STRICTLY PRIVATE AND CONFIDENTIAL

Réseau de transport d'électricité
Immeuble Window
7C Place du Dôme
92073 Paris La Défense Cedex
France

14 September 2021

Dear Sir/Madam,

RE: ElecLink Limited's response to the public consultation entitled "NID / Consultation complémentaire sur la Convention d'Exploitation définitive"

ElecLink Limited ("ElecLink") welcomes the opportunity to respond to the aforementioned consultation. Please treat our response as strictly private and confidential, not for publication.

We are pleased that RTE has opened a second consultation on the operating agreement applicable for the operational phase as the agreement consulted on during the summer period was incomplete due to the lack of numerous provisions and therefore not fit for purpose.

In addition to the comments provided as part of the first consultation on the enduring operating agreement, we consider that further amendments, which are detailed below, are required.

1. Modification of performance regarding protection system

   1.1 Besides the comment made in our first consultation response on Clause 4.6, we would like to add that the maximum period of time which is requested by RTE to implement such modifications must remain reasonable. It is explicitly stated in the operating agreement for the testing phase but this principle has been removed from this agreement for no reason. We request the use of the same wording in both operating agreements and consider that the term 'reasonable' is required to give more protection to exempted interconnectors.

2. Modification of scheduled flows and frequency

   2.1 RTE can request a modification to scheduled flows and frequency in accordance with Clause 4.7. Although in agreement with such a principle, we think this provision lacks clarity because it is not specified that the requested modification must be compliant with the terms of the connection agreement. As previously highlighted in our response to the first consultation, we request greater certainty and clarity for exempted interconnectors which must be assured that the requirements of the connection agreement will not be amended by the enduring operating agreement. Clarification is thus required in this respect.

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3. Participation in ancillary services

3.1 Clause 4.8 of the operating agreement refers to frequency and voltage ancillary services. It appears that exempted interconnectors are not required to enter into a participation agreement to the voltage ancillary services rules ("*dans le cas où la NID a signé l'Accord de Participation aux Règles Services Système Tension*") but the wording is not sufficiently clear to prevent different interpretations ("*la NID participe au réglage de la tension en mettant à la disposition de RTE les capacités de fourniture et d'absorption de réactif de l'Installation*" and "*les Installations participent au réglage primaire de la tension, dès lors qu'elles sont en service*"). This question of interpretation is emphasised by Clause 4.7 of the operating agreement applicable for the testing phase which states that the exempted interconnector does not have to participate in the ancillary services as long as RTE has not given definitive access to the grid. Furthermore, in the event the exempted interconnector does not wish to sign such a participation agreement, the rights and obligations of the parties should be properly defined in the agreement (e.g. can RTE request a modification to the voltage level of the interconnector if it remains within the ranges specified in the connection agreement?). We request this clause to be clarified accordingly.

3.2 It is not yet certain whether exempted interconnectors can sign the participation agreement mentioned in point 3.1 above because it is our understanding that exempted interconnectors are not included in the scope of the voltage ancillary services rules. Should the rules need to be amended to incorporate exempted interconnectors, the participation agreement will only be entered into following approval of the amended rules (which may occur after the go-live of ElecLink). RTE has not proposed any interim process allowing the participation of ElecLink in such a situation. We request additional information from RTE as we are not part of any discussion on this matter and believe that RTE should make its best efforts to complete this workstream in time for the go-live of ElecLink.

3.3 As to frequency ancillary services, there are no references to a participation agreement or the frequency ancillary services rules. We understand that it is not mandatory for exempted interconnectors to provide such services. However, Clause 4.8.1 states that exempted interconnectors must make their frequency capabilities available to RTE. Due to the lack of clarity, we find it difficult to assess this obligation as well as the impact on the interconnector. Further details are required in the operating agreement.

