.6.1 The Participant has the option to place Default Bids for Auctions.
- D8.6.2 A Default Bid, once identified as such by the Participant, shall apply automatically to each subsequent relevant Auction as defined by the Participant when placing the Default Bid. At the opening of a relevant Bidding Period, the registered Default Bid shall be considered as a Bid submitted by the Participant for the relevant Auction. This Bid shall be considered as a delivered when the Auction Tool acknowledges the generation of Default Bids.
- D8.6.3 If a Default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Default Bids submitted for the same Auction by a Participant exceeds the Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.
- D8.6.4 In case where the Information System Rules of a Third-Party allows submission of Bids with the same Bid Price by one Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the Information System Rules and shall be one or more from the following:
- a) chronological submission (time stamp); and/or
 - b) Bid identification assigned by the Auction Tool; and/or
 - c) rejection of all relevant Bids with the same Bid Price.
- D8.6.5 A Participant who wants to modify a Default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its Default Bids before the applicable Auction Bidding Period opening.
- D8.6.6 A Participant not wishing to submit the Default Bid on the Auction Tool for future Auctions can cancel its Default Bids before the subsequent Auction Bidding Period opening.

D8.7: Credit Limit Verification

- D8.7.1 Upon submission by a Participant of a Bid or Set of Bids the operator of the Auction Tool shall check whether the maximum payment obligations connected with that Participant's registered Bid(s) calculated at the time of Bid(s) submission exceed the Credit Limit.
- D8.7.2 If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the operator of the Auction Tool shall issue automatically via the Auction Tool a warning to the Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum

payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in Rule D8.7.3.

- D8.7.3 At closure of the Bidding Period the operator of the Auction Tool shall check again whether the maximum payment obligations connected with registered Bids calculated according to Rule D8.7.6 exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. A Third-Party may apply additional criteria or rules to decide which Bid shall be rejected.
- D8.7.4 If a Collateral Incident occurs it shall be indicated as the reason for the Bid exclusion in the Auction results notification to the Participant.
- D8.7.5 All the Bids shall be continuously assessed irrespectively to which Auction. In case of Bids connected with various and overlapping Auctions all calculated maximum payment obligations as outstanding payment obligations shall be considered.
- D8.7.6 For the calculation of the maximum payment obligations related to one Bidding Zone Border and direction, the registered Bids of a Participant shall be sorted by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the lowest Bid Price. The maximum payment obligations (MPO) shall be calculated according to the following equation:

$$MPO = \sum_{hours} \text{Max} \left[\text{Bid Price (1)} * \text{Bid Quantity (1)}; \text{Bid Price (2)} * \sum_{i=1}^2 \text{Bid Quantity (i)}; \dots \right. \\ \left. \dots; \text{Bid Price (n - 1)} * \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \text{Bid Price (n)} * \sum_{i=1}^n \text{Bid Quantity (i)} \right]$$

- D8.7.7 When calculating the maximum payment obligations according to Rule D8.7.6, the following shall also be considered:
- a. if applicable, for each individual hour of the Reduction Period the maximum quantity of Transmission Rights which can be allocated to the Participant during the Reduction Period; and
 - b. increase of the maximum payment obligations with applicable Taxes and levies in force.

D8.8: Reserve Price

D8.8.1 There is no Reserve Price for Day Ahead Auctions.

D8.9: Allocation

D8.9.1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification, the operator of the Auction Tool shall determine the Auction results and allocate the Transmission Rights.

D8.9.2 The Auction results determination shall include the following:

- a) determination of the total quantity of the allocated Transmission Rights;
- b) identification of winning Bids to be fully or partially satisfied; and
- c) determination of the Marginal Price.

D8.9.3 If the total number of Units for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, then the lowest Bid accepted will set the Marginal Price. The Auction results are obtained using the methodology described below:

- a) First, for each Auction the Auction Tool ranks the valid Bids in decreasing Bid Price order (Different Bids with the same Bid Price receive the same rank).
- b) The highest ranked valid Bid(s) received for a number of Units requested which in aggregate does(do) not exceed the Offered Capacity is (are) allocated. Any residual available Offered Capacity is then allocated to the next highest ranked valid Bid(s). If the number of Units requested in such next highest ranked valid Bid(s) does/do not exceed in aggregate the residual Offered Capacity, this process is then repeated for the remainder of the residual Offered Capacity;
- c) Following the iterative process described in Rule D8.9.3.b, when the number of Units requested under the next highest ranked valid Bid is equal to or greater than the residual Offered Capacity, the Bid is allocated either in full, or partially up to the limit of the residual Offered Capacity, as the case may be. The price of this Bid constitutes the Marginal Price;
- d) If the total quantity of Interconnector Capacity for which valid Bids have been submitted is equal to or lower than the Offered Capacity for the relevant Auction then the Bids will be accepted and the Marginal Price will be zero;
- e) If two (2) or more Participants have submitted valid Bids with the same Bid Price in an Auction, that cannot be accepted in full for the total requested quantity of Transmission Rights, the operator of the Auction Tool shall determine the winning Bids and the quantity of the allocated Transmission Rights per Participant as follows:
 - i. The Interconnector Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Participants which submitted these Bids;
 - ii. in case the quantity of Transmission Rights requested by a Participant at Marginal Price is lower than or equal to the share calculated according to item (i) above, the request of this Participant shall be fully satisfied;
 - iii. in case the requested quantity of Transmission Rights by a Participant at Marginal Price exceeds the share calculated according to item (i) above, the request of this Participant shall be satisfied up to the amount of the share as calculated according to item (i) above;
 - iv. any remaining Interconnector Capacity after the allocation according to items (ii) and (iii) shall be divided by the number of the Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (i), (ii) and (iii) above.
 - v. If the calculation does not result in a whole MW amount, the Transmission Rights shall be rounded down to the nearest full MW. The case when Transmission Rights allocated to individual Participants are equal to zero after rounding shall not impact the Marginal Price determination.

D8.9.4 The Transmission Rights are deemed to have been allocated to a Participant from the moment the Participant has been informed of the Results and the Contestation Period is closed.

D8.10: Notification of Provisional Auction Results

D8.10.1 The operator of the Auction Tool shall publish the Provisional Auction Results on its website as soon as possible but not later than the time specified in the final Auction Specification.

D8.10.2 The publication of the Provisional Auction Results for the Bidding Zone Border included in the Auction shall comprise at least the following data:

- a) total requested Transmission Rights in MW;
- b) total allocated Transmission Rights in MW;
- c) Marginal Price in Euros/MW per hour;
- d) number of Participants participating in the Auction;
- e) list of names and number of Participants who placed at least one winning Bid in the Auction;
- f) list of registered Bids without identification of the Participants (bid curve); and
- g) Congestion Income.

D8.10.3 No later than 30 minutes after the publication of the Provisional Auction Results, the operator of the Auction Tool shall make available via the Auction Tool to each Participant who submitted a Bid in an Auction at least the following data:

- a) allocated Transmission Rights for each hour of the Product Period in MW;
- b) Marginal Price in Euros/MW per hour; and
- c) due amount for allocated Transmission Rights in Euro, rounded to two decimal places.

D8.10.4 If the Auction Tool is unavailable, the operator of the Auction Tool shall inform the Participants of the Provisional Auction Results.

D8.11: Contestation Period

D8.11.1 Participants shall check the Provisional Auction Results and, where reasonably appropriate, may contest Provisional Auction Results within the Contestation Period. The party operating the Auction Tool shall only consider a contestation where the Participant is able to demonstrate an error made by BritNed or a Third-Party in the Auction results. For the avoidance of doubt, human error on the part of the Participant is not grounds for contestation.

D8.11.2 The Participant may contest the Provisional Auction Results within the deadline set out in the relevant Auction Specification but no later than fifteen (15) minutes after the Provisional Auction Results have been notified to the Participant.

D8.11.3 The contestation shall be notified to the party operating the Auction Tool and headed as the "Contestation Period".

D8.11.4 Any contestation shall contain the following:

- a) Date of contestation;
- b) identification of contested Auction;
- c) identification of the Participant;
- d) name, e-mail address and telephone number of the Participant;
- e) detailed description of the facts and the reason for contestation; and
- f) evidence of erroneous Auction results;

D8.11.5 The operator of the Auction Tool shall notify its decision on the contestation to the Participant no later than thirty (30) minutes after the Provisional Auction Results have been notified to the Participant.

D8.12: Final Auction Results

D8.12.1 Thirty (30) minutes after the publication of the Provisional Auction Results and unless an Auction is cancelled, the Provisional Auction Results shall be considered as final and binding with no further notification.

D8.13: Fallback for Day Ahead Auctions.

D8.13.1 In the unlikely event of unavailability, technical difficulties, or Capacity Shortage, BritNed or a Third Party may be forced to cancel an Auction:

- a) before and during the course of the Auction itself: Participants are informed by a message that appears directly on the Auction Tool or by an electronic message;
- b) after the preliminary Auction results have been published, in the event of erroneous results: Participants are informed by an electronic message. The results of the Auction are thereupon cancelled.

D8.13.2 BritNed shall notify the Participants as soon as possible of the reasons which caused the Auction cancellation.

D8.13.3 The fallback for Day Ahead Auctions is to reschedule the Auction. If this is not technically possible, or time does not permit, then the Auction will be cancelled.

D8.13.4 Capacity from cancelled Day Ahead Auctions will be made available in subsequent Intraday Auctions.

Rule D9: Intraday Auctions

D9.1: General

D9.1.1 BritNed or a Third-Party will conduct explicit Intraday Auctions, for Units having a Product Period of up to one Contract Day.

D9.1.2 The number of Units auctioned for any part of a Contract Day in an explicit Intraday Auction, being subject to any limitations due to real time system security reasons, will include:

- a) potentially available Transmission Rights (in the form of Units) not already allocated to Participants; and
- b) Unused Units (if any) that have become available for the Intraday Auctions under Rule E5 (Use it or Lose It); and
- c) Netted Units (if any) that have become available for the Contract Day; and
- d) the above in this Rule D9.1 shall include Units that are not unavailable due to Forced Outages, Reduction Periods, and/or due to the application of Curtailment.

D9.1.3 The allocated capacity in an Intraday Auction which has not been nominated before the gate closure of the last nomination gate before the next Intraday Auction will be returned to BritNed to be offered in the next Intraday Auction if applicable, without remuneration to the previous owner of the Transmission Rights (Use It or Lose It principle is applied).

D9.1.4 BritNed has the right to restrict the offered Intraday Transmission Rights in the Intraday Auction for the purpose of limiting the ramping of flow between different market time units.

D9.2: Auction Calendar

D9.2.1 Separate explicit Intraday Auctions may be conducted each day for each category of Intraday Unit.

D9.2.2 Explicit Intraday Auctions are held every Calendar Day, provided that the Offered Capacity for explicit Intraday Auctions is at least one (1) Unit (to the extent that the Interconnector Capability permits, and subject, in the case of Day Ahead and Intraday Units, to the outcome of UIOLI processes pursuant to Rule E5 (Use it or Lose it).

D9.2.3 Intraday Units will be allocated in several explicit Intraday Auctions, with a minimum, but not limited to, one held on day "D-1", the other(s) on day "D", in accordance with this Rule D9.2, and pursuant to the number of Auctions and times of Intraday Auctions which are set out in Schedule 2 (Business Rules for Use of PTRs).

D9.3: Auction Specification

D9.3.1 The operator of the Auction Tool shall publish a final Auction Specification no later than five (5) minutes before the opening of the Bidding Period of the relevant Intraday Auction. A provisional Auction Specification shall not be published.

