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The text is now being made public.

Title: DRAFT WORKING TEXT FOR AN AGREEMENT ON ENERGY BETWEEN THE UNITED KINGDOM AND THE EUROPEAN UNION

Disclaimer:

The UK proposes the following legal text to form the basis for discussions with the EU on an agreement on energy. In putting forward this proposal, the UK reserves the right to amend, supplement or withdraw proposals in the light of negotiations and the proposals put forward by the Commission. The general and final provisions in this text, including appropriate exemptions may require further adjustment or amendment in light of the negotiations.

The UK proposal has taken account of relevant international precedents, including the EU's own agreements with other major economies in developing these texts.

The UK recalls that it acts in these negotiations on behalf of all the territories for whose international relations it is responsible and in negotiating this draft agreement the UK Government will seek outcomes which support the territories' security and economic interests, reflecting their unique characteristics. The UK reserves its position on the application of these principles to the draft text.

This draft is being shared by the UK negotiating team with the Task Force for Relations with the United Kingdom as a draft negotiating document. As agreed in the Terms of Reference, the receiving party should not share this material outside of negotiating teams without the consent of the sending party.

AGREEMENT ON ENERGY BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE EUROPEAN UNION

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (“THE UNITED KINGDOM”),

of the one part, and

THE EUROPEAN UNION (“THE UNION”),

of the other part,

(hereinafter referred to as “the Parties” and each a “Party”);

[PLACEHOLDER: RECITALS]

HAVE AGREED as follows:

CHAPTER 1

OBJECTIVES

ARTICLE 1

Objectives

The objectives of this Agreement are to recognise the Parties' respective commitments to combating climate change, to establish the bases on which the Parties shall trade natural gas, electricity and electricity interconnector capacity, to cooperate on trade in energy and to link their Emissions Trading Systems.

CHAPTER 2

CLIMATE CHANGE

SECTION 1

GENERAL PROVISIONS

ARTICLE 2

Fight against Climate Change

1. The Parties recognise the importance of achieving the ultimate objective of the United Nations Framework Convention on Climate Change done at New York on 9 May 1992 (hereinafter referred to as the "UNFCCC") and the Paris Agreement done at Paris on 12 December 2015 (hereinafter referred to as the "Paris Agreement") in order to address the urgent threat of climate change and commit to working together to take actions to address climate change.
2. The Parties each affirm their commitment to effectively implement the Paris Agreement with the aim of strengthening the global response to climate change and holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
3. Each Party retains the right to establish its own climate change priorities, and to adopt or modify its laws and policies accordingly in a manner consistent with international climate change agreements to which it is a party and with this Agreement. Each Party shall seek to ensure that those laws and policies provide for and encourage high levels of climate protection, and shall strive to continue to improve such laws and policies and their underlying levels of protection.
4. The Parties shall, consistent with their international obligations, pay special attention to facilitating the removal of obstacles to trade or investment in goods and services of particular relevance for climate change mitigation and in particular trade or investment in renewable energy goods and related services.

5. The Parties recognise that enhanced cooperation is an important element to advance the objectives of this Agreement, and shall cooperate on issues of common interest, in areas such as:
 - (a) trade and climate policies, rules and measures contributing to the purpose and goals of the Paris Agreement and the transition to low greenhouse gas emissions and climate-resilient development;
 - (b) trade related aspects of the current and future international climate change regime, as well as domestic climate policies and programmes relating to mitigation and adaptation, including issues relating to carbon markets, ways to address the adverse effects of trade on climate as well as means to promote energy efficiency and the development and deployment of low carbon and other climate friendly technologies; and
 - (c) trade and investment in renewable energy and energy efficiency goods and services.
6. Recognising the specific decarbonisation challenges they face, the Parties shall cooperate to facilitate:
 - (a) the cost-effective deployment of renewable energy, including offshore energy and in particular offshore wind generation and interconnection in the North seas; and
 - (b) the decarbonisation of gas, including through exploring the further integration of the gas and electricity sectors, the development of hydrogen networks and the development of carbon capture, utilisation and storage, with a focus on the North Sea.
7. The Parties shall encourage cooperation between their respective regulatory authorities, TSOs and other competent authorities on the matters referred to in subparagraphs (a) and (b) of paragraph 6, including information exchange, sharing of expertise and other such measures.
8. For the purpose of paragraph 7, “TSOs” has the meaning given in Article 7 of Chapter 3 of this Agreement.