3.4 Clause 4.8 refers to "paragraph 0" so this reference should be corrected.

4. Voltage drop ("Manque de tension")

4.1 In case of a permanent default, the exempted interconnector must carry out manoeuvres and consignments within 2 hours in accordance with Clause 5.6.2 ("*le délai de réalisation des manœuvres et Consignations des organes de Séparation de l'Installation avec condamnation si besoin doit être inférieur à 2 heures*"). ElecLink can comply with this obligation when it comes to manoeuvres but may need up to 4 hours for consignments in specific situations as the converter station is unmanned. We would like to stress that this period of time is 4 hours for both manoeuvres and consignments in the operating agreement for the testing phase entered into between RTE and ElecLink in December 2019. Hence, we request this clause to be amended accordingly or to give some flexibility to exempted interconnectors

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(e.g. by providing the possibility to indicate the required period of time in the specific conditions). The situation presents a significant risk for ElecLink which cannot agree to sign this type of bilateral agreement if it is exposed to such risks of non-compliance.

4.2 The amendment to the operating agreement for the testing phase was consulted on during the summer period. We have just noticed that the period of time mentioned in point 4.1 above has been reduced to 2 hours without any indication from RTE (with no track change). This is an unacceptable behaviour from RTE, especially as this timing issue was raised by ElecLink as part of the discussions on the enduring operating agreement before the launch of the public consultation on the operating agreement for the testing phase. ElecLink demands the reinstatement of the 4-hour period in the operating agreement for the testing phase.

5. Loss of remote information ("Perte des téléinformations")

5.1 Clause 5.6.7 sets out the principles and processes applicable in case of a loss of remote information. We agree with such a clause but consider that it should be reciprocal (as in the operating agreement for the testing phase). The same wording should be included in both operating agreements and as such, we request an amendment to this clause.

6. Contract amendment

6.1 The enduring operating agreement can be amended in accordance with Clause 7.3. Any amendment is subject to consultation through the French Power Transmission System Users' Committee ("Comité des Clients Utilisateurs du Réseau de Transport de l'Electricité"). The parties will then amend the operating agreement where appropriate (defined as the general case in the agreement). We request this part of the clause to be further developed and detailed as it is unclear whether both parties must accept the amendment or whether RTE can amend the agreement without the consent of the exempted interconnector following the consultation process. ElecLink strongly believes that any amendment made to the operating agreement must be agreed by both parties (particularly given that it is a bilateral agreement which is not approved by the regulator) and must not significantly affect or adversely modify the rights and obligations of the parties. The current wording of clause 7.3 demonstrates a lack of balance between the rights and obligations of the parties and requires a substantial amendment.

7. Contract termination

7.1 As set out in Clause 7.4.2, in the event of a breach of a material obligation each party can suspend or terminate the agreement 15 days after formal notice has been served without effect. This 15-day period can be reduced depending on the nature of the breach. We recognise such a principle and agree with it. However, the period of time during which the breach can be remedied must remain reasonable in order to protect both parties. This principle is already included in the operating agreement for the testing period and we consider that the same wording should be used in both operating agreements.

7.2 The wording at the end of Clause 7.4.2 regarding CoRDiS and disputes is not consistent with the rest of the clause. It seems that two different paragraphs have been combined

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into one. We therefore request an amendment to this clause and believe that the wording discussed within the working group remains appropriate.

8. Dispute resolution & entire agreement clauses

8.1 The enduring operating agreement does not include a dispute resolution clause although such a clause was discussed between RTE and exempted interconnectors as part of the working group. We think that the dispute resolution clause has been deleted inadvertently by RTE and request its reinstatement.

8.2 As there is no entire agreement clause in the enduring operating agreement, it is not clear that the agreement constitutes the whole agreement between the parties. We believe that such a clause should be added to ensure contractual certainty.

We are happy to engage with RTE in order to clarify or elaborate on any of the points raised as may be required. If you have any queries regarding this response, please contact the ElecLink Regulation Team – regulation@eleclink.co.uk.

Yours sincerely,



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