



# Brexit Webinar

10 November 2020



# Overview

## Communication from European Commission

### C. Energy

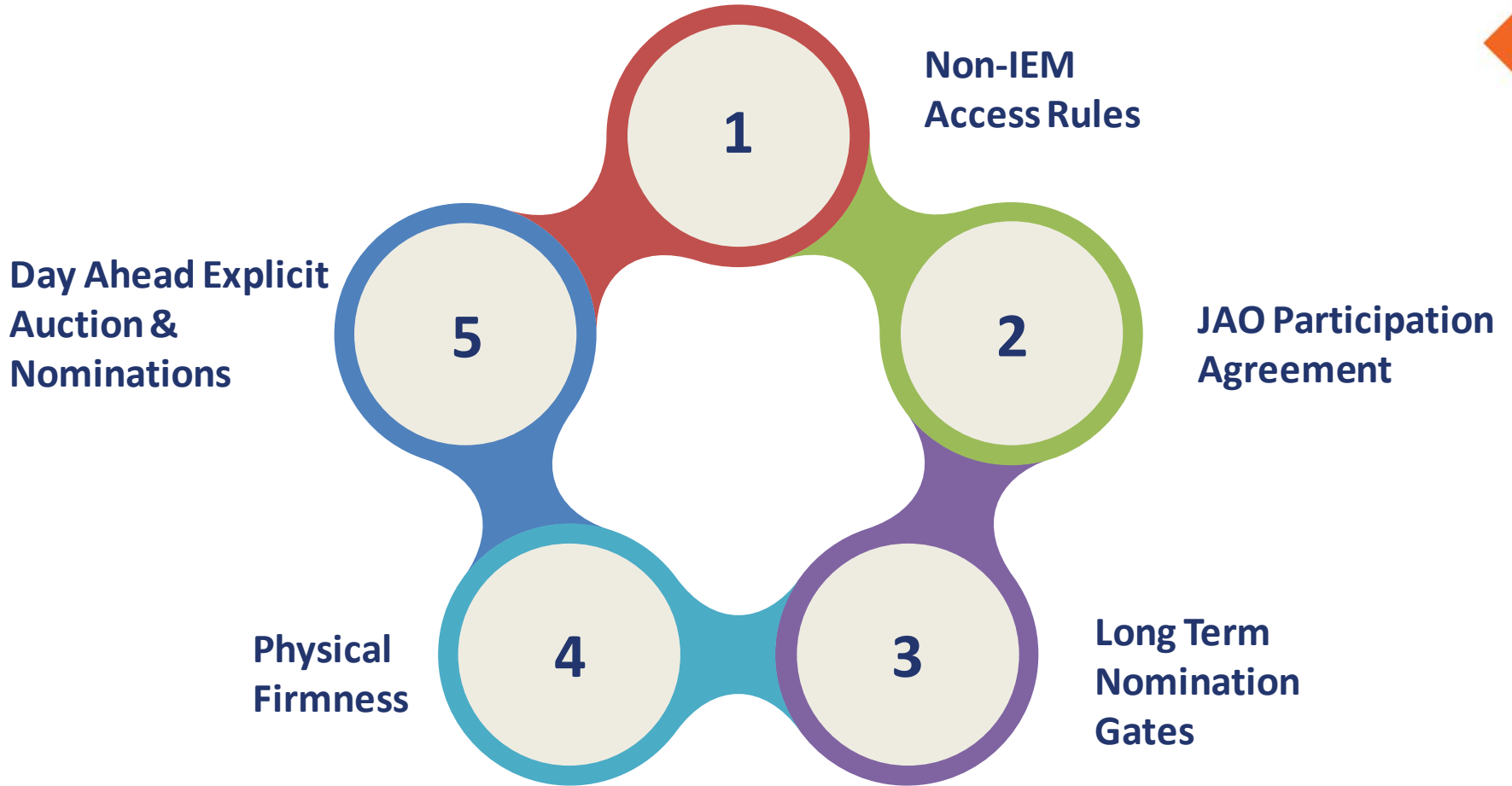
During the transition period, the United Kingdom takes part in the integrated Union energy market. Therefore, EU-UK trading of energy products via electricity and gas interconnectors is currently managed through dedicated Union platforms.