SECTION 2

INSTITUTIONAL PROVISIONS

ARTICLE 3

Consultative Mechanisms

1. Each Party shall make use of existing, or establish new, consultative mechanisms, such as domestic advisory groups, to seek views and advice on issues relating to this Chapter. These consultative mechanisms shall comprise independent representative organisations of civil society in a balanced representation of relevant interests, as well as other relevant stakeholders as appropriate. Through such consultative mechanisms, stakeholders may submit opinions and make recommendations on any matter related to this Chapter on their own initiative.
2. The Parties shall facilitate a joint Civil Society Forum composed of representatives of civil society organisations established in their territories, including participants in the

consultative mechanisms referred to in paragraph 1, in order to conduct a dialogue on matters related to Article 2.

3. The Civil Society Forum shall be convened once a year unless otherwise agreed by the Parties. The Parties shall promote a balanced representation of relevant interests, as well as other relevant civil society organisations as appropriate. The Parties may also facilitate participation by virtual means.

ARTICLE 4

Consultations

1. A Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The Party shall present the matter clearly in the request, identify the questions at issue, and provide a brief summary of any claims under this Chapter. Consultations must commence promptly after a Party delivers a request for consultations.
2. During consultations, each Party shall provide the other Party with sufficient information in its possession to allow a full examination of the matters raised, subject to its law regarding the protection of confidential or proprietary information.
3. If relevant, and if both Parties consent, the Parties shall seek the information or views of any person, organisation, or body, including the relevant international organisation or body, that may contribute to the examination of the matter at issue.
4. If a Party considers that further discussion of the matter is required, that Party may request that the Energy Cooperation Group be convened to consider the matter by delivering a written request to the contact point of the other Party. The Energy Cooperation Group shall convene promptly and endeavour to resolve the matter. If appropriate, it shall seek the advice of the Parties' civil society organisations through the consultative mechanisms referred to in Article 3.1.
5. Each Party shall make publicly available any solution or decision on a matter discussed under this Chapter.

ARTICLE 5

Panel of Experts

1. For any matter that is not satisfactorily addressed through consultations under Article 4, a Party may, 90 days after the receipt of the request for consultations under Article 4, request that a Panel of Experts be convened to examine that matter, by delivering a written request to the contact point of the other Party.
2. Subject to the provisions of this Chapter, the Parties shall apply the Rules of Procedure and Code of Conduct set out in Annexes 5 and 6 respectively, unless the Parties decide otherwise.
3. The Panel of Experts shall be composed of three panellists.
4. The Parties shall consult with a view to reaching an agreement on the composition of the Panel of Experts within 10 working days of the receipt by the responding Party of a request

for the establishment of a Panel of Experts. Due attention shall be paid to ensuring that proposed panellists meet the requirements set out in paragraph 10 and have the expertise appropriate to the particular matter.

