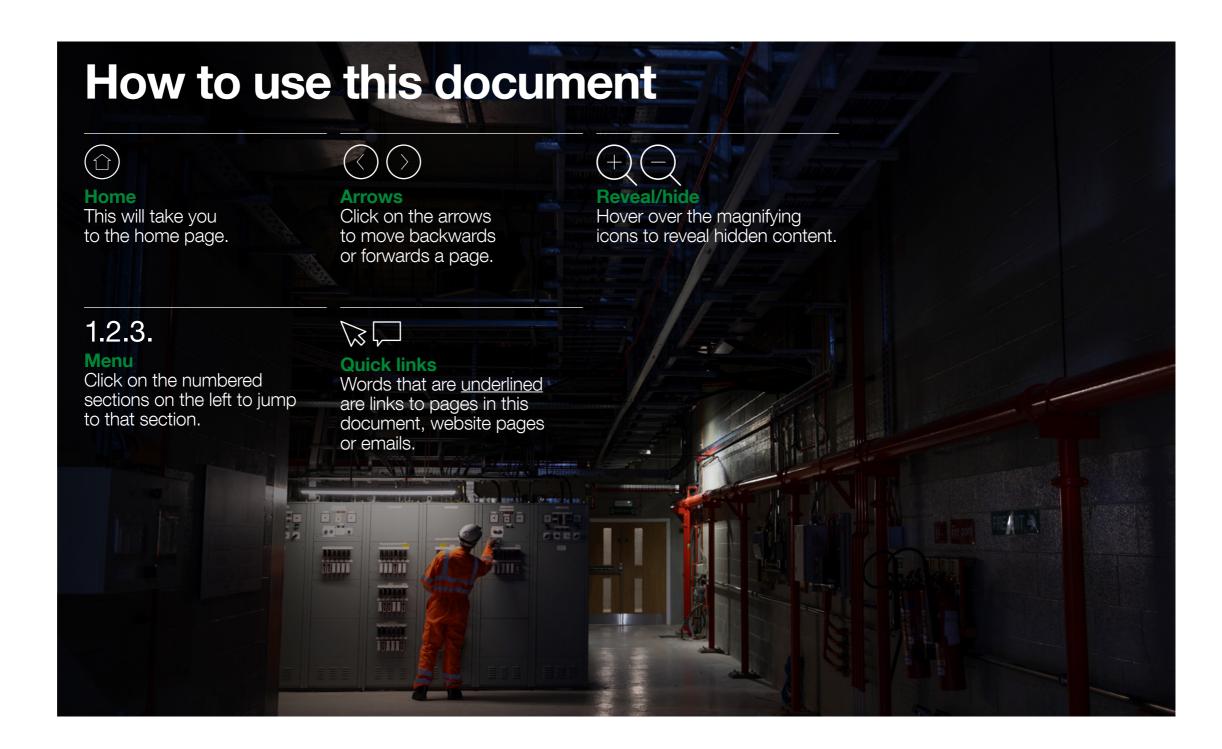


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# Introduction

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### 1. Introduction

Welcome to our guide for customers who want to register to trade on our interconnectors, IFA, IFA2, Viking Link and North Sea Link (NSL). Here you'll find a step-by-step registration process. whether you want to purchase capacity only (non-nominating) or purchase and nominate capacity to physically flow power (nominating).

IFA & IFA2 are High Voltage Direct Current interconnectors (IFA is 2,000MW and IFA2 is 1,000MW) between Great Britain (GB) and France.

Viking Link is a 1,400MW HVDC interconnector between GB and Denmark.

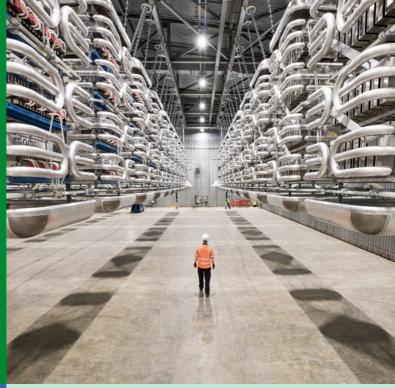
North Sea Link (NSL) is a 1,400MW HVDC interconnector between GB and Norway, operating through implicit capacity allocation on the Nord Pool power exchange. NSL does not have a separate nomination process, and is handled exclusively through Nord Pool.