As of 1 January 2021, although electricity and gas interconnectors can of course still be used, the United Kingdom will no longer participate in the Union's dedicated platforms. Alternative fall-back solutions will be used instead to trade electricity on interconnectors with Great Britain. These should allow electricity trade to continue, although not with the same level of efficiency as within the Single Market today.

[https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/com\\_2020\\_324\\_2\\_communication\\_from\\_commission\\_to\\_inst\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/com_2020_324_2_communication_from_commission_to_inst_en_0.pdf)



# Key Changes

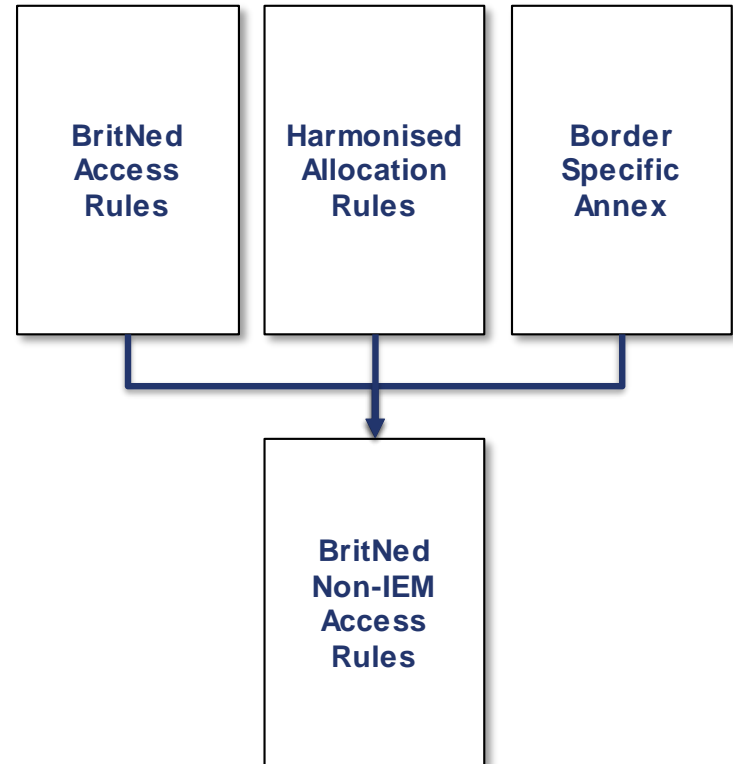


# Key Changes

## Non-IEM Access Rules

### New Non-IEM Access Rules apply

- Completely revised set of rules which combine 3 documents
- Currently with NRAs for approval
- These will apply to delivery day 01 January 2021
- Contain all the applicable rules for Long Term, Day Ahead and Intraday
- JAO Participation Agreement will refer to these rules for Long Term and Day Ahead
- Submitted version available on the *Brexit* website under *Access Rules Changes*



# Key Changes

## JAO Participation Agreement

### Participation Agreement Amendment



- The existing JAO Participation Agreement will need amending
- This will cover Long Term and Day Ahead Explicit auctions contained within the revised Non-IEM Access Rules
- The amendment process is being facilitate by JAO
- Revised agreement expecting to be published w/c 30 November 2020
- The revised agreement will be need to be signed no later than 28 December 2020

### Credit

- The Day Ahead explicit auction will need to be covered by credit lodged with JAO



# Key Changes

## Long Term Nomination Gates

### Entire Long Term nomination gate moved 1 hour earlier:

- Open: D-2 @ 15:30 CET (was D-2 16:30 CET)
- Close: D-1 @ 08:30 CET (was D-1 09:30 CET)