5. If the Parties do not reach an agreement on the composition of the Panel of Experts within the time period provided for in paragraph 4, each Party shall appoint a Panel member from the sub-list for that Party established pursuant to paragraph 9 no later than five days after the expiry of the time period provided for in paragraph 4. If a Party fails to appoint a Panel member within that time period, the co-chair of the Energy Cooperation Group from the requesting Party shall select by lot, no later than five days after the expiry of the time period, a Panel member from the sub-list for the Party that has failed to appoint a Panel member established pursuant to paragraph 9. The co-chair of the Energy Cooperation Group from the requesting Party may delegate the selection by lot of the Panel member to his or her representative.
6. If the Parties do not reach an agreement on the chairperson of the Panel of Experts within the time period provided for in paragraph 4, on request of a Party, the co-chair of the Energy Cooperation Group from the requesting Party shall select by lot, no later than five days after the date of delivery of the request, the chairperson of the Panel of Experts from the sub-list of chairpersons established pursuant to paragraph 9. That request shall be notified simultaneously to the other Party. The co-chair of the Energy Cooperation Group from the requesting Party may delegate the selection by lot of the chairperson of the Panel of Experts to his or her representative.
7. Should the lists provided for in paragraph 9 not be established or not contain at least nine individuals as referred to in that paragraph, the following procedures apply:
 - (a) for the selection of the chairperson:
 - (i) if the sub-list of chairpersons contains at least two individuals agreed by the Parties, the co-chair of the Energy Cooperation Group from the requesting Party shall select by lot the chairperson from those individuals no later than five days after the date of delivery of the request referred to in paragraph 6;
 - (ii) if the sub-list of chairpersons contains one individual agreed by the Parties, that individual shall act as chairperson; or
 - (iii) if the Parties fail to select a chairperson pursuant to subparagraph (i) or (ii) or if the sub-list of chairpersons contains no individual agreed by the Parties, the co-chair of the Energy Cooperation Group from the requesting Party shall, no later than five days after the date of delivery of the request referred to in paragraph 6, select by lot the chairperson from the individuals who had been formally proposed by a Party as chairperson at the time of establishing or updating the list of Panel members referred to in paragraph 9. A Party may propose a new individual, if an individual who had been formally proposed as chairperson by that Party is no longer available; and
 - (b) for the selection of a Panel member other than the chairperson:
 - (i) if the sub-list of a Party contains at least two individuals agreed by the Parties, that Party shall select a Panel member from those individuals no later than five days after the expiry of the time period provided in paragraph 4;
 - (ii) if the sub-list of a Party contains one individual agreed by the Parties, that individual shall act as a Panel member; or

- (iii) if a Panel member cannot be selected pursuant to subparagraph (i) or (ii) or if the sub-list of Panel members of a Party contains no individual agreed by the Parties, the co-chair of the Energy Cooperation Group from the requesting Party shall select a Panel member applying *mutatis mutandis* the procedure referred to in subparagraph (a).
8. The date of establishment of the Panel of Experts shall be the date on which the last of the three Panel members has notified the Parties of the acceptance of his or her appointment.
9. The Energy Cooperation Group shall, at its first meeting after the entry into force of this Agreement, establish a list of at least nine individuals chosen for their objectivity, reliability, and sound judgement, who are willing and able to serve as panellists. Each Party shall name at least three individuals to the list to serve as panellists. The Parties shall also name at least three individuals who are not nationals of either Party and who are willing and able to serve as chairperson of a Panel of Experts. The Energy Cooperation Group shall ensure that the list is always maintained at this level.
10. The experts proposed as panellists must have specialised knowledge or expertise in climate change law, issues addressed in this Chapter, or in the resolution of disputes arising under international agreements. They must be independent, serve in their individual capacities and not take instructions from any organisation or government with regard to the matter in issue. They must not be affiliated with the governments of the United Kingdom or the Member States or institutions of the Union, and must comply with the Code of Conduct referred to in paragraph 2.
11. Unless the Parties otherwise decide, within five working days of the date of the selection of the panellists, the terms of reference of the Panel of Experts are as follows:
- “to examine, in the light of relevant provisions of Chapter 2 of this Agreement, the matter referred to in the request for the establishment of the Panel of Experts, and to deliver a report in accordance with Article 5.13 of this Agreement, that makes recommendations for the resolution of the matter”.*
12. In respect of matters which are related to the UNFCCC and the Paris Agreement, the Panel of Experts should seek views and information from relevant constituted bodies under these agreements, including any pertinent available interpretative guidance, findings, or decisions adopted by those bodies.
13. The Panel of Experts shall issue to the Parties an interim report and a final report setting out the findings of fact, its determinations on the matter, including as to whether the responding Party has conformed with its obligations under this Chapter and the rationale behind any findings, determinations and recommendations that it makes. The Panel of Experts shall deliver to the Parties the interim report within 120 days after the last panellist is selected, or as otherwise decided by the Parties. The Parties may provide comments to the Panel of Experts on the interim report within 45 days of its delivery. After considering these comments, the Panel of Experts may reconsider its report or carry out any further examination that it considers appropriate. The Panel of Experts shall deliver the final report to the Parties within 60 days of the submission of the interim report. Each Party shall make the final report publicly available within 30 days of its delivery.
14. If the final report of the Panel of Experts determines that a Party has not conformed with its obligations under this Chapter, the Parties shall engage in discussions and shall endeavour, within three months of the delivery of the final report, to identify appropriate