D9.3.2 The final Auction Specification shall state in particular:

- a) the code identifying the Auction in the Auction Tool;
- b) product type
- c) identification of the Bidding Zone Border and direction covered;
- d) type of Transmission Right
- e) the Product Period;
- f) Bidding Period;
- g) the deadline for the publication of the Final Auction Results;
- h) the Offered Capacity;
- i) any other relevant information or terms applicable to the product or the Auction.

D9.3.3 The Bidding Period for each explicit Intraday Auction will be at such times as specified in Schedule 2 of these Rules. In case of contradiction between the times specified in Schedule 2 and in the relevant Auction Specification, the Auction Specification shall prevail.

D9.4: Bid Submission

D9.4.1 The Participant shall submit a Bid or Set of Bids in accordance with following requirements:

- a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
- b) it shall identify the Auction via an identification code;
- c) it shall identify the Participant submitting the Bid through its EIC code;
- d) it shall identify the Bidding Zone Border and the direction for which the Bid is submitted;
- e) it shall state the Bid Price, which shall be different for each Bid of the same Participant unless otherwise provided for in the Information System Rules of a Third-Party, exclusive of taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero; and
- f) it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.

D9.4.2 The Participant may modify its previously registered Bid or Set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or Set of Bids shall be considered for the Auction results determination.

D9.4.3 Each valid Bid or Set of Bids registered at closure of the Bidding Period will constitute an unconditional and irrevocable offer by the Participant to BritNed to buy Units up to the quantity and at prices up to those specified in the Bid or the Set of Bids and on the terms and conditions of these Rules and the relevant Auction Specification.

D9.4.4 All Bid prices are deemed to be exclusive of Taxes.

D9.5: Bid registration

D9.5.1 A Bid shall not be registered that:

- a) does not comply with the requirements of Rule D9.4 (Bid Submission); or
- b) is submitted by a Participant who is suspended

D9.5.2 Provided that a Bid or a Set of Bids fulfils the requirements, the operator of the Auction Tool shall confirm to the Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If an acknowledgment of receipt is not issued for a Bid, such Bid shall be deemed not to have been registered.

D9.5.3 A Participant whose Bid is rejected as invalid shall be notified and the reason for this rejection, without undue delay after the Bid is rejected.

D9.5.4 A record of all valid Bids received shall be maintained.

D9.5.5 Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Participant to buy Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Rules and the relevant Auction Specification.

D9.6: Default Bid

D9.6.1 The Participant has the option to place Default Bids for Auctions.

D9.6.2 A Default Bid, once identified as such by the Participant, shall apply automatically to each subsequent relevant Auction as defined by the Participant when placing the Default Bid. At the opening of a relevant Bidding Period, the registered Default Bid shall be considered as a Bid submitted by the Participant for the relevant Auction. This Bid shall be considered as a delivered when the Auction Tool acknowledges the generation of Default Bids.

D9.6.3 A Participant who wants to modify a Default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its Default Bids before the applicable Auction Bidding Period opening.

D9.6.4 A Participant not wishing to submit the Default Bid on the Auction Tool for future Auctions can cancel its Default Bids before the subsequent Auction Bidding Period opening.

D9.7: Credit Limit Verification

D9.7.1 Upon submission by a Participant of a Bid or Set of Bids, the operator of the Auction Tool shall check whether the maximum payment obligations connected with that Participant's registered Bid(s) calculated at the time of Bid(s) submission exceed the Credit Limit.

D9.7.2 If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the operator of the Auction Tool shall issue automatically via the Auction Tool a warning to the Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in Rule D9.7.3.

D9.7.3 At closure of the Bidding Period the operator of the Auction Tool shall check again whether the maximum payment obligations connected with registered Bids calculated according to Rule D9.7.6 exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. If a Third-Party is operating the Auction Tool it may apply additional criteria or rules to decide which Bid shall be rejected.

D9.7.4 If a Collateral Incident occurs it shall be indicated as the reason for the Bid exclusion in the Auction results notification to the Participant.

D9.7.5 All the Bids shall be continuously assessed irrespectively to which Auction. In case of Bids connected with various and overlapping Auctions all calculated maximum payment obligations as outstanding payment obligations shall be considered.

D9.7.6 For the calculation of the maximum payment obligations related to one Bidding Zone Border and direction, the registered Bids of a Participant shall be sorted by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the

lowest Bid Price. The maximum payment obligations (MPO) shall be calculated according to the following equation:

$$MPO = \sum_{hours} \text{Max} \left[\text{Bid Price (1)} * \text{Bid Quantity (1)}; \text{Bid Price (2)} * \sum_{i=1}^2 \text{Bid Quantity (i)}; \dots \right. \\ \left. \dots; \text{Bid Price (n - 1)} * \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \text{Bid Price (n)} * \sum_{i=1}^n \text{Bid Quantity (i)} \right]$$

D9.7.7 When calculating the maximum payment obligations according to Rule D9.7.6, the following shall also be considered:

- a. if applicable, for each individual hour of the Reduction Period the maximum quantity of Transmission Rights which can be allocated to the Participant during the Reduction Period; and
- b. increase of the maximum payment obligations with applicable taxes and levies in force.

D9.8: Reserve Price

D9.8.1 There is no Reserve Price for Intraday Auctions.

D9.9: Allocation

D9.9.1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification, the operator of the Auction Tool shall determine the Auction results and allocate the Transmission Rights.

D9.9.2 The Auction results determination shall include the following:

- a) determination of the total quantity of the allocated Transmission Rights;
- b) identification of winning Bids to be fully or partially satisfied; and
- c) determination of the Marginal Price.

D9.9.3 If the total number of Units for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, then the lowest Bid accepted will set the Marginal Price. The Auction results are obtained using the methodology described below:

- a) First, for each Auction the Auction Tool ranks the valid Bids in decreasing Bid Price order (Different Bids with the same Bid Price receive the same rank).
- b) The highest ranked valid Bid(s) received for a number of Units requested which in aggregate does(do) not exceed the Offered Capacity is (are) allocated. Any residual available Offered Capacity is then allocated to the next highest ranked valid Bid(s). If the number of Units requested in such next highest ranked valid Bid(s) does/do not exceed in aggregate the residual Offered Capacity, this process is then repeated for the remainder of the residual Offered Capacity;
- c) Following the iterative process described in Rule D9.9.3.b, when the number of Units requested under the next highest ranked valid Bid is equal to or greater than the residual Offered Capacity, the Bid is allocated either in full, or partially up to the limit of the residual Offered Capacity, as the case may be. The price of this Bid constitutes the Marginal Price;

- d) If the total quantity of Interconnector Capacity for which valid Bids have been submitted is equal to or lower than the Offered Capacity for the relevant Auction then the Bids will be accepted and the Marginal Price will be zero;
- e) If two (2) or more Participants have submitted valid Bids with the same Bid Price in an Auction, that cannot be accepted in full for the total requested quantity of Transmission Rights, the operator of the Auction Tool shall determine the winning Bids and the quantity of the allocated Transmission Rights per Participant as follows:
 - i. The Interconnector Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Participants which submitted these Bids;
 - ii. in case the quantity of Transmission Rights requested by a Participant at Marginal Price is lower than or equal to the share calculated according to item (i) above, the request of this Participant shall be fully satisfied;
 - iii. in case the requested quantity of Transmission Rights by a Participant at Marginal Price exceeds the share calculated according to item (i) above, the request of this Participant shall be satisfied up to the amount of the share as calculated according to item (i) above;
 - iv. any remaining Interconnector Capacity after the allocation according to items (ii) and (iii) shall be divided by the number of the Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (i), (ii) and (iii) above.
 - v. If the calculation does not result in a whole MW amount, the Transmission Rights shall be rounded down to the nearest full MW. The case when Transmission Rights allocated to individual Participants are equal to zero after rounding shall not impact the Marginal Price determination.

D9.9.4 The Transmission Rights are deemed to have been allocated to a Participant from the moment the Participant has been informed of the Results.

D9.10: Notification of Provisional Auction Results

D9.10.1 There will be no Provisional Auction Results for Intraday Auctions, only Final Auction Results will be published.

D9.11: Contestation Period

D9.11.1 There is no Contestation Period for Intraday Auctions.

D9.12: Final Auction Results

D9.12.1 The Final Auction Results shall be published on the Auction Tool not later than specified in the final Auction Specification.

D9.12.2 The Final Auction Results shall comprise at least the following data:

- a) total requested Transmission Rights in MW;
- b) total allocated Transmission Rights in MW;
- c) Marginal Price in Euros/MW per hour;
- d) number of Participants participating in the Auction;
- e) list of names and number of Participants who placed at least one winning Bid in the Auction;
- f) list of registered Bids without identification of the Participants (bid curve);
- g) Congestion Income;

- h) allocated Transmission Rights for each hour of the Product Period in MW; and
- i) due amount for allocated Transmission Rights in Euro, rounded to two decimal places.

D9.12.3 If the Auction Tool is unavailable, the operator of the Auction Tool shall inform the Participants of the Final Auction Results.

D9.13: Fallback for Intraday Auctions.

D9.13.1 In the unlikely event of unavailability, technical difficulties, or Capacity Shortage, BritNed may be forced to cancel an Auction:

- a) before and during the course of the Auction itself: Participants are informed by a message that appears directly on the Auction Tool or by an electronic message;
- b) after the preliminary Auction results have been published, in the event of erroneous results: Participants are informed by an electronic message. The results of the Auction are thereupon cancelled.

D9.13.2 BritNed shall notify the Participants as soon as possible of the reasons which caused the Auction cancellation.

D9.13.3 There is no fallback for Intraday Auctions.

Section E: Capacity Usage Rules

Rule E1: Introduction

E1.1 This Section of the Rules sets out terms for use of Interconnector Capacity.

Rule E2: Rights Document

E.2.1 Each Unit entitles the Participant that acquires it to use Physical Transmission Rights by requesting, in accordance with Rule E3 (Mid North Sea Nominations), an Energy Transmission of at least 1 MW at Mid North Sea but only:

- a) in the direction specified for that category of Unit; and
- b) in settlement periods during the Unit Validity Times of that Unit and subject to and on the terms and conditions of these Rules including any Curtailment and as specified in the relevant Auction Specification.

E2.2 The operator of the Auction Tool shall make available via the Auction Tool the Participants' summary of acquired Units for any given Contract Day.

E2.3 The Transmission Rights of a Participant for a Contract Day in a direction and per Timescale are set out in a Rights Document including, the total number of MW of Physical Transmission Rights the Participant is entitled to Nominate during each hour of that Contract Day in that direction and for the relevant Auction Type determined in accordance with these Rules. Each Participant will for a Contract Day and in each direction have access through the Auction Tool to a Rights Document setting out Transmission Rights:

- a) allocated for each of the various Unit Validity Times applicable to Long Term Auctions;
- b) allocated for each of the various Unit Validity Times applicable to Day Ahead Auctions; and
- c) allocated for each of the various Unit Validity Times applicable to Intraday Auctions.

E2.4 The operator of the Auction Tool will provide to each Participant its Rights Documents for:

- a) Long Term Units for the Contract Day "D" before the Long Term Nomination Gate Opening at D-2;
- b) Day Ahead Units for the Contract Day "D" before the Day Ahead Nomination Gate Opening at D-1; and
- c) for Intraday Units for Contract Day D, before the Intraday Nomination Gate Opening at D.

All relevant Nomination Gate Opening Times are specified in Schedule 2 (Business Rules for Use of PTRs).