### New times will apply the first time for long term capacity delivery on 01 January 2021:

- Open: 30 Dec 20 @ 15:30 CET
- Close: 31 Dec 20 @ 08:30 CET

### Use it or Sell It (UIOSI)

- Any Long Term capacity that is not nominated at D-1 08:30 CET will automatically be offered into the upcoming Day Ahead Explicit auction
- Remuneration for any allocated capacity will be equal to Day Ahead Explicit auction clearing price for the respective hour and direction not the Day Ahead Market Spread



# Key Changes

## Day Ahead Explicit Auction & Nomination Gates

### **BritNed will stop offering capacity in Day Ahead Implicit auction**

- This auction is currently facilitate by EPEX Spot
- The final implicit auction that BritNed will participate in:
  - Auction: 30 December 2020
  - Delivery: 31 December 2020



### **New Day Ahead Explicit auction will be launched**

- Replaces Day Ahead Implicit auction
- Hosted by Joint Allocation Office (JAO) on their eCAT platform
- Nominations will take place on Regional Nomination Platform (RNP)



# Key Changes

## Day Ahead Explicit Auction & Nomination Gates

### Summary of new timings for Day Ahead

Activity	Time (CET)	Platform
Auction specification published	No later than 08:40	eCAT
Auction Opens	08:50	eCAT
Auction Closes	09:10	eCAT
Provisional results published	09:15	eCAT
Final results published	09:45	eCAT
Notification of Transmission Rights	No later than 10:30	RNP
Nomination Gate Opens	10:30	RNP
Nomination Gate Closes	13:30	RNP





# Key Changes

## Day Ahead Explicit Auction & Nomination Gates

### eCAT System Testing (16 – 27 November 2020)

- Customers will have the possibility to place their bids and receive results using the eCAT test platform or webservice.
- Details on the testing scenarios will be sent to registered participants by JAO closer to the testing period.
- To register for testing, email [MC.test@jao.eu](mailto:MC.test@jao.eu) by **COB on 11<sup>th</sup> November 2020** with your:
  - Company name,
  - EIC code,
  - EIC name; and
  - Name of each person(s) who will participate in the test.



# Key Changes

## Day Ahead Explicit Auction & Nomination Gates

### Parallel RNP System Testing (16 – 27 November 2020)

- Facilitated in the RNP Train Environment (<https://rnp-train.unicorn.eu/>) and webservice.
- There is no need to register for this testing but you must have:
  - RNP Train Environment access; and
  - acquired Day Ahead transmission rights in the JAO eCAT testing.
- User Certificates
  - If you have participated in the RNP Train User Certificates testing then you will need to use this certificate again for accessing RNP Train environment.