measures or, if appropriate, decide upon a mutually satisfactory action plan. In these discussions, the Parties shall take into account the final report. The responding Party shall inform, in a timely manner, its civil society organisations, through the consultative mechanisms referred to in Article 3.1, and the requesting Party of its decision on any action or measure to be implemented. The Energy Cooperation Group shall monitor the follow-up to the final report and the recommendations of the Panel of Experts. The civil society organisations, through the consultative mechanisms referred to in Article 3.1, and the Civil Society Forum may submit observations to the Energy Cooperation Group in this regard.

15. If the Parties reach a mutually agreed solution to the matter following the establishment of a Panel of Experts, they shall notify the Energy Cooperation Group and the Panel of Experts of that solution. Upon that notification, the panel procedure shall be terminated.

ARTICLE 6

Dispute Resolution

1. For any dispute that arises under this Chapter, the Parties shall only have recourse to the rules and procedures provided for in this Chapter.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of a dispute. At any time, the Parties may have recourse to good offices, conciliation or mediation to resolve that dispute.

CHAPTER 3

ELECTRICITY AND GAS

SECTION 1

GENERAL PROVISIONS

ARTICLE 7

Definitions

Terms used in this Chapter have the meanings given below.

“balancing electricity” means electricity provided by market participants and used by TSOs to ensure the maintenance of system frequency;

“balancing zone” means, in relation to gas, an entry-exit system to which a specific balancing regime is applicable and which may include distribution systems or part of them;

“bidding zone” means, in relation to electricity, the largest geographical area within which market participants are able to exchange energy without the attribution of cross-zonal capacity;

“cross-zonal capacity” means, in relation to electricity, the capability of the interconnected system to accommodate energy transfer between bidding zones;

“day-ahead market timeframe” means, in relation to electricity, the timeframe of the electricity market until the day-ahead market gate closure time, being the point in time until which orders are accepted in the day-ahead market, where, for each market time unit, products are traded the day prior to delivery;

“distribution” means:

- (a) in relation to gas, the transport of natural gas through local or regional pipeline networks with a view to its delivery to wholesale customers, but not including supply;
- (b) in relation to electricity, the transport of electricity on high-voltage, medium-voltage and low-voltage distribution systems with a view to its delivery to wholesale customers, but does not include supply;

“distribution system operator” means, in relation to gas, a natural or legal person who carries out the function of distribution and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of gas;

“electricity interconnector” means a transmission line:

- (a) between the Parties, excluding any such line between Ireland and the United Kingdom in respect of Northern Ireland; or
- (b) between the United Kingdom in respect of Great Britain and the United Kingdom in respect of Northern Ireland;

“energy transport infrastructure” means:

(a) in relation to natural gas:

- (i) a gas interconnector;
- (ii) a transmission line which crosses or spans a border between Member States of the Union for the purpose of connecting the national transmission system of those Member States;
- (iii) a gas transmission network;
- (iv) a gas storage facility;
- (v) an LNG facility;

(b) in relation to electricity:

- (i) an electricity interconnector;
- (ii) a transmission line which crosses or spans a border between Member States of the Union and which connects the national transmission systems of the Member States;
- (iii) an electricity transmission network;