Rule E3: Mid North Sea Nominations

E3.1: General

- E3.1.1 In order to submit a Mid North Sea Nomination a party must be a Participant or Nominator on Behalf. For the purpose of this Rule E3 reference to Participant may mean the Participant or Nominator on Behalf, where relevant.
- E3.1.2 All timings for Nomination Gate Opening, Nomination Gate Closure and for submitting Nominations for all timeframes are specified in Schedule 2 (Business Rules for Use of PTRs).
- E3.1.3 For the avoidance of doubt, Long Term, Day Ahead, or Intraday Transmission Rights only become Nominations once the respective final Nomination Gate Closure has passed.

E3.2: Nomination

- E3.2.1 For each hour in a Contract Day for which a Rights Document has been published by the operator of the Auction Tool, each Participant may Nominate within the Nomination Tool an Energy Transmission at Mid North Sea up to but not exceeding the Participant's Physical Transmission Rights in the relevant direction in that hour.
- E3.2.2 A Participant may only submit its Long Term and Day Ahead Mid North Sea Nominations in respect of Physical Transmission Rights during the relevant Nomination Gate.
- E3.2.3 A Participant may only submit its Intraday Mid North Sea Nomination in respect of Physical Transmission Rights for a specific hour within an Intraday Nomination Gate and prior to the final Intraday Nomination Gate Closure for the respective hour.
- E3.2.4 A Participant may subsequently modify its Intraday Mid North Sea Nomination in respect of that hour prior to:
- a) the final Intraday Nomination Gate Closure that applies for the respective hour; or
 - b) any Available Transmission Capacity recalculation for an upcoming Intraday Auction.
- Provided that no such modifications may be made in respect of any Intraday Unit whose Unit Validity Time is affected by any Curtailment.
- E3.2.5 BritNed will reject a Nomination in its entirety for the Contract Day where the corresponding Mid North Sea Nomination(s) in one or more hours exceed(s) the Participant's relevant Transmission Rights.
- E3.2.6 The Mid North Sea Nomination for each hour in the Contract Day must be expressed in whole MW, with a single value, greater than or equal to zero, for each hour.
- E3.2.7 Mid North Sea Nominations are not subject to any modification by the Participants after the relevant Nomination Gate Closure.
- E3.2.8 In the absence of a Nomination by a Participant in a direction, the corresponding Mid North Sea Nominations are assumed to be equal to zero.
- E3.2.9 Each Participant must notify its Nominations electronically via the Nomination Tool.

E3.3: Format

- E3.3.1 Nominations shall be submitted to the Nomination Tool in the formats specified by BritNed and pursuant to the ENTSO-E recommendations and/or any other technical recommendations provided by BritNed to the Participants.
- E3.3.2 Subject to E3.2.5, and provided that the format of the Nomination is in accordance with E3.3.1, the Nomination Tool will acknowledge receipt of the Nomination to Participants by a message indicating that the Nomination has been correctly registered.
- E3.3.3 Only Nominations confirmed as correctly registered shall be valid.

E3.4: Default Nomination

- E3.4.1 Default Nominations can be activated by the Participant per Timescale. Where they are activated, all Mid North Sea Nominations for the relevant Timescale would be automatically generated at the value of the relevant Physical Transmission Rights set out in the Rights Document for each hour of that Contract Day.
- E3.4.2 Participants may activate Default Nominations independently for Long Term, Day Ahead and Intraday Timescales.
- E3.4.3 The registered Default Nomination is considered as a schedule of (Mid North Sea) Nominations submitted by the Participants for the relevant Timescale at the opening of the relevant Nomination Gate (or each relevant Nomination Gates in the case of Intraday). This Mid North Sea Nomination is considered as valid once confirmed as such by the Nomination Tool.
- E3.4.4 The Participant may modify the Mid North Sea Nomination resulting from the Default Nomination within the relevant Nomination Gate.
- E3.4.5 The Participant may deactivate its Default Nomination on the Nomination Tool at any time. Where such deactivation is during a relevant Nomination Gate, any existing valid Mid North Sea Nomination resulting from a Default Nomination remains unchanged unless manually modified by the Participant.
- E3.4.6 In case of a communication problem between the Participant and the Nomination Tool due to a failure of the Nomination Tool, the Participant may contact the operator of Nomination Tool to request, in respect of Nomination Gates for which Nomination Gate Closure has not occurred, that the Participant be permitted to send its Mid North Sea Nominations by email to the operator of Nomination Tool.

E3.5: Cancellation of Nomination Gate

- E3.5.1 In the event of technical difficulties, the Nomination Tool may be forced to cancel a Nomination Gate. In that case, the Nomination Tool shall inform the relevant Participants as soon as practicable of such cancellation.
- E3.5.2 Should the operator of the Nomination Tool cancel a Long Term, Day Ahead or Intraday Nomination Gate; the Participant is compensated for its Transmission Rights at the Weighted Average Marginal Price of the Long Term, and Unit Price for Day Ahead or Intraday Auction of the corresponding rights as appropriate.
- E3.5.3 Should the operator of the Nomination Tool cancel an Intraday Nomination Gate or not allow any changes to Intraday Nominations, the Participant is compensated for its Transmission Rights at

the Auction Price of the Intraday Units corresponding to such rights, only for Settlement Periods GB or Settlement Periods NL for which Nominations can no longer be entered as a result.

E3.5.4 Participants must comply with the Business Rules in Schedule 2 (Business Rules for Use of PTRs), including the timing of Mid North Sea Nominations.

E3.5.5

- a) If a Participant submits a valid Mid North Sea Nomination for a Settlement Period (GB or NL), then BritNed will ensure that:
- i. on the GB side a corresponding Deemed Metered Volume, adjusted for DC losses on the Interconnector, is notified in a Physical Notification made in accordance with the GB Grid Code and is allocated to the relevant Energy Accounts of the Participants for the purposes of the Balancing and Settlement Code; and
 - ii. on the NL side a corresponding notification is made to TenneT TSO B.V. through an E-Programme.
- b) Where a Participant submits a Mid North Sea Nomination to the Nomination Tool in accordance with this Rule E3 then the Participant concerned shall ensure that a notification is submitted to TenneT TSO B.V. through an E-Programme which matches the notification made by BritNed via the Nomination Tool to TenneT TSO B.V. in accordance with Rule E3.5.5(a)(ii). Notifications must be submitted through an E-Programme:
- i. as soon as reasonably practicable once the relevant Nomination has been made and, in any event:
 - 1) in the event of any Long Term or Day Ahead Nomination, prior to 14:00 on day D – 1 (where Contract Day D is the Contract Day in respect of which such Nomination is made); and
 - 2) in the event of an Intraday Nomination, prior to 10:00 on day D + 1;
 - ii. regardless of the submission of any Single Sided Transaction, if applicable.

If this Rule E3.5.5(b) is not complied with by the Participant, then the Participant, not the designated Nominator on Behalf if applicable, shall pay to BritNed all associated charges incurred by BritNed which arise out of such failure.

For the avoidance of doubt, BritNed shall not pay any positive charges which arise from such a failure as described in Rule E3.5.5.

E3.5.6 BritNed will calculate and submit to NGENSO Physical Notifications for each Settlement Period GB on behalf of each Participant, based on the Mid North Sea Netted Nominations received from each Participant in respect of such Settlement Period in GB.

E3.5.7 Each Participant acknowledges that, without prejudice to the rights of Participants under this Rule E3, Participants do not have a right to control Energy Transmissions over the Interconnector. The actual level of Energy Transmissions over the Interconnector at any time is determined by BritNed having regard to a range of factors including:

- a) other Mid North Sea Nominations;
- b) operational requirements;
- c) any limitation due to emergency or reasons of operational system security or under other arrangements such as the provision of emergency support and balancing services.

E3.5.8 Nothing in these Rules restricts BritNed from transmitting electricity over the Interconnector at any time in either direction.

Rule E4: Use It or Sell It

- E4.1 Long Term Physical Transmission Rights shall be subject to the Use It or Sell It principle.
- E4.2 If the Participant does not nominate its Long Term Physical Transmission Rights, BritNed or a Third-Party shall make the capacity available for the relevant explicit Day Ahead Auction.
- E4.3 The Participant shall be entitled to receive remuneration for the Long Term Physical Transmission Rights that were not Nominated and allocated within the explicit Day Ahead Auction. Remuneration will be based on the clearing price of each hour of the explicit Day Ahead Auction.
- E4.4 If Long Term Physical Transmission Rights are not nominated by the Nomination Gate Closure and are not allocated in the explicit Day Ahead Auction then:
- a) the remuneration will be equal to zero;
 - b) the Physical Transmission Rights will be returned to BritNed to be made available in subsequent Intraday Auctions and will be unavailable for subsequent use by the Participant;
 - c) the Participant's other rights and obligations in relation to its Units will not be affected; and
 - d) the Participant shall still pay BritNed for these Units.
- E4.5 If an explicit Day Ahead Auction is cancelled or if the Interconnector Capability is reduced, such that not nominated Long Term Transmission Rights cannot be made available in the explicit Day Ahead Auction or a fallback explicit Day Ahead Auction, Participants will receive remuneration based on the Weighted Average Marginal Price derived from the Long Term Auctions.

Rule E5: Use It or Lose It

- E5.1 Day Ahead and Intraday Physical Transmission Rights shall be subject to the Use It or Lose It principle.
- E5.2 If a Participant does not Nominate any Day Ahead Physical Transmission Rights by the respective final Nomination Gate Closure for any hour of a Contract Day that were allocated in the relevant explicit Day Ahead Auction or fallback Day Ahead Auction, if applicable, it will lose the right to use such Physical Transmission Rights on that Contract Day.
- E5.3 If a Participant does not Nominate any Intraday Physical Transmission Rights by:
- a) the final Intraday Nomination Gate Closure that applies for the respective hour; or
 - b) any Available Transmission Capacity recalculation for an upcoming Intraday Auction;

for any hour of a Contract Day that were allocated in the relevant explicit Intraday Auction, it will lose the right to use such Physical Transmission Rights on that Contract Day.

- E5.4 Day Ahead or Intraday Physical Transmission Rights resulting from the process described in E5.2 and E5.3 are then subject to the following:
- a) the remuneration will be equal to zero;
 - b) the Physical Transmission Rights will be returned to BritNed to be made available in subsequent Auctions where available, and will be unavailable for subsequent use by the Participant;
 - c) the Participant's other rights and obligations in relation to its Units will not be affected; and
 - d) the Participant shall still pay BritNed for these Units.

Rule E6: Reduction Periods

- E6.1 BritNed may announce one or more Reduction Periods in the Auction Specification. In this case, the Auction Specification shall include for each Reduction Period information on the duration of the Reduction Period and the amount of Offered Capacities.
- E6.2 For the avoidance of doubt, Reduction Periods do not apply to already allocated Long Term Transmission Rights and shall not be considered, for any purpose including remuneration, as a Curtailment.

Rule E7: Forced Outages

- E7.1 BritNed will notify Participants of any Forced Outage as soon as practicable after the Forced Outage. Following this initial notice, BritNed will as soon as practicable give Participants information about the Forced Outage including where possible the expected Interconnector Capability and its expected duration. These details will be given for information purposes only and they are not binding on BritNed and Rule E7.2 will apply to this information.
- E7.2 Without prejudice to Rule F7 (Liability), BritNed excludes any and all liability for any claims, payments, costs and expenses arising out of any differences between the information provided under this Rule and actual Forced Outages, whether the claim arises in contract or on any other basis, except to the extent that liability cannot be excluded by law.