# Key Changes

## Physical Firmness

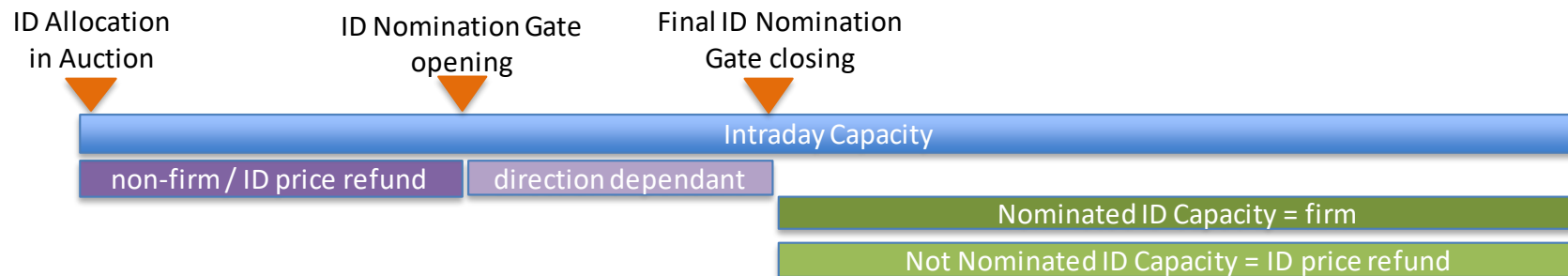
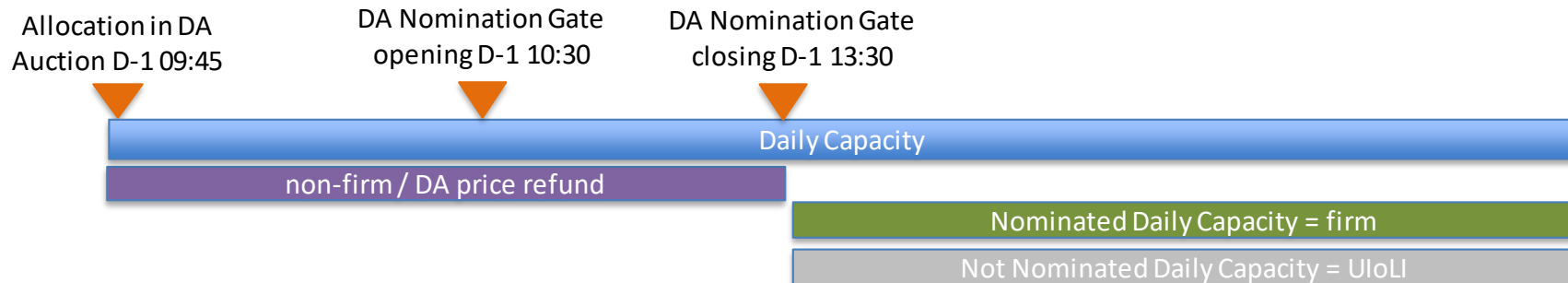
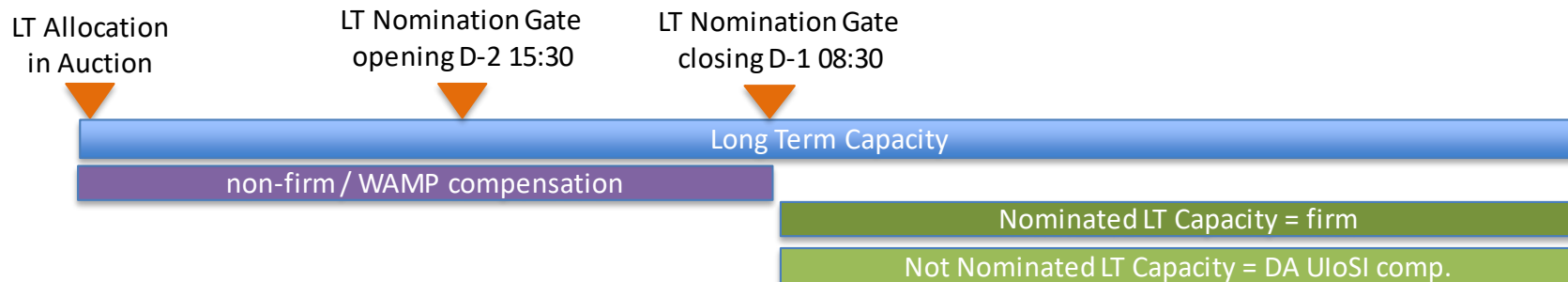
Introduction of full (physical) firmness