2,000 MW connecting GB and France IFA

1,000 MW connecting GB and

France IFA2









1,400 MW connecting

GB and Denmark **Viking Link** 



1,400

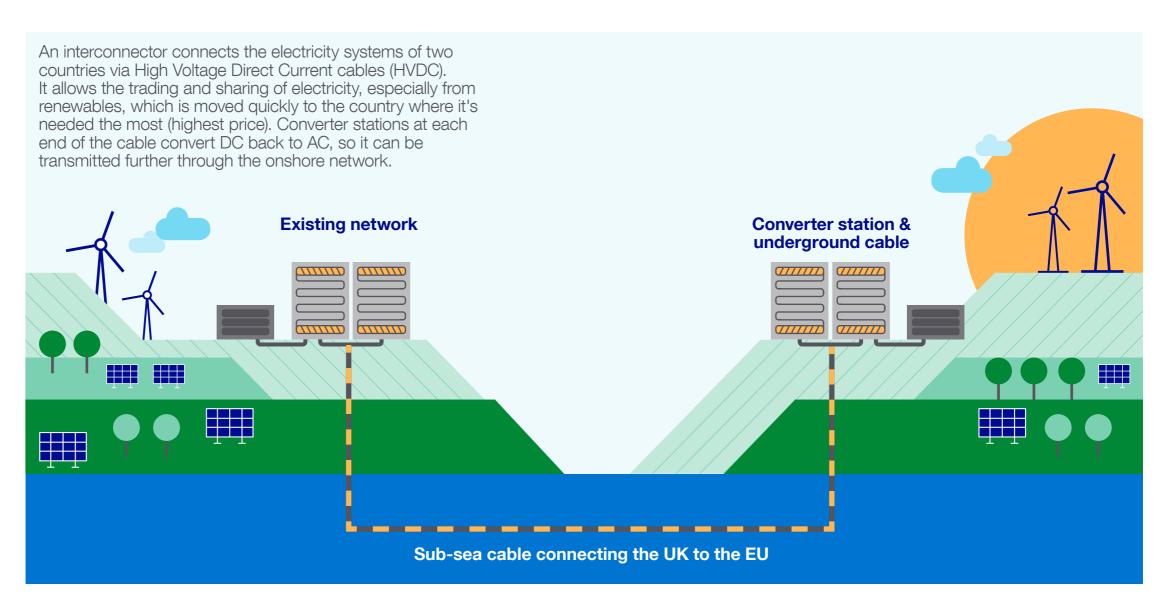
MW connecting GB and Norway **NSL** 

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### 1.1 How interconnectors work



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# 1.2 Rationale for interconnector trading



Participating in interconnector auctions via the Joint Allocation Office gives market participants the rights to flow energy between the relevant markets - eg buying in FR, selling in GB - Depending on the price difference, this could present some good commercial opportunities.



Capacity is sold on a directional basis, so can be purchased in the direction of the prevailing spread, or in the 'non-value' direction - which may come with less financial commitment as the value is essentially extrinsic in nature.



Products range from long-duration (up to Year+2) down to day-ahead and intraday products, so risk exposure can be managed by using the different products available.



Participating in long-term auctions can be done on a purely financial basis, without taking physical positions in the relevant electricity markets. Un-nominated positions are settled based on the out-turn of the Daily auction.



The ability to nominate flows via the Regional Nomination Platform gives access to the full range of products, including intraday capacity auctions which take place in the day of delivery.



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### 1.3 Meet the team

**During your registration process,** our Interconnector Customer Team will be your main point of contact for support, and to answer any questions.



You can contact them here



**Paul Raven** Customer Portfolio Manager



**Richard Chamberlin** Senior Customer Account Manager



**Anna Holleron** Customer Account Manager



**Vinita Earle** Customer & Marketing Executive



**Shawal Chaggar** Customer Account Manager



Fleur Tropman Customer Account Manager

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# 1.4 Interconnector portfolio

We have a portfolio of six Interconnectors. **IFA, IFA2, Viking Link** and **North Sea Link (NSL)** are unincorporated joint ventures between National Grid and partner transmission system operators.

**BritNed** and **Nemo Link** are incorporated joint ventures and stand as separate legal entities. If you want to trade on these interconnectors, you'll need to contact the Britned and Nemo Link customer teams directly, using the links below:

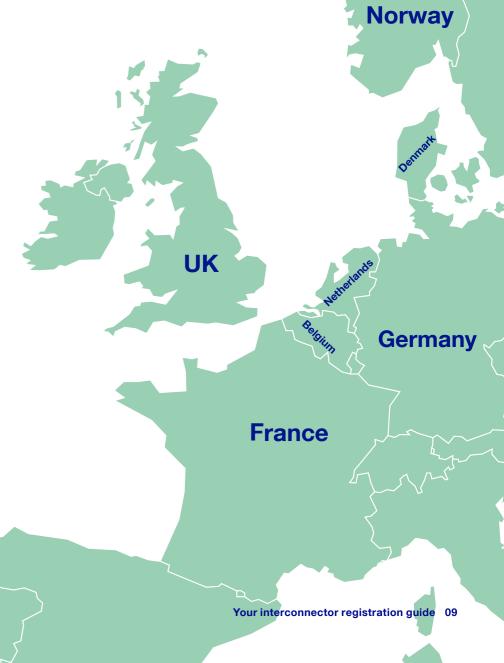




### 8GW

National Grid and our European partners jointly own and operate 8GW of interconnector capacity, which is enough to power 8 million UK homes. Roll over the Interconnectors to discover the locations