Rule E8: Curtailment

E8.1: General

- E8.1.1 BritNed will Curtail allocated Long Term, Day Ahead, and Intraday Transmission Rights in the event of a Capacity Shortage.
- E8.1.2 BritNed will not Curtail any Long Term, Day Ahead, or Intraday Mid North Sea Nominations once their respective final Nomination Gate Closure has passed.

E8.2: Capacity Shortage

E8.2.1 A triggering event for Curtailment is a Capacity Shortage which occurs in any minute in a direction if:

$$NTC_{dir} < \sum TR^{GNC}_{dir} + \sum MNN^{GC}_{dir} - \sum MNN^{GC}_{opp}$$

The Curtailment Quantity is calculated as:

$$(\sum TR^{GNC}_{dir} + \sum MNN^{GC}_{dir} - \sum MNN^{GC}_{opp}) - NTC_{dir}$$

Where:

NTC_{dir} is the value of the Interconnector Capability at Mid North Sea at that time in that direction; and

$\sum TR^{GNC}_{dir}$ is the sum of the Transmission Rights at Mid North Sea, across all Participants in that direction and for all Timescales, for which Nomination Gate Closure has not yet occurred, (before Curtailment of these rights); and

$\sum MNN^{GC}_{dir}$ is the sum of the MNN values, across all Participants in that direction for all Timescales, in respect of Units for which Nomination Gate Closure has occurred; and

$\sum MNN^{GC}_{opp}$ is the sum of the MNN values, across all Participants in the opposite direction for all Timescales, in respect of Units for which Nomination Gate Closure has occurred.

In the event of Curtailment each relevant Participant will lose all its entitlement to use Long Term and Day Ahead. Intraday Transmission Rights will be Curtailed in accordance with Rules E8.4.7 to E8.4.9 (Curtailment Process - Intraday).

E8.3: Notification of Curtailment

E8.3.1 If Curtailment is required, BritNed shall inform Participants of the revised level of Interconnector Capability, as soon as practicable after becoming aware of the requirement. BritNed will keep Participants informed of the anticipated duration of the Capacity Shortage.

E8.3.2 The BritNed or a Third-Party shall notify the affected holders of Transmission Rights as soon as possible of a Curtailment of Transmission Rights on the Nomination Tool and the webpage of the operator of the Auction Tool. The notification shall at least state the affected Transmission Rights, the affected volume in MW per hour for each period and the amount of Transmission Rights that remain after the Curtailment.

E8.4: Curtailment Process

- E8.4.1 To the extent that the calculations result in a Transmission Rights value that is not a whole number, BritNed or a Third-Party will round the result down to the nearest whole number. Any Transmission Rights remaining as a result of the rounding down process will, to the extent it is a whole number, be allocated by BritNed or a Third-Party to Participants at the next relevant Auction, where practicable.
- E8.4.2 If a Participant's Transmission Rights have been Curtailed in accordance with this Rule E8 then any such Transmission Rights will not be reinstated if BritNed, acting reasonably, decides to increase the Interconnector Capability in any Settlement Period (either GB or NL) in any flow direction. Any such increase of Interconnector Capability will be added to the Offered Capacity in subsequent Auctions.

Long Term Transmission Rights

- E8.4.3 BritNed will Curtail Long Term Transmission Rights secured by all Participants prior to the respective Nomination Gate Closure within the concerned period of Capacity Shortage on a pro rata basis. Each relevant Participant will lose its entitlement to use Long Term Transmission Rights Curtailed by BritNed.
- E8.4.4 In cases of Curtailment, any transfer of Long Term Transmission Rights to be Curtailed, which is not yet accepted by the transferee, shall be automatically cancelled and the transferor shall remain the holder of the Long Term Transmission Rights. If the transfer has already been notified to BritNed or a Third-Party and accepted by the transferee, the remuneration or reimbursement for Curtailed Long Term Transmission Rights shall be paid to the transferee.
- E8.4.5. BritNed or a Third-Party shall cancel all notifications for return of Long Term Transmission Rights that have been accepted for a subsequent Long Term Auction for which Curtailment is necessary and for which the final Auction Specifications have not yet been published. By this cancellation, the Long Term Transmission Rights are given back to the Long Term Transmission Right holders that have requested the return. If the final Auction Specification has already been published the return shall not be cancelled and the remuneration or reimbursement for Curtailed Long Term Transmission Rights shall be paid to the holder who returned the Long Term Transmission Rights.

Day Ahead Transmission Rights

- E8.4.6 BritNed will Curtail Day Ahead Transmission Rights secured by all Participants prior to the respective Nomination Gate Closure within the concerned period of Capacity Shortage on a pro rata basis. Each relevant Participant will lose its entitlement to use Day Ahead Transmission Rights Curtailed by BritNed.

Intraday Transmission Rights

- E8.4.7 BritNed will Curtail Intraday Transmission Rights secured by all Participants prior to the respective Nomination Gate Closure within the Capacity Shortage period on a pro rata basis. This will only be in the direction of netted flow of the Interconnector for the given hour(s), until all Intraday Transmission Rights have been curtailed or the netted flow of zero has been established.
- E8.4.8 BritNed will treat any Intraday Transmission Rights in the opposite direction of the netted flow of

the Interconnector as follows:

- a) Transmissions Rights that have not been entered into the Nomination Tool for future Nomination Gates will be Curtailed within the Capacity Shortage period on a pro rata basis;
- b) Transmission Rights already entered into the Nomination Tool for future Nomination Gates, which have not passed final Nomination Gate Closure at the start of a Capacity Shortage, will not be Curtailed. During a Capacity Shortage Transmission Rights already entered into the Nomination Tool for future Nomination Gates will be deemed final and cannot be modified by the Participant.

E8.4.9 Each relevant Participant will lose its entitlement to use Intraday Transmission Rights Curtailed by BritNed.

E8.5: Curtailment Remuneration

Summary of remuneration for all timeframes

Timescale	Curtailment before final Nomination Gate	Curtailment after final Nomination Gate
Long Term	Weighted Average Marginal Price	No Curtailment
Day Ahead	Unit Price	No Curtailment
Intraday	Unit Price	No Curtailment

Table 4: Remuneration Table

Remuneration for Long Term Transmission Rights

E8.5.1 In cases of Curtailment before the Long Term Nomination Gate Closure, as specified in Schedule 2, the remuneration for each affected hour and Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Participant before and after the Curtailment multiplied by the Weighted Average Marginal Price.

E8.5.2 A cap shall be determined as the total amount of Congestion Income collected by BritNed for its Bidding Zone Border in the relevant month, deducting all remunerations paid according to Rule E8.5.1 and remunerations paid for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction on the Bidding Zone Border and the revenues generated by the monthly Auction and Congestion Income from other timeframes which occurred during this month.

E8.5.3 If, before application of the relevant cap described in Rule E8.5.2, the total calculated remunerations of Curtailed Long Term Transmission Rights exceed the relevant cap, the remunerations of Curtailed Long Term Transmission Rights shall be reduced on a pro rata basis. This will be based on the proportion of uncapped remuneration of allocated Long Term Transmission Rights due to each Participant in the relevant period (calendar month or calendar year). The remunerations due to each Participant will be calculated as follows:

$$\left[\frac{\text{[(Uncapped remunerations of Curtailed Long Term Transmission Rights due to Participant)]}}{\text{[(Total uncapped remunerations of Curtailed Long Term Transmission Rights due to all Participants)]}} \right] \times \text{(Relevant Cap as described E8.5.2)}$$

E8.5.4 In the cases of Curtailment of Long Term Transmission Rights, return of Long Term Transmission Rights or remuneration of Long Term Transmission Rights, the invoices shall take into account any payments to be credited to the Participant. The payments to be credited to the Participants shall be:

- (a) settled through self-billing mechanism which shall allow BritNed or a Third-Party to issue invoices in the name and on behalf of the Participant; and
- (b) notified through the same invoice as the one used for the payments of the Participant as set forth in Rule C2 (Payments and Invoicing).

E8.5.5 Where remunerations are due to the Participant in respect of Curtailment of Long Term Transmission Rights and are subject to a cap set forth in E8.5.2 such compensations shall be settled with the first invoice to be issued after the end of the relevant month and subject to a cap determined as the total amount of Congestion Income collected by BritNed on its Bidding Zone border in the relevant month, deducting all remunerations paid for the considered month.

Remuneration for Day Ahead Transmission Rights

E8.5.6 In cases of Curtailment before the Day Ahead Nomination Gate Closure, as specified in Schedule 2 (Business Rules for Use of PTRs), the remuneration for each affected hour and Participant shall be calculated as the Day Ahead Transmission Rights in MW per hour corresponding to the difference between the allocated Day Ahead Transmission Rights held by the Participant before and after the Curtailment multiplied by the Unit Price.

E8.5.7 If a Curtailment is implemented for Day Ahead Transmission Rights, the remuneration for any Curtailed Units of a Participant will be shown by BritNed or a Third-Party as a credit on the relevant invoice(s).

Remuneration for Intraday Transmission Rights

E8.5.9 In cases of Curtailment before the Intraday Nomination Gate Closure, as specified in Schedule 2 (Business Rules for Use of PTRs), the remuneration for each affected hour and Participant shall be calculated as the Intraday Transmission Rights in MW per hour corresponding to the difference between the allocated Intraday Transmission Rights held by the Participant before and after the Curtailment multiplied by the Unit Price.

E8.5.10 If a Curtailment is implemented for Intraday Transmission Rights, the remuneration for any Curtailed Units of a Participant will be shown by BritNed or a Third-Party as a credit on the relevant invoice(s).

Section F: General Conditions

Rule F1: Notices

- F1.1 Any notice or other communication to be given under or in connection with these Rules shall be:
- a) in writing;
 - b) in English; and
 - c) marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Participant.
- F1.2 Unless otherwise expressly provided in Rule F1.3, all notices or other communication shall be sent to the other Party's email address.
- F1.3 All notices or other communications for the following purposes shall be given by hand against receipt or sent by registered mail or courier:
- a) the suspension and termination according to Rule F6 (Suspension and Termination); and
 - b) the submission of the Bank Guarantee in accordance with Rule C3.3 (Forms Collateral).
- F1.4 All notices or other communications shall be deemed to have been received:
- a) in the case of delivery by hand, when delivered against receipt; or
 - b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
 - c) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail.
- F1.5 If a notice or other communication has been received outside normal Business Hours on a Business Day, it is deemed to have been received at the opening of business on the next Business Day.

Rule F2: Confidentiality

- F2.1 The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
- F2.2 Subject to Rule F2.3, the BritNed and each Participant who is a recipient of confidential information in relation to these Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
- F2.3 Notwithstanding Rule F2.2 a Party may disclose confidential information of a disclosing Party:
- a) to the extent expressly permitted or contemplated by these Rules;
 - b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Rules;

- c) as far as required in order to comply with applicable national or legislation or any other relevant domestic administrative acts, including but not limited to the requirements of the GB Grid Code, the Dutch Codes or the Balancing and Settlement Code;
- d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
- e) as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Rules by themselves or through agents or advisers;
- f) as far as required in order to obtain clearances or consents from a competent authority; or
- g) to a third party with the other Party's prior written consent and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Rules directly enforceable by the other Party.

F2.4 Moreover, the obligations arising from this Rule F2 shall not apply:

- a) if at the time of disclosure such information was in the public domain;
- b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
- c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced.
- d) to information whose publication is explicitly provided for by these present Rules

F2.5 The obligations of confidentiality in this Rule shall remain valid for a period of five (5) years after termination of the Participant's Participation Agreement.