- No curtailment after final nomination gate closure

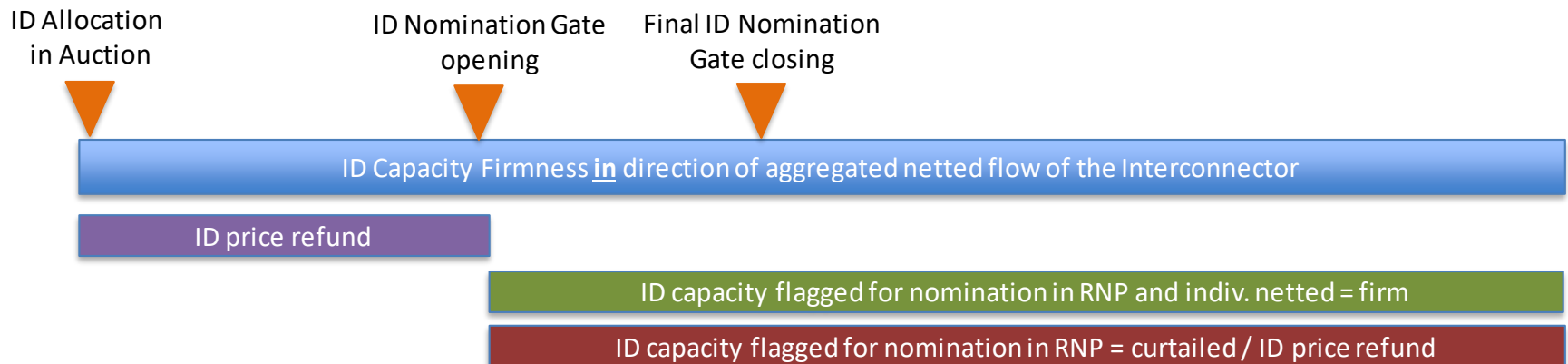
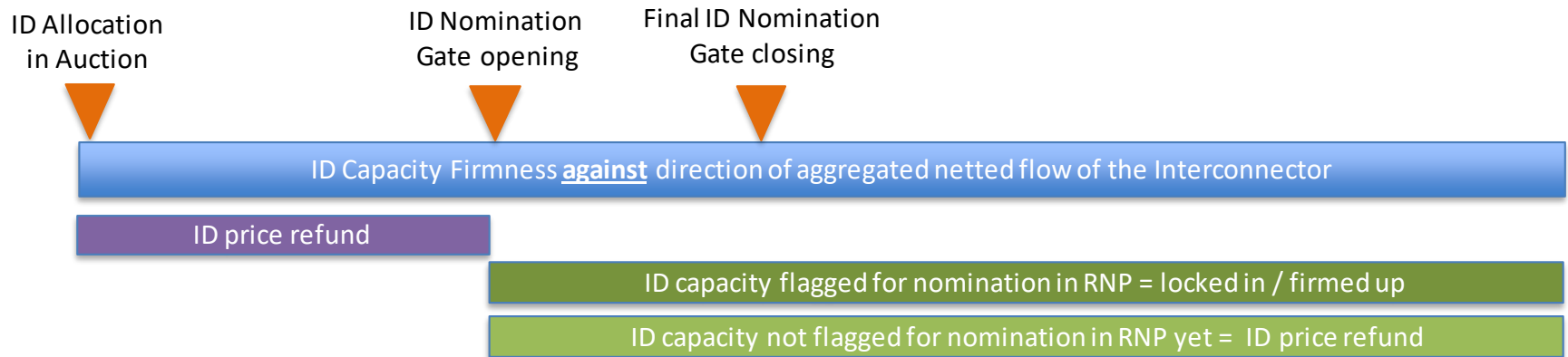
Timescale	Transmission Rights	Nominations
Long Term Explicit	Possible to curtail prior to 08:30 CET D-1	Firm after LT Nomination GC at 08:30 CET D-1
Day Ahead Explicit	Possible to curtail prior to 13:30 CET D-1	Firm after DA Nomination GC at 13:30 CET D-1
Intraday Explicit	<p>Possible to curtail if:</p> <ul style="list-style-type: none"><li>- in direction of netted flow of the Interconnector and;</li><li>- not individually netted on participant level.</li></ul> <p>All other ID TRs will be hold firm on level of the already into RNP entered value for the curtailment period</p>	Firm after final ID Nomination GC for respective hour (70min prior to delivery)



