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6 December 2024

Dear Richard,

**Approval of ElecLink’s modified Access Rules pursuant to Standard License  
Condition 11A of the Electricity Interconnector License**

On 1 October 2024, ElecLink Limited (ElecLink)<sup>1</sup> submitted modifications to its Access Rules to the Authority for approval.<sup>2</sup>

The modified Access Rules were submitted pursuant to Standard Licence Condition (SLC) 11A of the Electricity Interconnector Licence (the Licence)<sup>3</sup>, which requires ElecLink to maintain the Access Rules that set out the terms and conditions for access to, and use of, the interconnector.

We have decided to approve the modified Access Rules on the basis that we are satisfied the proposed modifications achieve the relevant Access Rules objectives as required under the Licence<sup>4</sup>. This letter contains the relevant Direction, attached as Annex 1, that approves the modified Access Rules. It also explains the reasons for our approval as required under section 49A of the Electricity Act 1989.

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<sup>1</sup> ElecLink Interconnector is a 1000MW high voltage direct current (HVDC) link, connecting the transmission systems of Great Britain (GB) and France.

<sup>2</sup> The Gas and Electricity Markets Authority. Ofgem is the Office of the Authority. The terms “Ofgem” and “the Authority”, “we” and “us” are used interchangeably in this letter.

<sup>3</sup> The “Electricity Interconnector Licence: Standard Conditions” can be found here: [Electricity Interconnector Standard Licence Conditions 03 08 2021 \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/electricity-interconnector-standard-conditions-03-08-2021)

<sup>4</sup> The relevant Access Rules objectives are set out in SLC 11A of the Licence and state that the Access Rules shall be transparent, objective, non-discriminatory and compliant with the Regulation (as amended following UK exit from the EU, as detailed below) and any relevant legally binding decision of the European Commission and/or the Agency.

## **The proposed modifications to the ElecLink Access Rules**

The modified Access Rules look to further build on the ElecLink Access Rules approved by Ofgem on 27 August 2019<sup>5</sup> by introducing the following amendments:

### *1. Increase of number of intraday auctions.*

- 1.1. ElecLink proposes to change the number of daily intraday auctions to three, each running for half an hour.
- 1.2. This would represent an increase from the current daily total of two intraday auctions.

### *2. Modification of existing intraday auction and respective delivery periods.*

- 2.1. ElecLink proposes to modify the structure and timing of the intraday auctions and their respective delivery periods.
- 2.2. The first intraday auction would run from 19:05 to 19:35, preceding the day of delivery. The delivery period for this first intraday auction would run the following day from 00:00 to 08:00 – a total of eight hours.
- 2.3. The second intraday auction would run from 03:30 to 04:00 on the day of delivery. The delivery period for this second intraday auction would run on the same day, from 08:00 to 18:00 – a total of ten hours.
- 2.4. The third intraday auction would run from 15:30 to 16:00 on the day of delivery. The delivery period for this third intraday auction would run on the same day, from 18:00 to 00:00 a total of six hours.
- 2.5. Additionally, this modification will align the finalisation of the auction specification with the commencement of the auction itself.

### *3. Increased number of intraday nomination gates from six to twenty-four.*

- 3.1. ElecLink proposes to change the number of intraday nomination gates to twenty-four.
- 3.2. This represents a significant increase from the current total of six intraday nomination gates.

### *4. Introduction of 'Pre-Nominations'.*

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<sup>5</sup> The decision letter on the ElecLink Access Rules approved by Ofgem on 27 August 2019 can be accessed here: [Approval of the Access Rules and Charging Methodology submitted by ElecLink pursuant to Standard License \(SLC\) 11A and 10 of the electricity interconnector license | Ofgem](#)

- 4.1. Eleclink proposes to introduce the concept of “Pre-Nominations”. “Pre-Nominations” would allow participants to submit nominations prior to the opening of the relevant nomination gate.
  - 4.2. This feature is designed with the intention of streamlining the nomination process and ensuring nominations are ready as soon as the nomination gate opens.
5. *Joint Allocation Office (JAO) Rule Modifications.*
- 5.1. Eleclink provides provisions for amendments to JAO’s Harmonised Allocation Rules, subject to approval by the relevant regulatory authorities.
  - 5.2. These provisions have been proposed to reflect changes in the market and regulatory environments, while maintaining compliance with Standard License Condition 11A.
6. *Modification of ‘NGESO’ references to ‘NESO’.*
- 6.1. Eleclink proposes to modify all references of “NGESO” to “NESO”, to reflect the organisation’s recently updated title.