F2.6 The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Rules.

Rule F3: Assignment

F3.1 BritNed may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Rules to another party by providing notice to the Participant no less than ten (10) Business Days before the date on which the change takes effect.

F3.2 Without prejudice to Rule D6 (Return of LTTR), a Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Rules without the prior written consent of BritNed.

F3.3 Nothing in this Rule shall prevent a Party from entering into a subcontracting agreement in relation to these Rules. Entry into a subcontracting agreement by a Party does not relieve that Party of any obligation or liability under these Rules or, in the case of the Participant, its Participation Agreement.

Rule F4: Amendments to Access Rules

F4.1 Subject to Rule F4.2, BritNed is entitled to amend these Rules from time to time by giving an Amendment Notice to Participants which will specify the date and time it shall take effect.

- F4.2 Provided the amendment is not urgent or minor in its nature, BritNed will give Participants a minimum of twenty-eight (28) Calendar Days to comment on the proposed amendments.
- F4.3 A Participant may propose amendments to these Rules in writing at any time, whereby BritNed shall:
- a) confirm receipt of the proposed amendment within five (5) Business Days; and
 - b) provide timescales for the consideration of such proposal.
- F4.4 Each amendment applies to any aspect of these Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
- F4.5 Unless expressly stated otherwise by BritNed, the amended Rules shall govern all rights to use Transmission Rights and all other rights and obligations acquired under these Rules including those acquired before but for use after the amendment takes effect.
- F4.6 Without prejudice to the Participant's right to request termination of its Participation Agreement in accordance with Rule F6 (Termination and Suspension), any amendment of these Rules will apply automatically to the Participation Agreement.
- F4.7 These Rules are subject to the law prevailing at the time at which they take effect. If there is a change in law or any action by Competent Authorities at national or international level which has an effect on these Rules then, notwithstanding any other provision of these Rules, the Rules will be amended accordingly and, where possible, pursuant to this Rule F4.
- F4.8 Modifications may be made to Schedule 2 (Business for use of PTRs) by BritNed to reflect changes in either the Dutch or British electricity markets and/or changes to BritNed's operational practices by giving at least ten (10) Business Days' notice to the Participants.
- F4.9 These Rules are approved by the Competent Authorities and a copy of the approved Rules will be published on BritNed's website.

Rule F5: Force Majeure

- F5.1 Subject to Rule F5.2, the affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended for the duration of the Force Majeure, provided that such Party:
- a) provides prompt notice of the Force Majeure, setting out details of its nature, extent and anticipated duration;
 - b) uses reasonable endeavours to mitigate the effects of the Force Majeure and remedy its inability to perform its obligations; and
 - c) keeps the other Party regularly informed of all developments relating to both the matters covered by Rule F5.1(a) and the steps being taken to comply with Rule F5.1(b).
- F5.2 Suspension under Rule F5.1 shall:
- a) not apply to the confidentiality provisions in accordance with Rule F2 (Confidentiality); and
 - b) be of no greater scope and of no longer duration than is required by the Force Majeure.
- F5.3 Where a Force Majeure event is not subject to any discussion or litigation between the Parties:

- a) the Party invoking Force Majeure shall not be held responsible to pay remuneration for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
- b) the acquired Long Term Transmission Rights which have been entirely paid and become subject to Force Majeure shall be reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Rules; and
- c) BritNed may reallocate the Participant's Long Term Transmission Rights to the subsequent Auctions and for the duration of a Force Majeure event being claimed by the Participant.

F5.4 In the event a Force Majeure has continued for a period longer than six (6) months a Party may, by notice to the other given at any time during that Force Majeure, unilaterally terminate the Participation Agreement, whereby:

- a) The termination shall take effect ten (10) Business Days after the notice is given or any later date specified in the notice; and
- b) A holder of Long Term Transmission Rights whose Participation Agreement is terminated under this paragraph will be under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

F5.5 For avoidance of doubt this Rule F5 is without prejudice to the provisions of Rule E8 (Curtailment) regarding the Curtailment of Long Term Transmission Rights.

Rule F6: Termination and suspension

Suspension

F6.1 BritNed may by notice to the Participant suspend temporarily the Participant's rights in connection with these Rules with immediate effect if the Participant commits a breach of an obligation in connection with these Rules which may have a material impact on BritNed as follows:

- a) if a Participant fails to pay any amount properly due and owing to BritNed;
- b) if a Participant fails to provide and maintain Collateral in accordance with the requirements referred to in Rule C5 (Payment Disputes) or if a Collateral Incident occurs under Rule C3.5 (Modification of Collaterals);
- c) any breach which may have a material financial impact on BritNed;
- d) BritNed considers on reasonable grounds that the Participant no longer satisfies one or more of the conditions to participate in Auctions; or
- e) if a Participant's rights have been suspended in accordance with Rule F6.

F6.2 BritNed may provide notice to the Participant requiring it to remedy a minor breach of these Rules within a specified time period. The Participant's rights in connection with these Rules shall be suspended where such breach has not been remedied within such time period.

F6.3 After the suspension takes effect in accordance with Rules F6.1 or F6.2, the suspended Participant may no longer participate in any Explicit Day Ahead Auction or an Intraday Auction and the suspended Participant shall not be entitled to Nominate its Transmission Rights. For the avoidance of doubt, the Transmission Rights which the Participant is prohibited from using as a

result of such suspension may be offered by BritNed in subsequent Auctions without being required to compensate the Participant.

- F6.4 BritNed may withdraw a notice under Rule F6.1 or F6.2 at any time. Having given a notice under Rule F6.1 or F6.2, BritNed may give a further or other notice at any time in respect of the same or a different suspension event.
- F6.5 Once the Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by BritNed, BritNed shall reinstate as soon as reasonably practicable the Participant's rights in relation to use of its allocated Transmission Rights and its ability to participate in Auctions by written notice to the Participant. As from the date of effect of the reinstatement, the Transmission Rights allocated prior to the suspension and which remain unused may be Nominated.
- F6.6 If BritNed gives a notice to a Participant under Rule F6.1 or F6.2, such notice of suspension does not relieve the Participant from its obligations to pay for allocated Transmission Rights.

Termination

- F6.7 A Participant may at any time request BritNed to terminate the Participation Agreement to which the Participant is a Party. The termination shall take effect after thirty (30) Business Days after receipt of the termination request by BritNed provided all outstanding payment obligations are settled.
- F6.8 A Participant may terminate the Participation Agreement to which the Participant is a party for good cause when BritNed has committed a major breach of an obligation connected with these Rules or the Participation Agreement in the following cases:
- a) where BritNed repeatedly fails to pay any amount properly due and owing to the Participant with a significant financial impact; or
 - b) where there is a significant breach of the confidentiality obligations.
- F6.9 The Participant shall send a notice to BritNed stating the reason for termination and giving BritNed twenty (20) Business Days to remedy the breach. Unless BritNed remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. A holder of Transmission Rights whose Participation Agreement is terminated under Rule F6.9 is under no obligation to pay remaining instalments for the Transmission Rights and is entitled to a refund to the extent that any instalment includes an amount in respect of products which have a starting date after the date of termination, to be calculated pro-rata from the date termination takes effect.
- F6.10.1 BritNed may by notice to the Participant terminate the Participation Agreement, including the Participant's rights connected with these Rules if:
- a) the rights of the Participant are suspended in accordance with Rule F6.1 for longer than thirty (30) Business Days;
 - b) a Participant repeatedly breaches these Rules or its Participation Agreement, whether or not the breach is capable of remedy;
 - c) an Insolvency Event occurs in relation to a Participant;
 - d) a Participant breaches any of the provisions of the NGE SO Grid Code or the Dutch Codes applicable to it and such breach has or can reasonably be expected to have an adverse effect on the operation of the Interconnector or the arrangements contemplated by these

- Rules and (if capable of remedy) the breach has not been remedied within ten (10) Business Days of a notice from BritNed requiring remedy;
- e) a Competent Authority:
 - i. determines that the Participant has committed a misuse or fraudulent act; and
 - ii. requests BritNed to terminate the Participation Agreement to which such Participant is a Party; or
 - iii. agrees that BritNed has reasonable grounds to believe that the Participant has committed a misuse or fraudulent act in participating in Auctions;
 - f) the Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool and/or Nomination Tool (it being understood that such an action is deemed to happen in case of any behaviour amounting to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack); or
 - g) a termination event occurs under Rule F6.

F6.10.2 A termination under this Rule F6.10 takes effect from the time of the notice or any later time specified in it. The Participant may not at a later stage enter into the Participation Agreement with BritNed unless the circumstances of termination cease to exist or BritNed is sufficiently satisfied that the breach will not occur again.

F6.11 After the termination takes effect in accordance with this Rule F6 and from that time, the Participant may no longer participate in an Auction. For the avoidance of doubt, the Transmission Rights, which the Participant is prohibited from using as a result of termination, may be offered by BritNed in subsequent Auctions without being required to compensate the Participant.

F6.12 Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Rules which arose prior to that termination unless otherwise specified in this Rule F6. Accordingly, any Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with these Rules, in respect of all such rights and liabilities. This Rule F6 shall apply without prejudice to other remedies available to BritNed under these Rules.

Rule F7: Liability

F7.1 The Parties are solely responsible for the fulfilment of any obligation they undertake or are subject to which arises from or is in connection with these Rules and/or the Participation Agreement.

F7.2 Subject to any other provisions of these Rules BritNed shall only be liable for damages caused by:

- a) fraud, gross negligence or wilful misconduct; and
- b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.

F7.3 A Participant shall indemnify and keep indemnified BritNed and its officers, employees and agents from and against any and all loss or liability (including legal costs) which any of them may suffer or incur by reason of any claim by any third party ("claimant") on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with:

- a) damage that the Participant has caused in connection with these Rules; and
 - b) any Capacity Subcontracting Arrangement to which the Participant is a party
- F7.4 The Parties acknowledge and agree that it holds the benefit of Rule F7.3 for itself and as trustee and agent for its officers, employees and agents.
- F7.5 The Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:
- a) the timely arrival of Bids and transfer and return notifications by the Participant;
 - b) technical failure of the information system on the side of the Participant preventing the communication via the channels foreseen in accordance with these Rules.
- F7.6 Participants shall not be entitled to other remuneration than the remuneration described in these Rules.
- F7.7 The Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on BritNed for incorrect tax treatment due to wrong or incomplete information provided by the Participant.
- F7.8 This Rule F7 survives the termination of the Participation Agreement.