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### 1.5 Products we offer



To find the latest auction timetables, please see below:

IFA/IFA2 Auctions
Viking Link Auctions
North Sea Link Auctions



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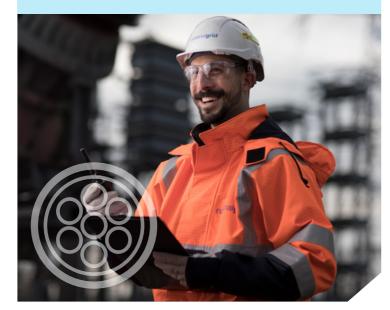
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### 1.6 Access rules

Our interconnectors each have their own access rules, due to different regulations and market structures in connecting countries.

You can find out more about these through the links below.

## IFA IFA2



☐ IFA/IFA2 access rules

# VikingLink >



₩ Viking Link access rules

### North Sea Link



North Sea Link access rules

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# The registration process

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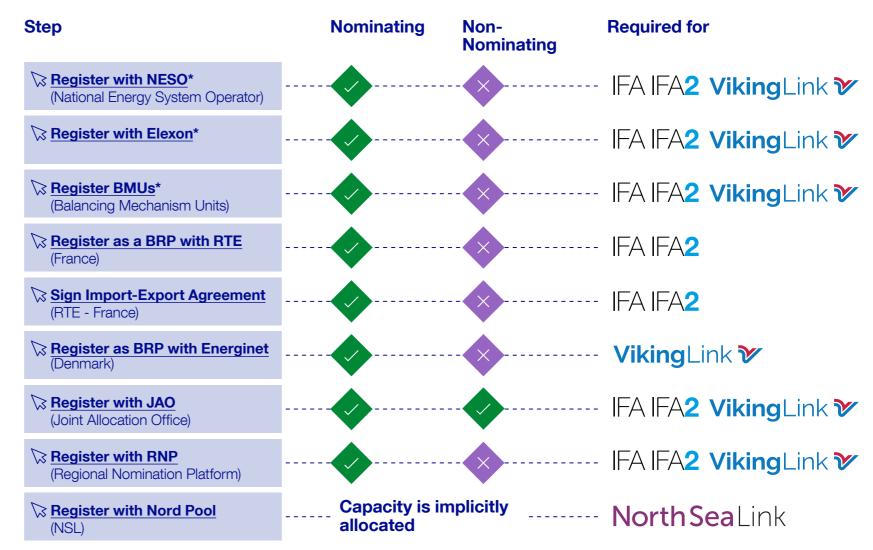
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# 2. The registration process

This table shows a summary of the steps needed to start trading on our interconnectors - and this guide takes you through each of the steps in detail.

You can find a flow-chart version of the table in Appendix 1. Please keep us updated with your progress on each of the steps. Registration takes around 12 weeks on average.





### \*Please note:

These steps need to be completed first and in this order. All other steps can be done in parallel.

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# Common Registration steps

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# 3.1 Register with NESO

(National Energy System Operator)

As an Interconnector User, you are using the **National Electricity Transmission System** (NETS) because the interconnector transmits electricity to it.

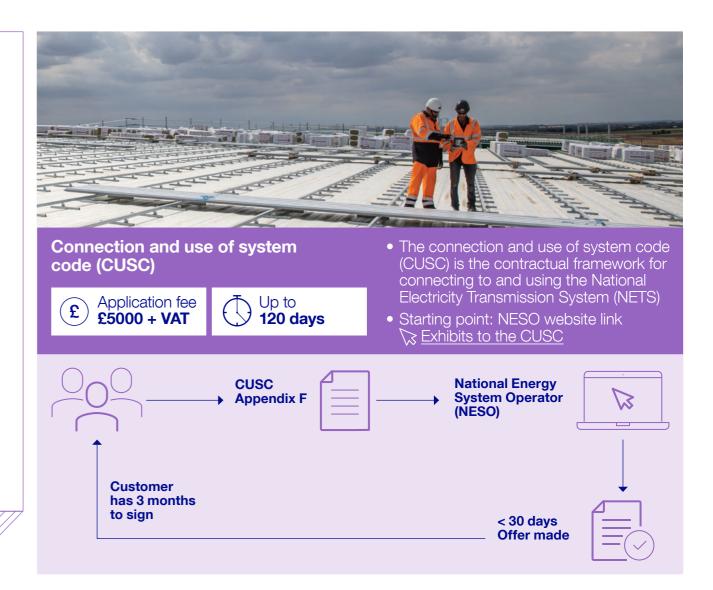
So you'll need to sign a bilateral agreement (Use of System Offer) to use the system and join the Connection and Use of System Code (CUSC). You need to be a CUSC Party to comply with Grid Code obligations.