“forward capacity allocation” means, in relation to electricity, the attribution of long-term cross-zonal capacity before the day-ahead market timeframe;

“frequency restoration reserves” means, in relation to electricity, the active power reserves available to restore system frequency to the nominal frequency or to restore power balance;

“gas interconnector” means a transmission line between the Parties;

“interconnected system” means, in relation to electricity, a number of transmission and distribution systems linked together;

“interconnection point” means a physical point connecting an entry-exit system with a gas interconnector, in so far as these points are subject to booking procedures by network users;

“Inter-Transmission System Operator Compensation mechanism” means, in relation to electricity, the mechanism under which TSOs are provided with compensation for the costs of hosting cross-border flows of electricity;

“intraday cross-zonal gate closure time” means, in relation to electricity, the point in time where cross-zonal capacity allocation is no longer permitted for a given market time unit;

“intraday market timeframe” means, in relation to electricity, the timeframe of the electricity market after the day-ahead market timeframe and before intraday cross-zonal gate closure time, where for each market time unit, products are traded prior to delivery;

“linepack” means the storage of gas by compression in gas transmission and distribution systems, but not including facilities reserved for TSOs carrying out their functions;

“LNG facility” means a terminal which is used for the liquefaction of natural gas or the importation, offloading, and re-gasification of liquified natural gas, and includes ancillary services and temporary storage necessary for the re-gasification process and subsequent delivery to the transmission system, but does not include any part of liquified natural gas terminals used for storage;

“natural gas” includes liquified natural gas, biogas and gas from biomass or other types of gas in so far as such gases can technically and safely be injected into, and transported through, a natural gas system;

“natural gas undertaking” means a natural or legal person carrying out at least one of the following functions: production, transmission, distribution, supply, purchase or storage of natural gas, which is responsible for the commercial, technical and/or maintenance tasks related to those functions, but shall not include customers purchasing natural gas for their own use;

“NEMO” or “nominated electricity market operator” means a market operator designated in accordance with Article 17 to carry out tasks related to single day-ahead or single intraday coupling;

“North Seas Countries” means Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom;

“replacement reserves” means, in relation to electricity, the active power reserves available to restore or support the required level of frequency restoration reserves to be prepared for additional system imbalances;

“single day-ahead coupling” means, in relation to electricity, the single auctioning process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the day-ahead market;

“single intraday coupling” means, in relation to electricity, the single continuous process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the intraday market;

“standard capacity product” means a certain amount of transport capacity over a given period of time, at a specific interconnection point;

“storage facility” means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for TSOs in carrying out their functions;

“supply” means, except in relation to Article 13.3:

- (a) in relation to gas, the sale, including resale, of natural gas, including liquified natural gas, to wholesale customers;
- (b) in relation to electricity, the sale, including the resale, of electricity to wholesale customers;

“system” means, in relation to gas, any transmission network, distribution network, LNG facility and/or storage facility owned and/or operated by a natural gas undertaking, including linepack and its facilities supplying ancillary services and those of related undertakings necessary for providing access to transmission, distribution and LNG facilities;

“transmission” means:

- (a) in relation to gas, the transport of natural gas through a network, which mainly contains high-pressure pipelines, other than an upstream pipeline network and other than the part of high-pressure pipelines primarily used in the context of local distribution of natural gas, with a view to its delivery to wholesale customers, but not including supply;
- (b) in relation to electricity, the transport of electricity on the extra high-voltage and high-voltage interconnected system with a view to its delivery to wholesale customers or to distributors, but does not include supply;

“TSOs” or “transmission system operator” means:

- (a) in relation to gas, a natural or legal person who carries out the function of transmission and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of gas;
- (b) in relation to electricity, a natural or legal person who is responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity;

“the United Kingdom and Ireland natural gas treaties” means:

