

## **Material Change Summary to BritNed Access Rules**

In order to assist the National Regulatory Authorities in understanding the changes to the current BritNed Access Rules, below are the listed changes and the reasons as to why these have been changed or removed from the previous BritNed Access Rules approved by regulatory authorities in December of 2014.

In the interests of conforming the two sets of rules as far as possible, we are proposing to adopt a number of key terms defined in the HARs for the BritNed Access Rules e.g. Registered Participant in place of Participant, Auction Tool in place of Kingdom, Allocation Platform in place of BritNed, Collateral in place of Credit Cover, Rights Document in place of ICEs. We are also proposing that a number of the 'boilerplate' clauses in the HARs should be imported by cross reference into the Access Rules. Apart from these conforming changes, the predominant changes in the new version of the BritNed Access Rules are in relation to the removal of all the provisions which are specific to long term capacity auctions.

### **Henceforth the following provisions of the BritNed Access Rules are now in the HARs:**

- Rule C2: Medium Term Auctions;
- Rule D3: Secondary Market;
- Rule D6: 'Use-it-or-Sell-It' (UIOSI);
- Rule D9.4/5/7: Curtailment Reconciliation: Provisions for Curtailment Reconciliation of Medium Term Rights and Medium Term Nominations.
- Sch. 4.3.1-4.3.10: 'Medium term business process'.

Other changes to the BritNed Access Rules are in relation to the adoption of the HARs principles. The provisions of the BritNed Access Rules which have been amended for this reason include:

- Rule A2.1/2.2 and A8: 'BritNed Participant Agreement' and Schedule 2 and 3 'BritNed Participation Agreement': Participation requirements are now within the HARs and the BritNed Participant Agreement is to be replaced with the Participation Agreement;
- Rule B1 and B2: 'Invoicing and Payment': In particular Invoicing (B2.1) is to be undertaken on the same basis as described in the HARs;
- Rule B7: Payment Security: The Payment Security is to be undertaken on the same basis as described in the HARs and using the same collateral. There are some consequential changes such as, for example, the deletion of 'Letter of Credit' from Sch.1 as the term is no longer used;
- Rule C1.2: Types of Auctions: Now reflects HARs provisions regarding the details of results that are to be published;
- Rule C1.1 and C2: 'Medium term auctions' interpreted as long term within the HARs terminology are now within HARs, thus Sch. 6 is not used.
- Rule C6.4(d): Allocation: The allocation of capacity where several bids (at the marginal price) cannot be accepted in full for the total requested capacity has been amended to reflect the allocation provisions of the HARs.
- Rule D4: 'Resale': Not used as it relates to Medium Term Auctions. The term has also been deleted from Sch. 1.