To begin the process, you'll need to complete and submit a Use of System Application (Exhibit F of the CUSC), which you can find on the NESO website. You can also find guidance on the process here, including costs and timescales.



You can contact them directly via:

transmissionconnections@neso.energy



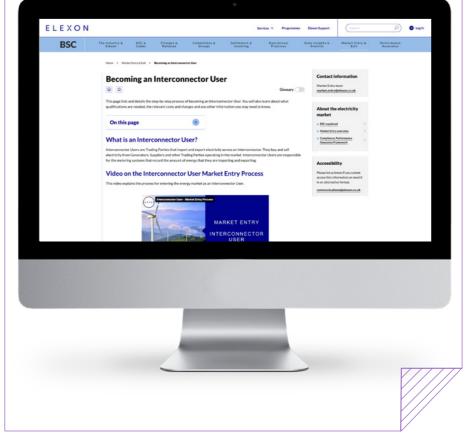
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# 3.2 Register with Elexon

(National Energy System Operator)

The Elexon website will take you through the steps you need to take to register as an Interconnector User.



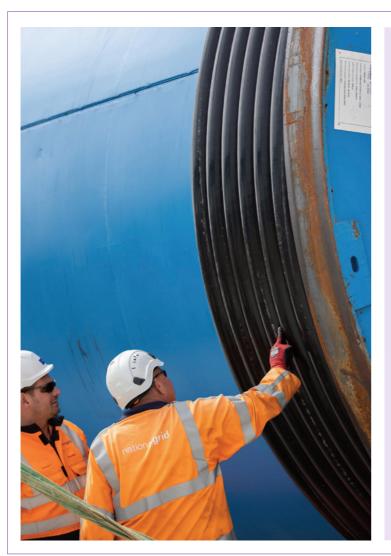


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# 3.3 Register Balancing Mechanism Units

(BMUs) with NESO and Elexon



BMUs, or Balancing Mechanism Units, are used to represent all energy export and import in Settlement, reconciling expected and actual flows.

We assign specific BMUs to each party and add up their volumes and contracts during the Settlement calculations. To nominate your capacity on IFA, IFA2, and Viking Link, you need to register two Interconnector BMUs for each interconnector for your production and consumption accounts related to your physical flows.

### **Application form: NESO**

As an Interconnector Use Lead Party, you'll need to:

1. Submit data via an online portal, the Single Markets Platform (SMP). This data was previously submitted as an MS word document to the BM registration team, but now the registration data is submitted directly into the platform. The application is then checked and accepted by the BMU registration team once the unit is in submitted status in SMP.

2. The SMP online portal can be found at the following webpage: >> Balancing Mechanism Wider Access | National Energy System Operator, For more information on how the platform works, please refer to the Webinar recordings available on the same page. Additionally, the webinar Q&A sessions material accessed from the Onboarding and Registrations tab on the same page may be helpful in answering any queries you might have. The SMP user guide is also available from the page.

### Please note:

When completing the NESO registration, please state the maximum MW figure you wish to register for each unit – one for Generation and one for Demand. You won't be able to submit physical notification data above the maximum registered capacity of the unit.

### **Contact email**

bmu.registration@neso.energy



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# 3.3 Register Balancing Mechanism Units

(BMUs) with NESO and Elexon



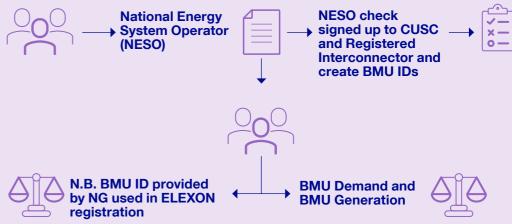
### **Registering Balancing Mechanism** Units (BMUs)

The NESO BMU Registration team will create the BMU ID and issue to customer.

Starting point contact: D bmu to request unique NG BMU IDs.