## **Consultation Responses**

In accordance with the applicable legal and regulatory framework, Eleclink ran a public consultation on the Access Rules from 12 August 2024 to 11 September 2024. There were two responses in relation to the Access Rules consultation.

1. *Increase of number of intraday auctions from two to three.*
  - 1.1. One respondent stated they agree with the proposal to introduce a third intraday auction.
  - 1.2. The other respondent offered no objections to this proposal, stating they were satisfied with the overall changes in the proposed Access Rules.
2. *Modification of existing intraday auction and respective delivery periods.*
  - 2.1. One respondent suggested that Eleclink should provide market participants with advance notice to adapt their IT tools for auctions and nominations upon the approval of the modified Access Rules.
  - 2.2. The same respondent suggested that the pre-nomination lead time could be reduced from 75 minutes to 60 minutes, in order to align with the rest of the Gate Closure Times in XBID/SDIC processes.
  - 2.3. The other respondent requested clarification on whether the new intraday bidding periods are aligned with JAO’s agreed gate timings.

- 2.4. ElecLink confirmed they will provide market participants with "*as much notice as possible*" ahead of the change in nomination platform to provide sufficient time to adapt the necessary IT tools. ElecLink additionally stated that, prior to go-live of the new platform, they intend to host testing sessions. Finally, ElecLink stated that during the build-up and initial go-live of the new nomination platform, a dedicated support team will be available to assist market participants.
  - 2.5. ElecLink acknowledged the suggestion of a reduction in the lead time from 75 to 60 minutes, but stated this would not be possible. ElecLink stated that a small time window is required as a contingency in the event of a failure of automated file processes which would require a backup process to be launched. ElecLink state this arrangement is a result of the "*nature of the GB-FR border*".
  - 2.6. ElecLink provided confirmation that the proposed new intraday bidding periods are aligned with JAO's agreed gate timings, and that no action was required on this point.
3. *Increased number of intraday nomination gates from six to twenty-four.*
    - 3.1. One respondent stated they agree with the proposal to introduce twenty-four intraday nomination gates.
    - 3.2. The other respondent offered no objections of their own to this proposal, stating they were satisfied with the overall changes in the proposed Access Rules.
4. *Introduction of 'Pre-Nominations'.*
    - 4.1. One respondent asked if pre-nominations meant that nominations can be submitted prior to the Gate Opening Time and if this would be valid for all timeframes, without any further actions being required from participants.
    - 4.2. The other respondent offered no objections to this proposal, stating they were satisfied with the overall changes in the proposed Access Rules.
    - 4.3. ElecLink acknowledged the request to clarify the function of pre-nominations and stated that they will hold a customer forum to demonstrate the new nomination platform and host a Q&A session. More detail on the functionality of the new platform will be included in documentation which will be released closer to Helix's go-live.
    - 4.4. ElecLink further noted that many customers will have pre-existing familiarity with the new Helix nomination platform, as it functions in the same way as BritNed's Empire platform. ElecLink noted that only one customer sought further information.
5. *JAO Rule Modifications.*
    - 5.1. One respondent suggested further administrative modifications to ensure alignment with the language within JAO's Harmonised Allocation Rules.
    - 5.2. The other respondent questioned the use of the term "MTU". The respondent noted that bid and marginal price were determined in EUR per MW per Market Time Unit (MTU), but that Power Exchanges (PXs) use EUR/MWh, inquiring which term ElecLink would use.
    - 5.3. ElecLink welcomed the suggestion of further administrative modifications to ensure alignment with the language within JAO's Harmonised Allocation Rules.

Eleclink stated that these changes have been reflected in their updated rules document.

- 5.4. Eleclink clarified that, in alignment with JAO, EUR/MWh is the correct term as it continues to encompass different MTUs. Eleclink stated they will reflect this in their Access Rules.

## 6. *Modification of 'NGESO' references to 'NESO'.*

- 6.1. Neither respondent raised any objections to this proposal.

## Regulatory Framework

SLC 11A of the Licence<sup>6</sup> introduces relevant Access Rules objectives, against which the Authority assesses the Access Rules and any proposed modifications. The relevant objectives are that the Access Rules shall be transparent, objective, non-discriminatory and compliant with Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast following the UK's exit from the EU) (the Electricity Regulation), and any relevant legally binding decision of the European Commission and/or the Agency for the Cooperation of Energy Regulators (ACER) retained following the UK's exit from the EU.

At the end of the transition period the legal and regulatory frameworks changed. We have taken these changes into account when assessing the modified Access Rules.

