



Kristian Marr
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Monday, December 29th 2020
NEMO-NLL-RE-LTR-1020

Dear Kristian,

**Response to Ofgem Consultation on Preparing for the end of the transition period:
licence changes**

Nemo Link welcomes the opportunity to comment on this consultation. Nemo Link has no objections to the proposed changes to the Interconnector Licence Conditions both in this latest consultation and to the one dated 14th January 2019. However, there is one significant area over which Nemo Link would welcome further clarification.

The main concern surrounds retained references to remain “compliant with the Regulation” in Condition 10, paragraph 4 and Condition 11A paragraph 4.

Condition 10 Paragraph 4	The charges and the application of the underlying charging methodology shall be objective, transparent, non-discriminatory and compliant with the Regulation and any relevant legally binding decision of the European Commission and/or the Agency (collectively, the ‘relevant charging methodology objectives’).
Condition 11A, Paragraph 4	The Access Rules shall be transparent, objective, non-discriminatory and compliant with the Regulation and any relevant legally binding decision of the European Commission and/or Agency (collectively ‘the relevant access rules objectives’).

These paragraphs are very important since they define the objectives of the Charging Methodology and Access Rules. It is Nemo Link’s understanding that the Regulation, including CACM and FCA, fall away after the Transition Period. Although we start from a position of alignment, it is possible areas of divergence will emerge relatively quickly and therefore Nemo Link wants to avoid the conflicted situation where it is bound by Licence to a Regulation that will no longer be legally binding in the UK.

If there are good legal arguments for the deliberate retention of this clause in the Interconnector Licence, Nemo Link would welcome guidance over how interconnectors should manage this provision going forward.

Yours sincerely,

Nick Pittarello
Customer, Policy and Regulation Manager
Nemo Link Limited