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# 3.4 Complete your registration

With the Joint Allocation Office (JAO)

### If you're an existing JAO customer

To bid for capacity on IFA, IFA2 and Viking Link auctions, you'll need to register with JAO so you can gain access to the Allocation Tool (eCAT). If you're already registered with JAO, you'll only need to sign an amendment - please contact JAO directly to start this process.

Email: contact@jao.eu or phone: (+352) 27 62 38 01

Once you've registered with JAO, you'll have access to the Allocation Tool (eCAT) and will be able to take part in IFA, IFA2 and Viking Link long-term and intraday auctions. The auction schedule is available on the > IFA/IFA2 and > Viking Link websites.

### More information

You can find more documentation and information on the registration process by visiting the > JAO website and clicking on 'Registration'.

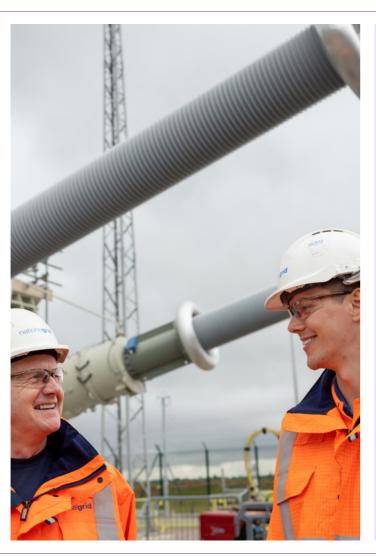


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# 3.5 Complete your Registration

With the Regional Nomination Platform (RNP)



RNP is the platform where you can nominate the capacity you bought on JAO. You'll need to complete this step if you want to nominate your capacity on IFA, IFA2 and Viking Link.

### **Participation Agreements**

Please contact us here to register your interest to nominate your capacity on IFA, IFA2 and Viking Link. We'll then send you the RNP Participation Agreements. Please note, you'll need to complete a combined agreement for IFA and IFA2, and a separate agreement for Viking Link.

The agreement will then be countersigned by National Grid Interconnectors and our partner TSO (RTE for France and Energinet for Denmark). You'll receive a copy once a go-live date has been agreed.

### Gaining access to RNP

You'll receive a User Access Form to complete, please return this to us. There's just one form for IFA, IFA2 and Viking Link - please tick the interconnectors you wish to select for your users while completing the form.

The RNP Helpdesk will then provide you with access to the Test Environment. This will move to the Live Environment on your go-live date.

### **Training**

As part of your registration, you'll receive a user guide for RNP. If you need further training, please contact the RNP Helpdesk (rnp.helpdesk@unicorn.com)

### **Commercial Extract**

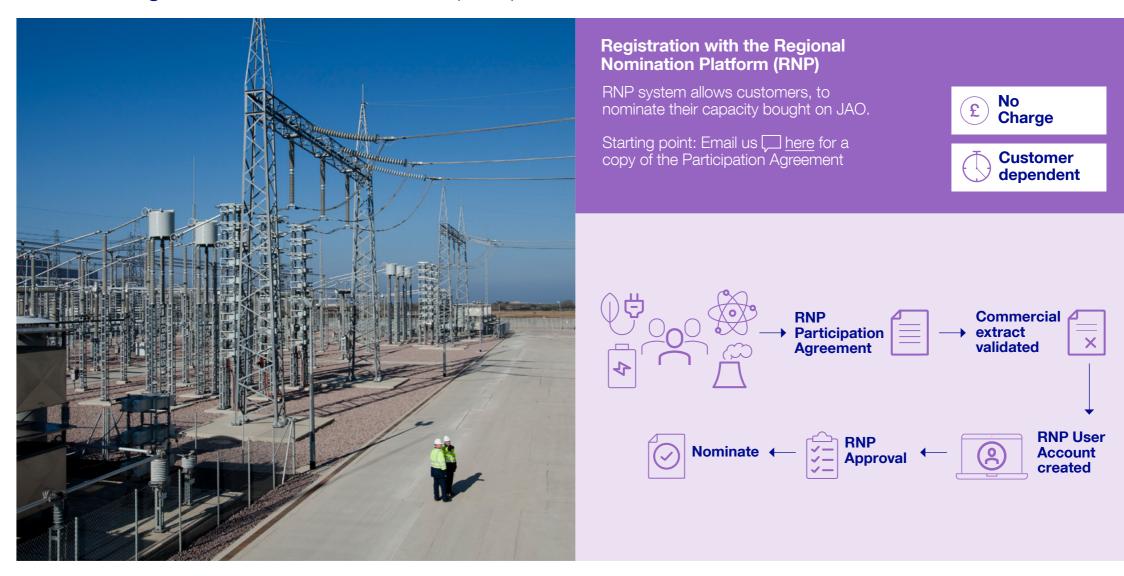
Please send vour Commercial Extract to us I here to be verified. You'll need to do this only once to cover IFA, IFA2 and Viking Link.