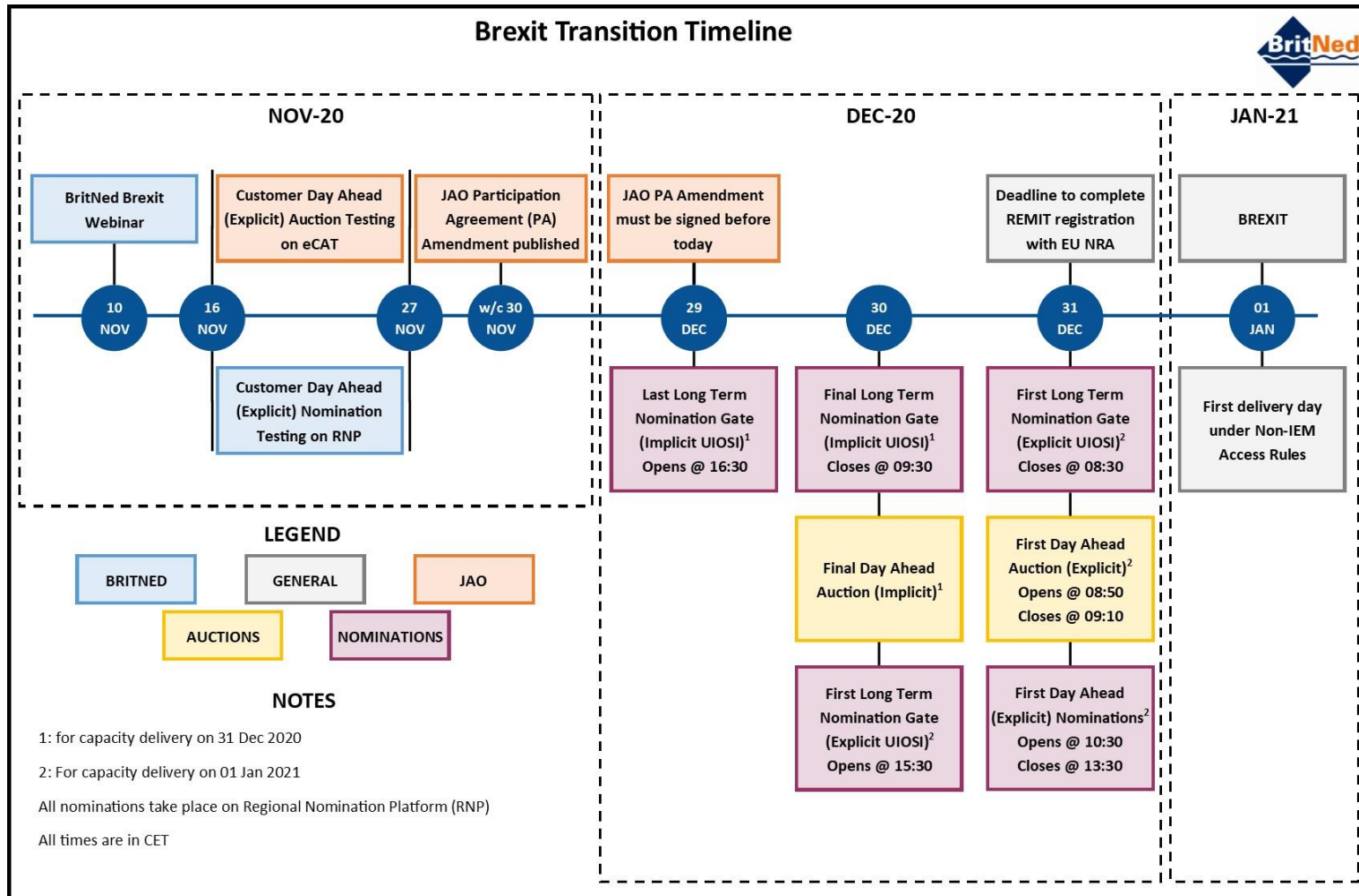
# Firmness | Driven by Gate Closure



# ID Firmness | Prior to Gate Closure



# Brexit Timeline



# Brexit Timeline

LEGEND	ACTIVITY	DATE	TIME (CET)	NOTES
BRITNED	Brexit Webinar	10 Nov 2020	14:00	One hour webinar to run through Brexit overview and answer customer questions
JAO	Customer testing for Day Ahead Explicit on eCAT starts	16 Nov 2020	09:00	Customers must register with JAO to participate Linked to RNP testing
BRITNED	Customer testing for Day Ahead Explicit on RNP starts	16 Nov 2020	09:00	Facilitated by the RNP Helpdesk
JAO	Customer testing for Day Ahead Explicit on eCAT ends	27 Nov 2020	17:00	Customers must register with JAO to participate Linked to RNP testing
BRITNED	Customer testing for Day Ahead Explicit on RNP ends	27 Nov 2020	17:00	Facilitated by the RNP Helpdesk Linked to eCAT testing
JAO	JAO Participation Agreement Amendment published	w/c 30 Nov 2020		Applies to Long Term and Day Ahead Explicit auctions
JAO	Deadline to sign JAO Participation Agreement Amendment	28 Dec 2020	17:00	

