



*Market information: CHANGES regarding the Allocation of Transmission Rights in CWE region with delivery from 1st of January 2016 on*

Dear market participants,

In the context of an early implementation project of the European network code Forward Capacity Allocation, the European TSOs have drafted new harmonized allocation rules for Long-term Transmission Rights (LTRs), namely the European Harmonized Allocation Rules (EU HAR), that will be apply for all Bidding Zone Borders in Europe. These EU HAR will apply, if approved by the relevant National Regulatory Authorities (NRAs), for all Long Term Transmission Rights (LTRs) with a delivery date from the 1st of January 2016 on. These EU HAR rules have reached the final stage before implementation, namely the approval phase of the EU HAR by the NRAs. The currently applicable CASC.EU Harmonized Auction Rules include the allocation rules for the LTR allocation as well as the fall-back for the day-ahead Multi Regional Coupling (MRC). Since this document will be replaced by the EU HAR for the allocation of LTRs, a separate document defining the allocation rules for the fall-back procedure if the MRC cannot take place, namely the Shadow Allocation Rules (SAR), is also being approved at the same time by NRAs. As such the CWE TSOs and the allocation platform allocating the LTRs on their behalf, namely JAO, would like to inform market parties that the approval of the EU HAR, the SAR and related changes in the national regulations (e.g. a change of the Dutch grid code) will introduce the following major changes:

- Market parties that want to participate in auctions of LTRs or shadow auctions for the CWE borders need to deliver a new participation agreement which will be published on the website of the Allocation Platform (i.e. JAO) in two (2) signed copies, together with all duly completed information and documents required by the Allocation Platform at least 7 working days before the respective auctions of TRs take place with delivery from the 1st of January 2016 on and complete the registration process on time/before the Bidding Period closure;

- The approval of the EU HAR by the relevant National Regulatory Authorities (NRAs) implies a product change for the Belgium-French and the Belgium-Dutch border. The LTRs that will be allocated on these Bidding Zone borders with delivery from 1st of January 2016 on will be in the form of Financial Transmission Rights Options (FTR Options) instead of Physical Transmission Rights Use-it-or-sell-it (PTRs UIOSI); As such from the 1st of January 2016 on it will be no longer possible for market parties to nominate LTRs for the Belgium-French and the Belgium-Dutch border.
- Only one LTR auction with a yearly timeframe for the Belgium-Dutch border and the German-Dutch border will take place according to the proposed change of the Dutch grid code, if approved by the relevant NRA. Consequently, the first yearly LTR auctions, currently scheduled for 15 October 2015, will not take place.

Please note that the above mentioned changes are not the only consequences of the approval of the EU HAR and SAR. The CWE TSOs and JAO therefore advice the market participants that wants to acquire Transmission Rights on the CWE Bidding Zone borders to assess the consequences of the approval of the EU HAR and SAR by reviewing the EU HAR, SAR and participation agreement.

For more information about the EU HAR see: <https://www.entsoe.eu/major-projects/network-code-implementation/Harmonisation-of-Allocation-Rules/Pages/default.aspx>

For more information about the SAR see: <http://www.casc.eu/en/News--Events/Events/Market-consultation-on-new-Shadow-Allocation-Rules>