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# 3.5 Complete your Registration

With the Regional Nomination Platform (RNP)



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# 4.1 IFA and IFA2-specific steps



### 4.1.1 Register as a Balancing Responsible Party (BRP) with RTE

You will first need to register with RTE as a Balancing Responsible Party (BRP), which involves completing and signing an agreement.

Contact RTE to start this process.

If you already have a BRP with RTE on another border, there is a fast-track process available - please mention this when you contact them.

### 4.1.2 Sign an Import-Export **Participation Agreement** with RTE

In addition to the BRP contract, you'll need to sign an Import-**Export Participation Agreement** with RTE.

Please contact RTE to start this process.

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# 4.2 Viking Link-specific steps



### 4.2.1 Registering as a Balance Responsible Party (BRP) with Energinet

### To register with Energinet, you will need to:

- Familiarise yourself with the Danish regulations for a Balance Responsible Party, which are available > here (Danish version only).
- Register a GLN (Global Location Number) with the Danish division of the global standardisation organisation.
- Provide financial security of 1.000.000 DKK for the credit-assessment process.
- Have a VAT-registration number.

- Register an EIC (Energy) Identification Code) by filling in the following form Master data some and sending it to eic-administration.
- Enter into an agreement with eSett. a settlement-services company that calculates the imbalances for each BRP. To do this, go to \sigma eSett.

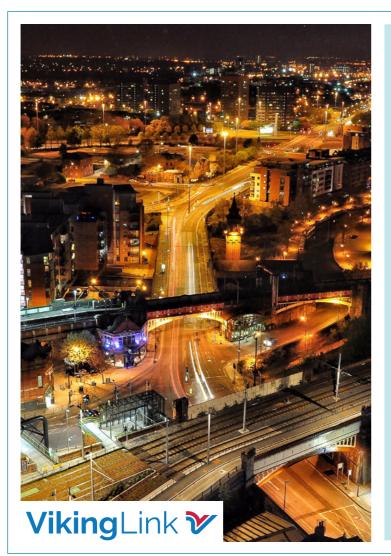
### The process includes:

- signing agreements more than one month before BRP market activity
- providing your EIC number
- placing Collateral more than three weeks before BRP market activity
- having a settlement bank.

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# 4.2 Viking Link-specific steps



### 4.2.2 Registering with an eSett-approved settlement bank

As part of the physical registration process (RNP), you'll need to be a Danish Balance Responsible Party (BRP), which means being registered with a settlement bank approved by eSett. We are working to increase the number of approved settlement banks, particularly for our non-Nordic customers. If you're a non-Nordic customer and need help to identify a bank you can work with, please  $\square$  contact our Interconnector Customer Team.

You can see a list of eSett's approved settlement banks > here.

If you have a clearing bank that would be interested in becoming an approved settlement bank, you can also contact us \( \square \) here.

### **Energinet and eSett timelines**

The normal Energinet registration process of entering into agreements (and into market) can take as little as a month, or several months. depending on how well-prepared you are.

The most time-consuming aspect of this process can be:

- setting up a pledged cash account in an approved settlement bank. If you're non Nordic, vou'll need to allow time for this, especially if vou're a new customer to the bank
- reviewing and signing agreements by the BRP and providing necessary documentation back to eSett. You may be asked to provide additional relevant information to eSett (such as copies of MT101 and MT940 bank-specific forms)
- translating TSO-BRP agreements, if needed as part of your review, as they are written in local languages.

For a detailed description of all the information in Section 5.6, please visit Energinet's web-link on: How to become a balance responsible party.



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# 4.3 North Sea Link (NSL) registration



Capacity on NSL is allocated only through Nord Pool, Europe's leading power exchange.

### How to trade on NSL

- Nord Pool's N2EX auction (UK) and Norway's NO2 auction manage capacity implicitly.
- Auction gate closure times:
- GB (N2EX): 09:50 UK time
- NO2 (Norway): 10:50 CET
- Preliminary results are finalised by 10:00 UK time (11:00 CET).

