

# Energy UK response to the North Sea Link Access Rules and Charging Methodology consultation.

01 December 2020

## About Energy UK

Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

We represent the diverse nature of the UK's energy industry with our members delivering over 80% of both the UK's power generation and energy supply for the 28 million UK homes as well as businesses.

The energy industry invests £13bn annually, delivers £31bn in gross value added on top of the £95bn in economic activity through its supply chain and interaction with other sectors, and supports 738,000 jobs in every corner of the country.

## Response

Energy UK welcomes the opportunity to respond to the North Sea Link (NSL) Access Rules and Charging Methodology consultation.

Energy UK supports the principle of non-discriminatory access on interconnector capacity as described in the standard interconnector licence conditions.

Energy UK is concerned that the NSL access rules restrict capacity allocation to day ahead only. We question why long-term and intraday capacity allocation has been omitted. Not all market participants trade only on the day ahead market and therefore withholding the majority of capacity allocation routes restricts the full benefit of the NSL which could be realised by GB industry and, ultimately, the end consumer.

Long-term capacity allocation will allow market participants the ability to hedge further ahead and will increase market liquidity. Intraday capacity allocation will ease the ever-increasing need to manage intermittent technologies and contribute to GB flexibility.

Indeed, both long-term and intraday capacity allocation is prescribed in the access rules of GB interconnectors to Ireland and the NSL has not stated why only day ahead capacity should be allocated. For the true value of an interconnector to be realised, customers must be able to access all capacity allocation routes.

Should you wish to discuss any aspect of the response, please do get in touch.

Kind regards,

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