Rule F8: Dispute Resolution

- F8.1 Without prejudice to Rules F8.6 and F8.8, where there is a dispute the Parties shall first seek amicable settlement through mutual consultation pursuant to Rule F8.2. For this purpose, the Party raising the dispute shall serve notice (“Referral Notice”) to the other Party, notifying it of the relevant dispute.
- F8.2 The Parties shall meet within twenty (20) Business Days from the date of service of the relevant Referral Notice and seek to resolve the dispute.
- F8.3 If the dispute has not been resolved within thirty (30) Business Days from the service of the relevant Referral Notice, either Party may refer the matter to the senior management of the Parties to resolve the dispute. The senior representative of each of the Parties with authority to resolve the dispute shall meet within twenty (20) Business Days of a request to meet and seek to resolve the dispute.
- F8.4 If the senior representatives are unable to resolve the dispute within twenty (20) Business Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration, whereby:
- a) Either Party may give notice to the other stating the nature of the dispute and referring the dispute to arbitration, to be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC);
 - b) The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. Therefore:
 - i. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to

arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court; or

- ii. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Business Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court.
 - c) The arbitration shall take place in England, and in English and in accordance with the governing law of these Rules; and
 - d) The emergency arbitrator provisions according to the ICC shall not apply but the interim or injunctive relief measures under the governing law shall apply.
- F8.5 Arbitration awards shall be final and binding on the Parties as from the date that they are made. The Parties shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
- F8.6 Notwithstanding Rules F8.3 and F8.4, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Rules.
- F8.7 In cases of late payment and notwithstanding Rules C4 (Late Payments) and F8.1 to F8.4, a Party may bring court proceedings against the other Party for any amount due under or in connection with these Rules and unpaid for more than twenty (20) Business Days after the date the amounts were due.
- F8.8 The Parties agree that proceedings referred to in Rules F8.6 and F8.7 may be brought in any competent court to hear such claim. The Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
- F8.9 Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Rule F8, the Parties shall continue to perform their respective obligations under these Rules and the Participant's Participation Agreement.
- F8.10 This Rule survives the termination of the Participant's Participation Agreement.

Rule F9: Governing Law

F9.1 These Rules shall be governed by and construed in accordance with the laws of England and Wales unless the Auction Tool(s) (other than for Nominations) is/are operated by a Third Party in which case the Rules shall be governed by and construed in accordance with the laws of the location of the registered office of such Third Party.

Rule F10: Language

F10.1 The applicable language for these Rules shall be English. In the event of inconsistencies between the English version published by BritNed and any version translated into another language, the English version published by BritNed shall prevail.

Rule F11: Intellectual Property

F11.1 No Party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other Party in connection with these Rules.

Rule F12: Relationship of the Parties

F12.1 The relationship of BritNed and the Participant is that of service provider and service user respectively. Nothing in these Rules constitutes or is deemed to constitute a partnership or joint venture between the Parties or, save as expressly provided otherwise in these Rules, gives either Party authority to act as the agent of or in the name of or on behalf of the other Party or to bind the other Party or to hold itself out as being entitled to do so for any purpose whatsoever including transfer of Long Term Transmission Rights.

F12.2 The Participant acknowledges that neither BritNed nor any person acting on behalf of or associated with BritNed makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Rules, the Participation Agreement or the disclosed information or otherwise in relation to or in connection with these Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Rules or the Participation Agreement.

Rule F13: No third party right

F13.1 A person who is not a party to the Participation Agreement between the Parties, shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of these Rules or the Participation Agreement.

Rule F14: Waiver

F14.1 No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Rules shall impair or constitute a waiver of such or any other right, power or remedy.

F14.2 No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Rules.

F14.3 Any waiver of any right, power or remedy under these Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

Rule F15: Entire Agreement

F15.1 These Rules and the Participation Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreements and understandings between the Parties with respect thereto.

F15.2 Each Party acknowledges that it has not entered into these Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Rules or the Participation Agreement.

Rule F16: Remedies Exclusive

F16.1 The Parties intend that their respective rights, obligations and liabilities as provided for in these Rules and the Participation Agreement shall be exhaustive of the rights, obligations and liabilities between them arising out of or in connection with these Rules and the Participation Agreement. Accordingly, the remedies expressly stated in these Rules and the Participation Agreement shall be the sole and exclusive remedies of the Parties for liabilities to one another arising out of or in connection with these Rules and the Participation Agreement, including any representation, warranty, or undertaking given in connection with it, notwithstanding any remedy otherwise available at law or in equity. However, this clause shall not restrict remedies in respect of fraud.

Rule F17: Severability

- F17.1 If any provision of these Rules or Participation Agreement is declared by a court or body of competent jurisdiction to be invalid, unenforceable or illegal, the validity, enforceability and legality of the remaining provisions of these Rules and the Participation Agreement shall not be affected.
- F17.2 Any invalid, illegal, void and/or unenforceable part(s) or provision(s) of these Rules or Participation Agreement shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect.

Schedule 1: Definitions and interpretation

Part I: Definitions

In these Rules, capitalised words and phrases have the meanings given to them below unless the context requires otherwise.

“Affiliate”	means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control;
“Allocation Constraints”	means the constraints to be respected during capacity allocation to maintain the transmission system within operational security limits and have not been translated into cross-zonal capacity or that are needed to increase the efficiency of capacity allocation.
“Amendment Notice”	means the notification and any associated documents issued by BritNed pursuant to Rule F4, provided to the Participants and which provide Participants with BritNed’s proposed amendment(s) to the Rules;
“Annual”	means a product with a delivery period of twelve calendar months starting on 1st January and ending on 31st December of the same year;
“Applicable Law”	means any statute, statutory instrument, licence (including BritNed Interconnector Licence, NGET Transmission Licence and the Licence Standards) law (whether English or Dutch) or decree or order in council or directive, or any code including the GB Grid Code, the Dutch Codes and the Balancing and Settlement Code, or any request, requirement, instruction, direction or rule of any Competent Authority but only, where not having the force of law, if compliance with the Applicable Law is in accordance with the general practice of persons to whom the Applicable Law is addressed;
“Application Form”	means the form designated by BritNed for the purposes of these Rules to apply for a Participation Agreement
“Auction”	means any auction conducted under these Rules;
“Auction Price”	means the value of the Marginal Price of an Auction, and which is payable by all Participants resulting from such Auction;
“Auction Specification”	means, the specification for a Long Term, Day Ahead, or Intraday Auction.
“Auction Tool”	means the IT system(s) used for conducting Auctions and other associated Transmission Rights activities;

“Available Transmission Capacity (ATC)”	means the amount of Interconnector Capability that is available for sale above already committed uses and restrictions.
“Bank Guarantee”	means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;
“Balancing and Settlement Code”	means the code of that name established under the NGESO Transmission Licence;
“Bid”	means a pair of Bid Quantity and Bid Price offered by a Participant participating in an Auction;
“Bidding Period”	means, in relation to an Auction, the time during which Bids may validly be submitted in that Auction in accordance with these Rules;
“Bid Price”	means the price which a Participant is willing to pay for one (1) MW and hour;
“Bid Quantity”	means the amount of Transmission Rights in MW requested by a Participant;
“Bidding Zone”	means the largest geographical area within which market participants are able to exchange energy without Capacity Allocation.
“Bidding Zone Border”	means a set of physical transmission lines linking adjacent Bidding Zones.
“Collateral Account”	means a dedicated deposit account opened at the financial institution selected by BritNed in the name of BritNed for the collection and holding of Collaterals. The Collateral Account shall be managed, controlled and operated exclusively by BritNed.
“Business Hours”	Means 0900 to 1700 GMT/BST or 0900 to 1700 CET/CEST as applicable on Business Days
“Business Day”	means a week-day on which banks in both London and Amsterdam are open for domestic business and for dealings in Pounds sterling (GBP) and Euro (EUR) deposits;
“Business Rules”	means the rules for day to day use of Transmission Rights in Schedule 2;
“Calendar Day”	means any day of the week including a Business Day.
“Capacity Allocation”	means the attribution of cross zonal capacity;
“Capacity Shortage”	Means the calculation that determines if a Curtailment is required and has further meaning given to it in Rule E8.2;
“Capacity Subcontracting”	means any arrangement between a Participant and another person under which the Participants allows the person, either directly or indirectly, to use the Transmission Rights

Arrangement”	of the Participant;
“Cash Deposit”	means money placed by the Participant into a dedicated Collateral Account at a financial institution selected by BritNed for the purposes of Collaterals;
“Competent Authority”	means the Secretary of State (as defined in the Governing Act), the GB Regulator (Office of the Gas and Electricity Markets), the Dutch Regulator (Netherlands Authority for Consumers and Markets) and any local, national or supra national agency, authority, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or The Netherlands.
“Congestion Income”	means the revenues received as a result of Capacity Allocation;
“Contract Day”	in relation to a Contract Day D, means a period of 24 hours commencing at 00:00 hours CE(S)T local time on day D;
“Collateral”	means security for payment of amounts owed under these Rules;
“Collateral Incident”	means when a Participant holds insufficient Collateral to secure the amount due for the relevant Transmission Rights;
“Contestation Period”	means the time between the publication of the Provisional Auction Results and the Final Auctions Results and when any queries about the auction results must be raised;
“Credit Limit”	means the amount of the Collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;
“Curtail”	means to reduce Participants’ Transmission Rights. “Curtailed” and “Curtailed” have corresponding meanings;
“Curtailed Quantity”	means the volume of Transmission Rights required to be Curtailed following a Capacity Shortage, the quantity calculated under Rule E8.2.1;
“CUSC”	means the Connection and Use of System Code established under the NGET Transmission Licence;
“Day Ahead Auction”	means the Auction held on day “D-1” is for Units relating to use of Transmission Rights on the Contract Day commencing at 00:00hrs (CE(S)T) on day “D”.
“Day Ahead Auction – Hourly”	means a Day Ahead Auction in which all hours have an independent Auction Price, therefore each hour being a Unit Validity Time;
“Day Ahead Unit”	means a Unit offered in a Day Ahead Auction, with Unit Validity Times as specified in the relevant Auction Specification;
“Deemed Metered	means volumes of energy allocated to Participants’ Energy

Volumes” or “DMV”	Accounts by BritNed calculated using the rules in Schedule 3;
“Default Bid”	means Bids submitted by a Participant before the Bidding Period opens and automatically submitted to every subsequent Auction of that type until amended by the Participant;
“Default Nomination”	means the automatic generation and submission of Mid North Sea Nominations in respect of a particular Timescale which are identical to the Transmission Rights notified to the Participant in respect of such Timescale;
“Direct Current”	means Direct Current or DC electricity is the continuous movement of electrons from an area of negative (-) charges to an area of positive (+) charges through a conducting material;
“Dispute”	means any dispute between BritNed and a Participant under or in relation to these Rules;
“Dutch Codes”	are the Rules that govern the transportation and use of electricity on the Dutch Grid, which includes system codes;
“EAN Code”	means the unique identification number in accordance with European Article Numbering (as defined in the NL Definition List);
“Easter Weekend”	means a product with a delivery period of four calendar days starting on Good Friday preceding Easter Sunday and ending on Easter Monday;
“EIC Code”	means the Energy Identification Coding Scheme identifying the parties in a cross-border trade assigned by European Network of Transmission System Operators for Electricity (ENTSOE);
“Energy Account”	means in relation to a Participant: <ul style="list-style-type: none"> (a) the Participant’s Production Interconnector BM Unit and Consumption Interconnector BM Unit under the Balancing and Settlement Code; and (b) the PRP account established under the Dutch Codes and acknowledged by TenneT TSO B.V. both as specified by the Participant in its Participation Agreement;
“NL Energy Programme or E-Programme”	means a programme drawn up by a Programme Responsible Party and submitted to TenneT TSO B.V. which contains for each programme time unit within one calendar day: (i) the balance of the transmissions across all connections for which the PRP has Programme Responsibility; (ii) the net quantity of all energy transactions with other PRPs; (iii) the quantity of each Import and Export Transaction;