- (a) the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ireland relating to the Transmission of Natural Gas by Pipeline between the United Kingdom of Great Britain and Northern Ireland and the Republic of Ireland done on 30 April 1993; and
- (b) the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland relating to the transmission of natural Gas by a Second Pipeline between Ireland and the United Kingdom of Great Britain and Northern Ireland and through a connection to the Isle of Man done on 24 September 2004;

“upstream pipeline network” means any pipeline or network of pipelines operated and/or constructed as part of an oil or gas production project, or used to convey natural gas from one or more such projects to a processing plant or terminal or final coastal landing terminal;

“wholesale customer” means:

- (a) in relation to gas, a natural or legal person other than a TSO or distribution system operator who purchases natural gas for the purpose of resale inside or outside the system where that person is established;
- (b) in relation to electricity, a natural or legal person who purchases electricity for the purpose of resale inside or outside the system where that person is established.

SECTION 2

COOPERATION AND TRADE IN ENERGY

ARTICLE 8

Exchange of information and enforcement cooperation

1. The Parties recognise the importance of cooperation and coordination between their respective regulatory authorities for effective monitoring of wholesale electricity and natural gas markets and enforcement of abusive trading practices, and to fulfil the objectives of this Agreement through the promotion of the integrity and transparency of wholesale electricity and natural gas markets and the curtailment of insider trading and market manipulation.
2. To this end, a regulatory authority of a Party may inform a regulatory authority of the other Party of its willingness to cooperate with respect to market monitoring and enforcement activity. This cooperation shall not prevent the Parties from taking independent decisions.
3. With a view to facilitating the effective application of their respective laws, the regulatory authorities of the Parties may exchange information including on market monitoring and enforcement activities, within the limits imposed by their respective legislation and taking into account their essential interests.

ARTICLE 9

Market-based prices

The price for wholesale electricity and natural gas shall be market-based.

ARTICLE 10

Third-party access to energy transport infrastructure

1. Each Party shall ensure that TSOs and other operators of energy transport infrastructure in its territory grant non-discriminatory access to the energy transport infrastructure for the transport of natural gas and electricity of any undertaking of the other Party. Access to the energy transport infrastructure shall be granted within a reasonable period of time from the date of the request for access by that undertaking.
2. Notwithstanding paragraph 1 of this Article, a Party may introduce or maintain a limited list of derogations from the right to third party access based on objective criteria provided that they are necessary to fulfil a legitimate policy objective.
3. Each Party shall ensure that undertakings of the other Party are accorded access to and use of energy transport infrastructure for the transport of natural gas and electricity on reasonable and non-discriminatory terms and conditions. Each Party shall ensure publication of the terms, conditions, tariffs and all such information that may be necessary for the effective exercise of the right of access to and use of energy transport infrastructure.
4. This Article shall apply without prejudice to the obligations that apply between the United Kingdom and Ireland under the United Kingdom and Ireland natural gas treaties.

SECTION 3

TRADE IN NATURAL GAS

ARTICLE 11

Gas Balancing and Trading

1. The Parties shall ensure that rules for balancing natural gas transmission networks are transparent, non-discriminatory and reflect genuine system needs, taking into account the resources available to TSOs, and shall provide incentives for network users to balance their inputs and off-takes efficiently.
2. Paragraph 1 shall not apply in emergency situations where the TSO is unable to maintain a supply–demand balance using normal system balancing tools, resulting in a risk to system integrity.
3. The Parties shall ensure that the maximum level of capacity of gas interconnectors, and of gas transmission networks to the extent necessary to maintain such level of capacity of gas interconnectors, is made available, taking into account system integrity and efficient network operation.

4. The Parties shall ensure that capacity allocation mechanisms and congestion management procedures on gas interconnectors are market-based, transparent and non-discriminatory.
5. The Parties shall ensure that TSOs endeavour to jointly offer a standard capacity product on a firm basis which consists of corresponding entry and exit capacity at both sides of an interconnection point.