### How to register for **NSL** trading

- Contact Nord Pool's market manager for your country.
- For more information. email: 🔲 support@ nordpoolgroup.com

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# **After** registration steps

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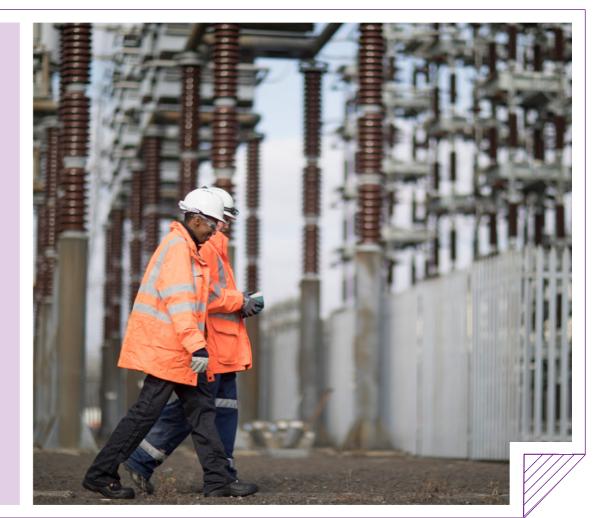
# **5.1 Carbon Border Adjustment** Mechanism (CBAM)

### What is CBAM?

The EU's Carbon Border Adjustment Mechanism (CBAM) is the tool used to put a price on the carbon emitted during the production of carbon-intensive goods entering the EU. CBAM will help reduce the risk of carbon leakage, while incentivising producers in non-EU countries to green their production processes and encouraging those countries to introduce carbon-pricing measures.

### When is it being introduced?

CBAM is being introduced gradually. The transitional period is from 1 October 2023 to 31 December 2025. This is when importers are required to report, on a quarterly basis, the embedded emissions in goods they've imported during the previous quarter of the calendar year. Their reports must set out emissions, as well as any carbon price effectively paid abroad.



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# **5.1 Carbon Border Adjustment** Mechanism (CBAM)

### What do I need to do?

If you're importing into the EU during the transitional period, you'll need to submit CBAM reports on a quarterly basis. There will be no obligation to buy or surrender certificates during the transitional period.

### Where should the CBAM reports be submitted?

The CBAM Transitional Registry has been developed to help importers submit their CBAM reports.

### It will provide:

- a single platform to collect information and create synergies
- a tool to perform CBAM-related tasks
- a secured platform to ensure confidentiality of information.

For more information about CBAM and the Transitional Registry. visit the European Union CBAM > web page. A user manual is also available there for CBAM reporting declarants to download.

If you have any questions, please contact us here.



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## 5.2 Customs declarations

When trading electricity between Great Britain and **Denmark customs declarations** are required. Please read below for a brief summary of the processes.



### **Great Britain**

In Great Britain, National Grid will make import/export declarations on behalf of market participants for flows on the Viking Link Interconnector. There are therefore no further actions market participants need to take in GB.

### Denmark

Customers will be required to meet Customs Declaration requirements within Denmark. Please follow the following steps to ensure that your declarations are ready for trading on Viking Link.

• Before importing goods from countries outside the EU, you must be registered as an importer with the Danish Business Authority. Registration can be made in English > here.

- Security will be required for any customs duties your goods may be charged.
- Imports from a non-EU country to be sold or consumed in Denmark, need to follow the customs procedure Free Circulation. Customers can then apply to submit Customs Declarations on a monthly basis and do not have to submit declarations for every import. The relevant documentation can be found at > Forms & Documents.

To learn more on all topics mentioned above, click Your Company's Tax Situation scroll down the page and select the English translation.

Not all information is provided in English, however there is a Customer Helpdesk who are happy to answer any questions you may have, Tel: +45 7222 1202 press Option 9 for the "Custom" helpdesk".

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### 5.2 Customs declarations

Once registration is complete, either through business registration or a representative, you can apply to register with the Danish Customs Agency. Businesses based in countries outside the EU can obtain a refund on VAT for goods and services purchased in Denmark.

Danish VAT is 25%, but the amount is not refunded automatically. In addition, security will be required for any customs duties your goods may attract.

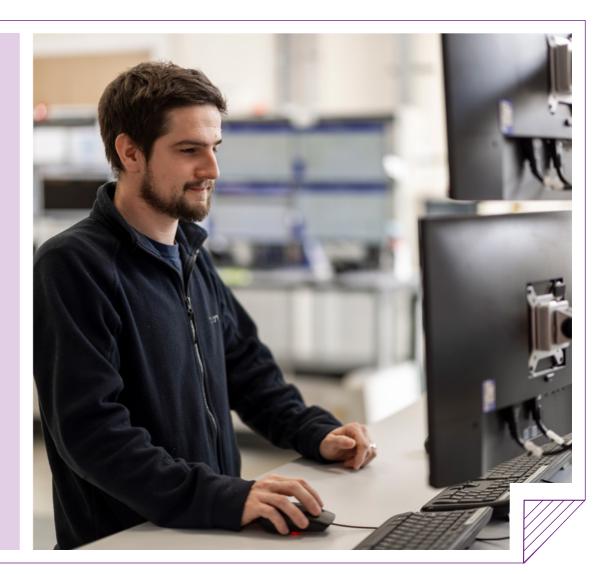
If you're importing services or products from a non-EU country to be sold or consumed in Denmark, you'll need to follow the customs procedure, Free Circulation.