“Energy Transmission”	means the transmission of electricity across the Interconnector and “Transmitting” has a corresponding meaning;
“Explicit Allocation”	means the allocation of cross zonal capacity only, without the energy transfer.
“Final Auction Results”	means the moment when the Contestation Period ends and the published results for the respective Auctions become final;
“Force Majeure”	means any unforeseeable or unusual event or sequence of events beyond the reasonable control of a Party, and not due to a fault of the Party, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view reasonably possible for the Party, which has actually happened and is objectively verifiable, and which makes it impossible for the Party to fulfil, temporarily or permanently, its obligations. Inability to pay is not Force Majeure;
“Forced Outage”	means any outage that was not included in a declared Reduction Period;
“GB Grid Code”	means the document referred to as the Grid Code in the NGET Transmission Licence;
“GB Reference Point”	means connection point between the Interconnector and the NGET Transmission System, used for Nomination activities and financial settlement;
“Governing Act”	means the Electricity Act 1989 as amended and supplemented by the Utilities Act 2000;
“Information System Rules”	means the terms and conditions for access to and use of the Auction Tool by Participants as published on Third-Party's website;
“Insolvency Event”	means in relation to a Participant, any of the following events: <ul style="list-style-type: none"> (a) an order of a competent court is made or a resolution is passed for its insolvent winding up or dissolution; (b) a receiver of the whole or any material part of its assets or undertaking is appointed (whether under contract or by a court) or a decision for the opening of insolvency proceedings has been made by a competent court; (c) an administration order is made or a voluntary arrangement is proposed or a decision is made to appoint a mediator or to approve a voluntary

	arrangement with creditors; or
	anything analogous to, or having a substantially similar effect to, any of the circumstances specified in paragraphs (a) to (c) above occurs in relation to the Participant in any jurisdiction;
“Interconnector”	means the interconnector linking the transmission systems in Great Britain and the Netherlands operated by BritNed;
“Interconnector Capability”	means the capability (in MW, at Mid North Sea) of the Interconnector to Transmit electrical energy between Great Britain and the Netherlands taking into account the effects of any event or circumstance affecting such capability at any relevant time, including events or circumstances on the NGET Transmission System or the TenneT Transmission System or disconnection or de-energisation of the Interconnector from either of those transmission systems;
“Interconnector Capacity”	means the capacity made available by BritNed in Auctions to the extent that Interconnector Capability permits;
“Intraday”	means processes relating to products with Product Periods of up to one Contract Day duration;
“Intraday Auction”	means any Auction of Intraday Units;
“Intraday Unit”	means a Unit with a Product Period shorter than a Contract Day, as specified in the relevant Auction Specification;
“Licence Standards”	means those standards set out in or referred to in the NGET Transmission Licence;
“Long Term”	means processes relating to Long Term Auctions and Long Term Transmission Rights activities;
“Long Term Auction”	means an auction for an Annual, Seasonal, Quarterly, Monthly, Weekly, Easter Weekend, Long Weekend, or Weekend product.
“Long Term Transmission Right”	means a Physical Transmission Right acquired in a Long Term Auction.
“Long Term Units”	means a Unit with a Product Period longer than one Contract Day, as specified in the relevant Auction Specification;
“Long Weekend”	means a product with a delivery period of calendar three days either starting on a Saturday and ending on a Monday, or starting on a Friday and ending on a Sunday;
“Loss Factor”	means the 3% commercial loss factor applied to every Nomination due to physical losses on the Interconnector;
“Marginal Price”	means the price determined at a particular Auction to be paid by all the Participants for each MW and hour of acquired Transmission Rights;
“Mid North Sea”	means the primary reference point used for Auction and Nomination activities and is half way between the GB

	Reference Point and NL Reference Point;
“Mid North Sea Nomination” OR “MNN”	means a request by a Participant in the Nomination Tool for an Energy Transmission at Mid North Sea;
“Mid North Sea Netted Nomination” OR “MNNN”	means, in relation to a particular hour on a particular Contract Day, the Mid North Sea Nomination which results from the Netting of a Participant’s total Mid North Sea Nominations across all Timescales for that hour in one direction and its total Mid North Sea Nominations across all Timescales for that hour in the other direction;
“Monthly”	means a product with a delivery period of one calendar month starting on the 1st day of the calendar month and ending on the last day of the same calendar month;
“Netting”	means the superposition of MNNs in two opposite directions (the Netherlands-GB and GB-the Netherlands), in order to release some capacity in the more congested direction for the next allocation step, and “Netted” shall have corresponding meaning;
“NGESO”	means National Grid Electricity System Operator plc, a company incorporated in England and Wales;
“NGET Transmission Licence”	means the licence granted by the Secretary of State to NGET under Section 6(1)(b) of the Governing Act permitting, inter alia, the transmission of electricity in England and Wales, as amended from time to time;
“NGET Transmission System”	means the system comprising electric lines owned or operated by NGET for the transmission of electricity as defined in the GB Grid Code;
“NGET”	means National Grid Electricity Transmission plc, a company incorporated in England and Wales;
“NL Definition List”	means the “Begrippencode elektriciteit” as is referred in article 31 of the Dutch Electricity Act, and published by the Dutch Regulator;
“NL Energy Programme or E-Programme”	means a programme drawn up by a party with balance responsibility (Programme Responsible Party (PRP)) and submitted to the network operator of the national high-voltage network which contains for each programme time unit within one calendar day: <ul style="list-style-type: none"> (i) the balance of the transmissions across all connections for which the PRP has balance responsibility; (ii) the net quantity of all energy transactions with other PRPs; (iii) the quantity of each import and export transaction;
“NL Reference Point”	means connection point between the Interconnector and the TenneT Transmission System, used for Nomination activities and financial settlement;

“Nominate”	means, in relation to a Participant, the action to submit a MNN to BritNed, and “Nomination” shall have corresponding meaning;
“Nomination Gate”	means, for particular Units and in relation to a Settlement Period, the period during which Nominations may be made in respect of those Units and that Settlement Period
“Nomination Gate Closure”	means, in relation to a Nomination Gate, the last time at which Nominations can be made during that Nomination Gate;
“Nomination Gate Opening”	means, in relation to a Nomination Gate, the first time at which Nominations can be made during that Nomination Gate;
“Nomination Tool”	means the IT system used for conducting Nominations and other associated Transmission Rights activities;
“Nominator on Behalf”	means a party that has entered in to an agreement with the Participant to manage Nominations via the Nomination Tool for the Participant;
“Offered Capacity”	means the number of Units being made available in the respective Unit Validity Times in an Auction;
“Participation Agreement”	means an agreement between BritNed and a Participant to comply with the terms and conditions for Capacity Allocation as contained in these Rules;
“Party/ Parties”	means BritNed and/or a Participant referred to individually as Party or collectively as Parties;
“Physical Notification”	has the meaning given to that term in the GB Grid Code;
“Physical Transmission Right”	a right entitling its holder to physically transfer a certain volume of electricity in a certain period of time between Great Britain and the Netherlands, to the extent that the Interconnector Capability permits;
“Product Period”	means the period of time beginning on the first Contract Day in respect of a specific Auction and ending at the end of the last Contract Day in respect of such Auction;
“Programme Responsibility”	means the responsibility of consumers, other than captive consumers, and licence holders to draw up or to have drawn up energy programmes for the generation, transmission and consumption of electricity for the network operators and to act in accordance with such energy programmes subject to applicable conditions (and as further defined in the NL Definition List);
“Programme Responsible Party” or	means a party with Programme Responsibility to TenneT;

“PRP”	
“Reduction Period”	means specific calendar days and/or hours, within the Product Period in which Interconnector Capability is reduced taking into account planned maintenance and long-term outages;
“Referral Notice”	Has the meaning given to it in Rule F8.1
“Rights Document”	means a document containing the information of the maximum amount of allocated Physical Transmission Rights that can be nominated by a Participant per day, per hour, and per direction, taking into account the volume of Long Term, Day Ahead and Intraday Transmission Rights initially acquired, the subsequent transfers and returns where applicable, and any possible curtailments which occurred before the issuance of the Rights Document;
“Participant”	means any person, other than BritNed, who is a party to the Participation Agreement and/or Third-Party Participation Agreement as context requires;
“Participant Systems”	means, in relation to a Participant, the hardware, software and other systems needed by the Participant to exercise its rights and perform its obligations under these Rules, including communicating electronically with the BritNed Auction Tool and Nomination Tool;
“Payment Incident”	means when a Participant has not fully paid an invoice by the due date specified in the invoice;
“Provisional Auction Results”	means the results following an Auction that can be queried before they become final:
“Quarterly”	means a product with a delivery period of three calendar months with delivery: Starting on 1st January and ending on 31st March; or Starting on 1st April and ending on 30th June; or Starting on 1st July and ending on 30th September; or Starting on 1st October and ending on 31st December;
“Reserve Price”	means the minimum price in a Long Term Auction for which Long Term Transmission Rights are offered, as confirmed to the relevant National Regulatory Authorities. This minimum price will be set by reference to costs and not by reference to predictions of market revenues;
“Return”	means the offering of Units in an Auction by BritNed on behalf of a Participant, and the resulting reallocation of those Units to another Participant. “Returns”, “Returned” shall have corresponding meanings;

“Rules”	means these BritNed Access Rules, as amended from time to time;
“Seasonal”	means a product with a delivery period of six calendar months with delivery: Starting on 1st October and ending on 31st March of the following year; or Starting on 1st April and ending on 30th September of the same year.
“Set of Bids”	means all valid Bids from a Participant registered in the Auction Tool and as modified during the relevant Bidding Period, at any time;
“Settlement Period GB”	means each half-hour period coinciding with Settlement Periods as defined in the Balancing and Settlement Code in the GB market;
“Settlement Period NL”	means the time unit used to settle an imbalance in the NL market, i.e. 15 minutes as defined in the NL Definition list;
“Single Sided Transaction”	means a transaction in relation to an Energy Transmission which is submitted by BritNed, in accordance with the Dutch Codes, to TenneT TSO B.V. (a) without inclusion in an E-Programme, and (b) with the relevant Participant’s prior authorisation pursuant to the Participation Agreement;
“Standard Training”	means a set of on-line exercises designed by BritNed to enable Participants to become sufficiently familiar with the Auction Tool. The exercises shall be undertaken on the test platform of the Auction Tool with remote support from BritNed and in conjunction with other relevant documentation;
“Taxes”	means all forms of taxation and statutory, governmental, state, federal, provincial, local government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and of any jurisdiction and any penalty, fine, surcharge, interest, charges or costs payable in connection with any Taxes;
“TenneT Transmission System”	the system of electric lines operated by TenneT TSO B.V. for the transmission of electricity as defined in the Dutch Codes;
“Third-Party”	Means a party that BritNed has commissioned to undertake Capacity Allocation, nomination process, or related activities on its behalf;
“Third-Party Participation Agreement”	Means an agreement between a Third-Party and another party who may or may not be a Participant;

“Timescale”	means either Long Term, Day Ahead or Intraday periods of time;
“Transmission Rights”	means Physical Transmission Rights;
“Transmission System Operator”	means each of NGESO in its capacity as operator of the NGESO Transmission System and TenneT TSO B.V. in its capacity as operator of the TenneT Transmission System;
“Transmission Rights Transfer”	means the mechanism by which a Participant passes over Units to another Participant and “Transfer Transmission Rights”, “Transferred”, “Transferee” shall have corresponding meanings;
“Unit”	means a Physical Transmission Right of one MW, entitling the Participant (subject to Curtailment and these Rules) to Nominate in a particular direction and during the Product Period of the Unit and subject to and on the terms and conditions of these Rules;
“Unit Price”	means, for a Unit, the Auction Price (in euros per megawatt hour) resulting from the Auction at which the Unit was allocated to the Participant;
“Unit Quantity”	means, in megawatt-hours, the product of (a) the number of Units allocated to the Participant at a specific Auction (in megawatts) and (b) the aggregate hours of the Unit Validity Times within the Product Period of such Units;
“Unit Validity Times”	means: <ul style="list-style-type: none"> (i) in the case of Long Term Units, the specific hours within the Product Period for which the Units have been offered in the applicable Auction; (ii) in the case of Day Ahead Units, the individual hours (in the case of Day Ahead Auction – Hourly product) or the relevant groups of hours (in the case of a Day Ahead Auction – Grouped Hours product) for which the Units have been offered in the applicable Auction; (iii) in the case of Intraday Units, the individual hours for which the Units have been offered in the applicable Auction;
“Unused Units”	Means not Nominated Transmission Rights;
“Use It or Lose It” (UIOLI)	has the meaning given to it in Rule E5;
“Use It or Sell It” (UIOSI)	means the principle according to which the Participant’s non-Nominated Long Term Physical Transmission Rights are automatically made available for explicit Day-Ahead Capacity Allocation and according to which the Participant receives remuneration from BritNed;