Full table available on BritNed website under *Brexit*



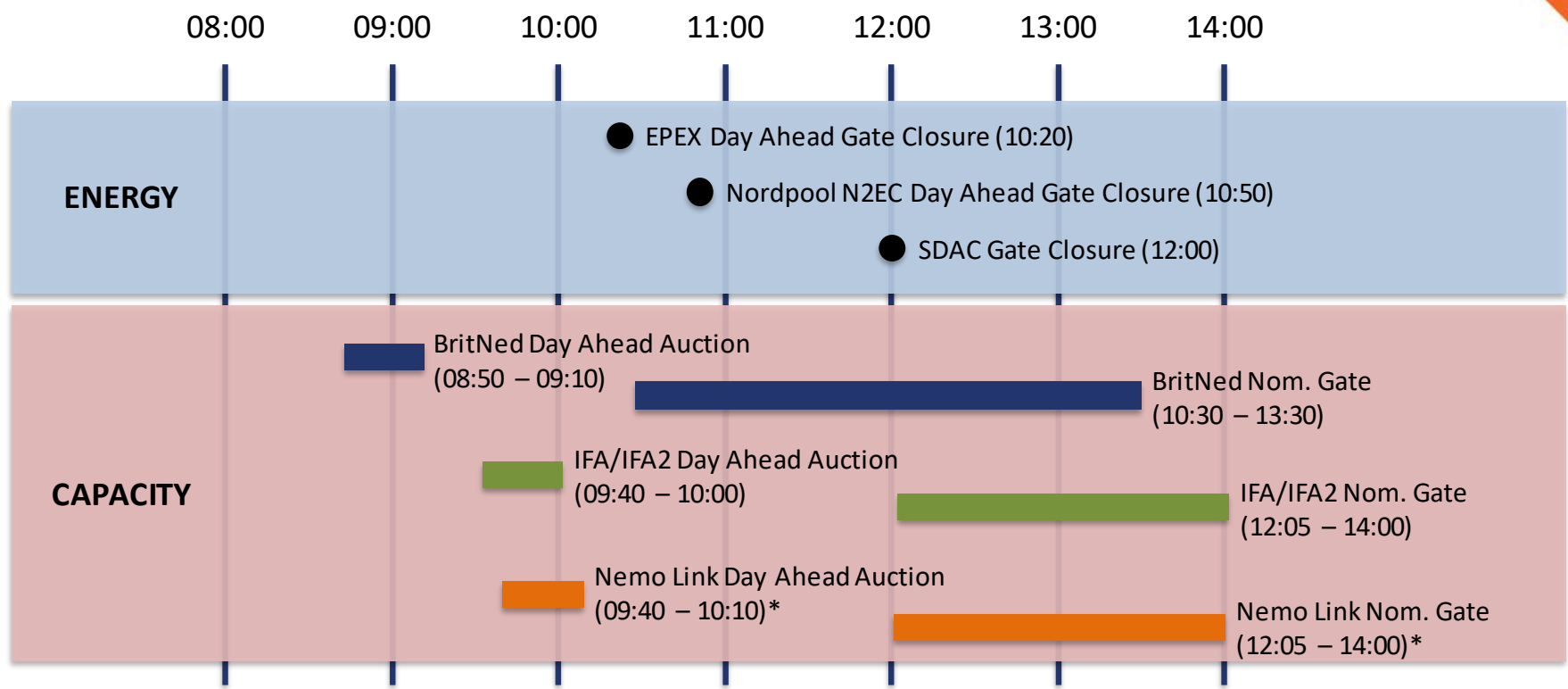
# Questions

- Does BritNed have an overview of GB Day Ahead Auctions?
- How will VAT be applied post Brexit?
- What declarations will need to be made for customs?
- Does capacity bought for 2021 need to be resold and bought again under the new rules?
- What do I need to do if I want to resell my Long Term capacity into the Day Ahead Explicit?
- Is BritNed looking at offering capacity into any GB Day Ahead auction?
- Can you explain all the timings for Long Term nominations, the Day Ahead Auction and Day Ahead nominations?





# Does BritNed have an overview of GB Day Ahead Auctions?



All times in CET

\*The Nemo Link times are currently being consulted upon and may change



# How will VAT be applied post Brexit?

## Long Term & Day Ahead

JAO does not charge Market Parties who are not registered in Luxembourg with VAT. It is the responsibility of each Market Party to declare the invoices to their local revenue authority and pay the VAT at the country of their registration under the reverse charge procedure. This information is in the footer of each JAO invoice. Further questions should be directed to JAO.

## Intraday

This is how BritNed will be treating VAT for Intraday invoices:

	GB to NL Flow	NL to GB Flow
UK VAT Return	No change VAT remains at 20%	UK customers need to register invoices under non-EC transactions instead of EC transactions VAT remains at 0%
NL VAT Return	EU customers need to register invoices under non-EC transactions instead of EC transactions VAT remains at 0%	No change VAT remains at 21%

This our view but we are not tax experts please consult with the HMRC or a tax expert for your specific circumstances



# What declarations will need to be made for customs?

- Our assumption is that we as BritNed will make the declaration for our customers, the specific details of which is still to be determined and we are working with our respective finance teams and tax authorities in the UK and NL to agree the details. Under the WTO arrangement it is determined that there is not tax on energy