## **The Authority's decision**

We have reviewed the modified Access Rules submitted to Ofgem on 1 October 2024 and considered the consultation responses received by Eleclink. We have concluded that the proposed changes meet the relevant Access Rules objectives as explained below:

### 1. *Increase of number of intraday auctions from two to three.*

- 1.1. We are satisfied with this change as the increase from two to three auctions is clearly outlined, thus providing transparency and understanding for market participants. Additionally, by increasing the number of daily intraday auctions, this modification enhances market flexibility and access. As such, this modification

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<sup>6</sup> The Electricity Interconnector Standard Licence Conditions can be found here: [https://epr.ofgem.gov.uk/Content/Documents/Electricity\\_Interconnector\\_Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf](https://epr.ofgem.gov.uk/Content/Documents/Electricity_Interconnector_Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf)

aligns with the requirements of Standard License Condition 11A by ensuring efficient and transparent market operations.

- 1.2. We are satisfied with ElecLink's response to consultation feedback on this modification. Both respondents were satisfied by the introduction of a third intraday auction, indicating a consensus on its necessity and benefit.

2. *Modification of existing intraday auction and respective delivery periods.*

- 2.1. We are satisfied with this change as this modification is well-documented and clearly outlined, providing specific times for both auctions and delivery periods. This, in turn, provides transparency for market participants.
- 2.2. This change ensures that auctions cover different parts of the day, thus enhancing market flexibility, and proving essential for market participants to plan and manage their trading activities effectively. This aligns with the requirements for detailed scheduling and market access within Standard License Condition 11A.
- 2.3. Additionally, by aligning the finalisation of the auction specification with the commencement of the auction itself, the Authority approves of this change as it reduces temporal redundancy within the process.
- 2.4. With one consultation respondent stating the updated timings are in alignment with JAO's gate timings, and the other respondent providing no comments on this specific modification but stating agreement with the overall changes, there is implicit support for the modification, with which we are satisfied.

3. *Increased number of intraday nomination gates from six to twenty-four.*

- 3.1. We are satisfied with this change as this modification clearly outlines the respective timings for each of the twenty-four intraday nomination gates. This, in turn, provides market participants with multiple opportunities throughout the day to nominate their capacity, and likewise enhances flexibility and responsiveness to market conditions. This directly aligns with the aims of enhanced market efficiency and participant access within Standard License Condition 11A.
- 3.2. With one consultation respondent stating their agreement with the introduction of twenty-four intraday nomination gates, and the other respondent providing no specific comments on this point, there is implicit support for the modification, with which we are satisfied.

4. *Introduction of 'Pre-Nominations'.*

- 4.1. We are satisfied with the modification to streamline the nomination process, thus ensuring that nominations are ready as soon as the gate opens, thereby

improving efficiency and reducing the risk of any last-minute negative issues arising.

- 4.2. We are satisfied with ElecLink's response to the consultation feedback. While one respondent provided no specific comments on this point, the other respondent requested clarification on whether pre-nominations allow submissions prior to the Gate Opening Time, and if no further actions would be required from participants. ElecLink confirmed that pre-nominations will allow submissions prior to the Gate Opening Time and committed to providing detailed documentation and support via customer forums and a dedicated support team. This ensures that market participants understand and can effectively use the new feature, aligning with the requirement for clear and accessible market rules within Standard License Condition 11A.

#### 5. *JAO Rule Modifications.*

- 5.1. We are satisfied with this change as the modification, in aligning with JAO's Harmonised Allocation Rules, ensures that the rules are harmonised and consistent with broader market practices. This, in turn, supports the requirement for coherent and standardised market rules within Standard License Condition 11A.
- 5.2. We are satisfied with ElecLink's response to the consultation feedback. While one respondent provided no specific comment on this point, the other suggested additional administrative changes to ensure alignment with JAO's Harmonised Allocation Rules. ElecLink agreed with this suggestion and reflected these changes in the updated rules document. This further supports harmonisation and consistency with broader market practices, thus, again, supporting the requirement for coherent and standardised market rules within Standard License Condition 11A.

#### 6. *Modification of 'NGESO' references to 'NESO'.*

- 6.1. We are satisfied with this change as the modification, in consistently using the updated term of "NESO" instead of the now-outdated "NGESO", reflects the updated terminology and provides clarity and consistency to market participants. In doing so, this modification aligns with the current regulatory and operational framework.

In reaching our decision we have closely cooperated with the Commission de Régulation de l'Énergie (CRE), the French regulatory authority, to ensure consistent regulatory decisions are made.