You can then apply to submit customs declarations monthly, and you won't have to submit declarations for every import.

You can find the relevant documentation at Forms & documents.

For more information on the Danish customs declaration, click Your Company's Tax Situation and select the English translation.

Not all information is provided in English, but there is a Customer Helpdesk, happy to answer any questions you may have. Phone: (+45) 7222 1202 and press option 9.



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## 5.2 Customs declarations

### France (IFA and IFA2)

RTE in France cannot handle customs declarations for National Grid customers, so you'll need to provide your own.

You'll need to start by applying for an EU EORI number, through the 'SOPRANO' service. There are slight variations to the process, depending on your location within the FU or non-FU countries.

Once you've obtained an EORI number, you have two options for customs declarations: self-declaration or employing a broker. If you choose the latter, you'll incur a fee for the service.

### **Power flow letters**

We are currently assessing the process for customs declarations. to see how we can improve it. One service we've introduced is providing monthly flow data to our customers. If you're not currently receiving this service, please contact us to find out more.



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# Communication and support

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# 6. Communication and support



Here in the Interconnector **Customer Team, we are your** main point of contact during the registration process.

We're happy to have a virtual meeting or phone call if you need it, and you'll have your own account manager to help with any questions you may have. We'll be here to support you even after you've completed your registration.

We also run webinars on key topics such as regulations, and commercial and operational updates. You'll be invited to them throughout the year.

### Interconnector

IFA IFA2 VikingLink **V** 

### **Customer Team**

Contact email

### North Seal ink

Contact email

### Website links

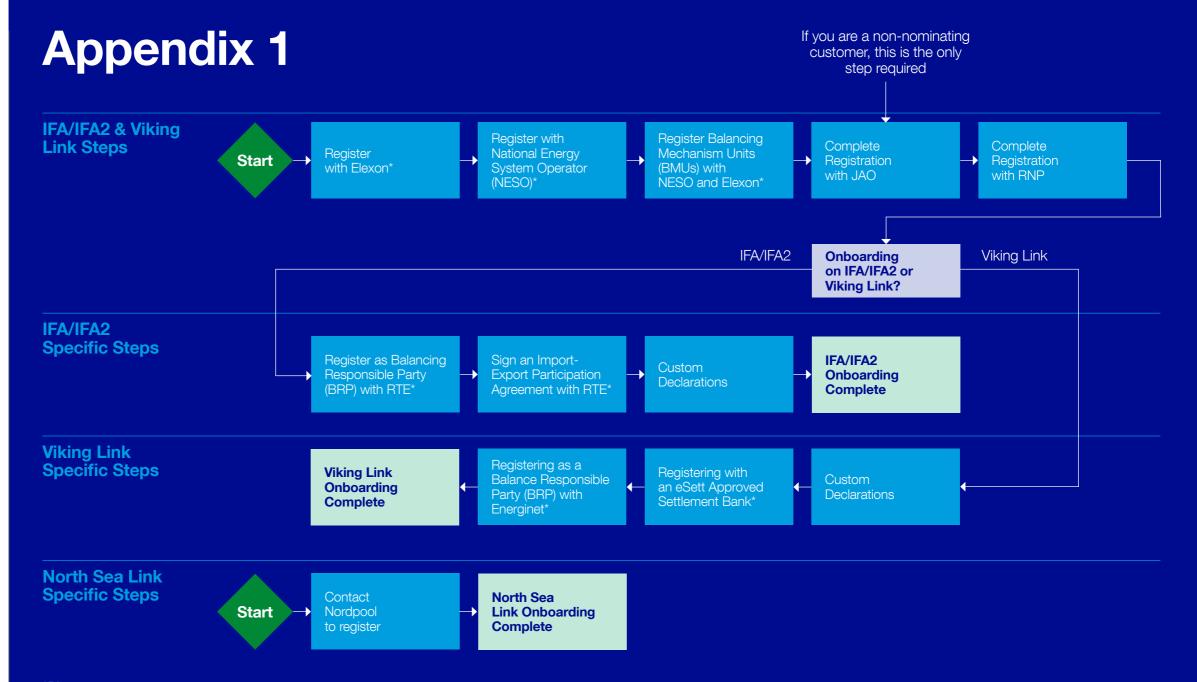
IFA and IFA2

Viking Link

North Sea Link

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These steps need to be completed first and in this order. All other steps can be done in parallel.