“Use of System Interconnector Agreement”	means an agreement (including a Framework Agreement as defined in CUSC) between NGET and a Participant in the form agreed by NGET setting out the terms on which the Participant may use the NGET Transmission System in relation to Energy Transmission;
“Weekly”	means a product with a delivery period of seven calendar days with the delivery period starting on Monday and ending on Sunday of the same week; or a product with a delivery period of five calendar days with the delivery period starting on Monday and ending on Friday of the same week;
“Weighted Average Marginal Price”	means, in relation to a Participant, the Weighted Average Marginal Price of the Long Term Transmission Rights of that Participant, the aggregate of which forms its entitlement set out in the applicable Rights Document;
	$\text{WAMP} = ((\text{Allocated Capacity} \times \text{Marginal Price}) + (\text{Allocated Capacity} \times \text{Marginal Price}) + \dots) / \text{Total Allocated Long Term Capacity}$
“Weekend”	means a product with a delivery period of two calendar days with the delivery period starting on a Saturday and ending on a Sunday;

Part II: Interpretation

In these Rules (including its Schedules and Annexes) unless the context requires otherwise:

- (a) the singular indicates the plural and vice versa;
- (b) references to one gender include all other genders;
- (c) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Rules;
- (d) the word “including” and its variations are to be construed without limitation;
- (e) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- (f) any reference to a “Rule” is a reference to a rule contained in the relevant Section, any reference in a Schedule and/or to a “paragraph” is a reference to a paragraph contained in that Schedule and/or and any reference to a “Schedule” and/or is a reference to a Schedule and/or to the Rules. Rules are identified by reference to the relevant Section and Rule number. For example, Rule D4 refers to Rule 4 in Section D;

- (g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
- (h) unless otherwise defined, any reference to a day, month or year is to be construed as a reference to a calendar day, month or year as the case may be;
- (i) a reference to time is a reference to CET/CEST time unless otherwise specified;
- (j) the symbol * requires multiplication to be effected; and
- (k) where BritNed is required to publish any information under these Rules, it may do so by making the information or data available on its website or via the Auction Tool; and
- (l) for the avoidance of doubt the Schedules shall be legally binding and shall apply as part of one agreement with the Rules and shall be read as such.

Schedule 2: Business Rules for Use of Physical Transmission Rights

(All timings are put between brackets as they are only indicative and might be amended at a later stage)

1. Introduction

- 1.1 This Schedule 2 describes the business process and timings of the following activities:
 - a) calculation and notification by the BritNed of the Settlement Period values of the entitlement to Long Term Units, Day Ahead Units and Intraday Units for each Participant in each direction for each Contract Day;
 - b) submission by each Participant of Nominations in respect of Long Term Units, Day Ahead Units and Intraday Units in each direction for each Contract Day.
- 1.2 Timings given in this Schedule 2 are nominal timings, which may be subject to change from time to time as per Rule F4.
- 1.3 Times are given in CE(S)T.
- 1.4 In case of contradiction between the times specified in Schedule 2 and in the relevant Auction Specification, the Auction Specification shall prevail.

2. Energy Accounts

- 2.1 Each Participant must identify its Production and Consumption Interconnector BM Units under the BSC and the PRP in the Dutch Codes as acknowledged by TenneT TSO B.V. in its Participation Agreement.
- 2.2 Each Participant may notify an Energy Transmission against one of each of the types of Energy Account referred to above in any one Settlement Period.

3. Long Term Business Rules

- 3.1 Participants can submit Long Term Mid North Sea Nominations of Long Term Units for the Contract Day D, from opening of the gate for Long Term MNNs at 15:30 hrs on the day D-2 until Long Term MNNs gate-closure at 08:30 hrs on day D-1, in accordance with Rule E3 (Mid North Sea Nominations).

4. Explicit Day Ahead Auction Business Rules

- 4.1 The Auction Specification of an explicit Day Ahead Auction of Units for Contract Day D is published by the operator of the Auction Tool no later than 08:40 hrs on day D-1, in accordance with Rule D8.3 (Auction Specification).
- 4.2 An explicit Day Ahead Auction of Units for Contract Day D opens at 08:50 and closes at 09:10 hrs on Day D1 (or at any other times specified by BritNed in the relevant Auction Specification or after publication of the Auction Specification). During this period of time, Participants can submit bids to the Auction Tool.
- 4.3 Once the explicit Day Ahead Auction is closed, Units are allocated, pursuant to Rule D8.9 (Allocation), and Provisional Auction Results of this Day Ahead Auction are published at 09:15hrs on the day D-1.
- 4.4 The Final Auction Results of the Day Ahead Auction are published at 09:45hrs
- 4.5 BritNed will notify each Participant of its Day Ahead Transmission Rights for Contract Day D in each Direction no later than 10:30 hrs on the day D-1.
- 4.6 Participants can submit Day Ahead Mid North Sea Nominations of Day Ahead Units for the Contract Day D in the Nomination Tool, from Day Ahead Nomination Gate Opening at 10:30hrs on the day D-1 until Day Ahead Nomination Gate Closure at 13:30 hrs on day D-1, in accordance with Rule E3 (Mid North Sea Nominations) or at any other time specified in advance by BritNed.

	Open (hrs)	Closes (hrs)	Published (hrs)
Day Ahead Auction Specification	-	-	No later than 08:40
Day Ahead Auction	08:50	09:10	-
Provisional Auction Results	-	-	09:15
Final Auction Results	-	-	09:45
Notification of DA Transmission Rights	-	-	10:30
Submit DA MNN	10:30	13:30	-

5. Intraday Business Rules

- 5.1 BritNed holds four Intraday Auctions.
- 5.2 The Auction Specification for each Intraday Auction is published by BritNed no later than five (5) minutes prior to each Intraday Auction's Bidding Period. The timings of each Intraday Auction are stated in the table below.

- 5.2 Each of the four Intraday Auctions has a Bidding Period of thirty (30) minutes:
1. ID Auction 1 – 19:30 to 20:00
 2. ID Auction 2 – 05:50 to 06:20
 3. ID Auction 3 – 09:50 to 10:20
 4. ID Auction 4 – 13:50 to 14:20
- 5.3 Once each Intraday Auction is closed, Units are allocated, pursuant to Rule D9.9, and Final Auction Results of the relevant Intraday Auction are published.
- 5.4 BritNed will notify each Participant of its Intraday Transmission Rights in respect of Intraday Units with a Unit Validity Time for the period of time corresponding to the latest intraday auction of the Contract Day D in each direction no later than 10 minutes after the end of the auction (or at any other time specified in advance by BritNed).
- 5.5 Participants can submit Intraday Mid North Sea Nominations of Intraday Units with a Unit Validity Time of 00:00 to 23:59 hrs of the Contract Day D, from the respective Nomination Gate Opening until the Nomination Gate Closure, as detailed in the table below.

Timings summary (CE(S)T time)

Unit Validity Time	Intraday Auction	Nomination Gate-Opening	Nomination Gate-Closure
00:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	20:10 D - 1	22:50 D - 1
01:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	22:55 D - 1	23:50 D - 1
02:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	23:55 D - 1	00:50 D
03:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	00:55 D	01:50 D
04:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	01:55 D	02:50 D
05:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	02:55 D	03:50 D
06:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	03:55 D	04:50 D
07:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	04:55 D	05:50 D
08:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	06:30 D	06:50 D
09:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	06:55 D	07:50 D
10:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	07:55 D	08:50 D
11:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	08:55 D	09:50 D
12:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	10:30 D	10:50 D
13:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	10:55 D	11:50 D
14:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	11:55 D	12:50 D
15:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	12:55 D	13:50 D
16:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	14:30 D	14:50 D
17:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	14:55 D	15:50 D
18:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	16:30 D	16:50 D
19:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	16:55 D	17:50 D
20:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	17:55 D	18:50 D
21:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	18:55 D	19:50 D
22:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	19:55 D	20:50 D
23:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	20:55 D	21:50 D

Schedule 3: Deemed Metered Volume Allocation

1. Introduction

- 1.1 BritNed will calculate the Deemed Metered Volumes for each Participant for each direction for each Settlement Period in each Contract Day and allocate those amounts to the Energy Accounts of Participants in accordance with this Schedule 3.

2. Deemed Metered Volumes

- 2.1 For each Settlement Period, the Deemed Metered Volume of each Participant is equal to the net of the Long Term, Day Ahead and Intraday Mid North Sea Nominations (as amended by any Curtailment) of that Participant for that Settlement Period integrated over the Settlement Period to give a MWh figure in the net direction (and zero in the other).

3. Losses

- 3.1 The physical flow on the Interconnector is subject to DC losses. BritNed will apply a Loss Factor ("LF") to calculate each Participant's share of the DC losses on the Interconnector and apply this to Deemed Metered Volumes in accordance with paragraph 4 (Adjustment for DC Losses). The Loss Factor is symmetrical between Mid North Sea and either end of the Interconnector (Isle of Grain and Maasvlakte).
- 3.2 The Loss Factor to be applied by BritNed is published on BritNed website (www.britned.com). If there is a requirement to change the Loss Factor at any time, then the Participants shall be notified in accordance with Rule F1 and such notification to be made at least five (5) Business Days before the change takes effect.

4. Adjustment for DC losses on the Interconnector

- 4.1 For the purpose of the Balancing and Settlement Code, BritNed will send to the SAA (as defined in that Code) a program called BM Unit Metered Volume (BMUMV) expressed in MWh at Grain in half-hourly volumes and calculated by this formula:
- a) for a BM Unit in the direction from The Netherlands to GB: $BMUMV = (1-(LF/2)) * DMV$; and
 - b) for a BM Unit in the direction from GB to The Netherlands: $BMUMV = (1+(LF/2)) * DMV$.
- 4.2 For the purpose of the TenneT TSO B.V. settlement arrangements and for an export from The Netherlands to GB, BritNed will send to TenneT TSO B.V. (in its capacity as Transmission

System Operator) the NL Energy Programme expressed in kWh at Maasvlakte in quarter hour volumes and calculated by this formula:

$$ETM = 1 + (LF/2) * DMV.$$

- 4.3 For the purpose of the TenneT TSO B.V. settlement arrangements and for an import from GB to The Netherlands, BritNed will send to TenneT TSO B.V. the NL Energy Programme expressed in kWh at Maasvlakte in quarter hour volumes and calculated by this formula:

$$ITM = (1 - (LF/2)) * DMV.$$

- 4.4 In paragraphs 4.1, 4.2, and 4.3, "DMV" means the Deemed Metered Volume calculated for that Participant for that Settlement Period under paragraph 2 above.