- UK guidance:
  - Annex F – Energy, page 252 covers this point with BritNed as the Fixed Transport Installation (FTI) to make these declarations.
  - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/925140/BordersOpModel.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925140/BordersOpModel.pdf)
- Any further details will be posted on our website under the Brexit section

This is our view but we are not customs experts please consult with the HMRC or a customs expert for your specific circumstances



# Questions

**Does capacity bought for 2021 need to be resold and bought again under the new rules?**

- No, the Non-IEM Access Rules will automatically replace the existing Access Rules. However, you will need to sign the JAO Participation Agreement Amendment.

**What do I need to do if I want to resell my Long Term capacity into the Day Ahead Explicit?**

- Ensure default nominations are OFF in RNP
- Non-nominated Long Term rights will be automatically offered in Day Ahead Explicit
- Same UIOSI mechanism applies but remuneration will be the Day Ahead Explicit clearing price, not the Day Ahead Market Spread



# Questions

## **Is BritNed looking at offering capacity into any GB Day Ahead auction?**

- No, however we are looking into possibilities to offer a Day Ahead Implicit product again in the future

## **If I hold GBNL and NLGB capacity and have my Long Term default nominations ON for both directions do those nominations net off?**

- Yes they do

## **Can you explain all the timings for Long Term nominations, the Day Ahead Auction and Day Ahead nominations?**

- All timings are covered in the presentation and can be found on the BritNed website under *Brexit*



# Thank you

## **Website**

All Brexit information and slides are available on the BritNed website under new Brexit section:

<https://www.britned.com/brexit>

## **Questions**

Any further questions can be directed to:

[Customer.Enquiries@britned.com](mailto:Customer.Enquiries@britned.com)