The Authority therefore approves the modified Access Rules on the basis that they meet the relevant Access Rules objectives in SLC 11A(4).

The direction relating to the approval of the modified Access Rules, issued in accordance with SLC 11A(13) of the License, can be found in Annex 1 of this letter.

### **Next steps**

In accordance with SLC 11A(14) of the License, we direct ElecLink to publish (at least on its website) the modified Access Rules for a period of at least 28 days prior to them coming into effect; and those rules must not come into effect before CRE has approved the equivalent rules in France for the same interconnector.

Ofgem intends to monitor and keep under close review the practical impacts of the changes that are being made by ElecLink, with cooperation with CRE where necessary. As a reminder for future submissions, ElecLink is obliged to comply with any direction from Ofgem to amend its proposed modified Access Rules for the purpose of meeting the relevant Access Rules objectives in accordance with SLC 11A(12). In addition, Ofgem may seek to utilise its powers under paragraph 9 of SLC 11A if it sees fit to do so.

We also encourage the Licensee to keep its long-term compensation arrangements under review with the possibility to return to a Loss Adjusted Day-Ahead Market Spread form of compensation. We consider a move towards a market-reflective way of compensating market participants would enable market participants to participate in long-term auctions with more confidence and less risk.

Yours sincerely,

Mo Rahee

**Head of Team for Electricity Interconnector Market Arrangements,  
Energy Systems Management & Security**



## **ANNEX 1**

### **Direction issued to ElecLink Limited pursuant to paragraph 13 of Standard Licence Condition 11A (Approval of terms for access to the licensee's interconnector) of its Electricity Interconnector Licence**

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority") pursuant to paragraph 13 of Standard Licence Condition 11A of the Electricity Interconnector Licence (the "Licence") granted or treated as granted under section 6(1)(e) of the Electricity Act 1989 (the "Act") to ElecLink Limited (the "Licensee").
2. Standard Licence Condition 11A, paragraph 4, requires that the Access Rules must be transparent, objective, non-discriminatory and compliant with the Regulation (Regulation (EU) 2019/943 on conditions for access to the network for cross border exchanges in electricity, as amended following the UK's exit from the EU) and any relevant legally binding decision of the European Commission and/or Agency for the Cooperation of Energy Regulators retained following the UK's exit from the EU (collectively "the relevant Access Rules objectives").
3. Standard Licence Condition 11A, paragraph 8, requires that the Licensee reviews its Access Rules at least once in each calendar year and makes such modifications to the Access Rules as may be requisite for the purpose of ensuring that the Access Rules better achieve the relevant Access Rules objectives.
4. Standard Licence Condition 11A, paragraph 10, requires the Licensee to take all reasonable steps to ensure that all persons, including those in Member States that may have a direct interest in the Access Rules, are consulted and allowed a period of not less than 28 days within which to make written representations. The Licensee must also furnish to the Authority a report setting out certain information, including the terms originally proposed for the modification, the representations, if any, made by interested persons and any change in the terms of the modification intended as a consequence of such representations.
5. In accordance with Standard Licence Condition 11A, paragraph 10, on 1 October 2024 the Licensee furnished the Authority with a report setting out the Licensee's proposed modifications to the Access Rules (the "modified Access Rules").
6. After careful consideration of the report and the responses to the public consultation and after consulting and closely cooperating with CRE, France's regulatory authority, the Authority

has decided that the Licensee’s proposed modified Access Rules meet the relevant Access Rules objectives for the reasons set out in the letter accompanying this Direction.

7. Standard Licence Condition 11A, paragraph 14 requires that the licensee publish the Access Rules as soon as practicable after the Access Rules have been approved by the Authority, and at least 28 Days before the rules come into effect. .
8. The Authority therefore hereby directs that:
  - a) pursuant to paragraph 13 of Standard Licence Condition 11A of the Licence, the Licensee’s modified Access Rules are approved; and
  - b) pursuant to paragraph 14 of Standard Licence Condition 11A of the Licence, the modified Access Rules shall be published by the Licensee on its website as soon as practicable after the date of this approval, and at least 28 days prior to coming into effect.
9. This Direction shall take effect immediately and shall remain in effect until such time as the Authority may revoke or vary the Direction in writing upon reasonable notice.
10. This Direction constitutes notice of the Authority's reasons for the decision pursuant to section 49A of the Act. Copies of the documents mentioned in this Direction can be found on the Ofgem website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)).

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Mo Rahee

**Head of Electricity Interconnector Market Arrangements, Energy Systems Management & Security**

**Signed on behalf of the Authority and authorised for that purpose by the Authority on 6 December 2024.**