ARTICLE 12

Technical cooperation and communication on cross-border trade in natural gas

1. Recognising the mutual benefits of trade in natural gas and cooperation in energy system development, the Parties shall endeavour to avoid barriers to cross-border trade in natural gas.
2. The Parties shall cooperate, and ensure that their respective regulatory authorities, TSOs and other competent authorities cooperate on matters related to trade in natural gas and security of supply. Such cooperation shall, in particular, endeavour to avoid restrictions to cross-border trade in natural gas due to technical, operational or data exchange requirements, including gas quality differences.
3. The Parties shall ensure that communication procedures are established which facilitate fast and simultaneous communication between the TSO of any transmission network in the territory of one Party which is connected to a network in the territory of the other Party in the case of any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of natural gas at a given interconnection point, with possible consequences on interactions between the TSOs as well as between the TSOs and network users.
4. The Parties shall endeavour to maximise the use of existing infrastructure and consult or coordinate, as appropriate, with each other on transmission network and gas interconnector development plans and proposed changes to natural gas quality arrangements.

SECTION 4

GENERAL PROVISIONS FOR TRADE IN ELECTRICITY

ARTICLE 13

Cooperation on trade in electricity

1. The Parties shall endeavour to avoid barriers to cross-border trade in electricity.
2. The Parties shall consult or coordinate, as appropriate, with each other on electricity interconnector developments. The Parties shall cooperate, and ensure their respective regulatory authorities, TSOs and other competent authorities cooperate on matters related to cross-border trade in electricity and security of supply.
3. Each Party shall consult the other Party when developing policy regarding demand and supply scenarios, interconnections and energy strategies.

ARTICLE 14

Forward capacity allocation

The Parties shall ensure that forward capacity allocation may take place on electricity interconnectors and that allocation procedures are transparent, market-based and non-discriminatory.

ARTICLE 15

Minimising restrictions on the use of electricity interconnectors

1. The Parties shall ensure that the maximum level of capacity of electricity interconnectors, and of electricity transmission networks to the extent necessary to maintain such level of capacity of electricity interconnectors, is made available consistent with the safety standards of secure network operation.
2. The Parties shall ensure that electricity interconnector capacity may only be curtailed in emergency situations and that any such curtailment should take place in a non-discriminatory manner.
3. The Parties shall ensure the level of electricity interconnector capacity is not limited as a means of solving congestion within a bidding zone or as a means of managing flows resulting from transactions within a bidding zone.

ARTICLE 16

Charges for access to networks

1. The Parties agree that United Kingdom TSOs may participate in the Inter-Transmission System Operator Compensation mechanism.
2. The Parties agree that there shall be no network charges on individual transactions for trade across the electricity interconnectors.

SECTION 5

TECHNICAL PROVISIONS FOR TRADE IN ELECTRICITY

ARTICLE 17

Allocation of electricity interconnector capacity at day-ahead and intraday market timeframes

1. The Parties agree that:
 - (a) electricity interconnector capacity shall be allocated at the day-ahead market timeframe through single day-ahead coupling; and

- (b) by 31 December 2022 or such later date as decided by the Energy Cooperation Group, electricity interconnector capacity shall be allocated at the intraday market timeframe through single intraday coupling.
2. The requirements of paragraph 1 shall be met by each Party:
 - (a) designating an appropriate number of NEMOs, such designation being on the basis set out in Annex 1, Part A; and
 - (b) requiring its NEMOs and TSOs to carry out, and to cooperate with the other Party's NEMOs and TSOs in carrying out, the tasks set out at Parts B and C of that Annex.

ARTICLE 18

Balancing platforms

1. The Parties agree that their respective TSOs may facilitate the exchange of balancing electricity across electricity interconnectors:
 - (a) from replacement reserves through use of the common platform for such exchanges; and
 - (b) by 31 December 2021 or such later date as decided by the Energy Cooperation Group, from frequency restoration reserves with manual activation through use of a common platform for such exchanges.
2. The requirements of paragraph 1 shall be met by each Party ensuring that its TSOs carry out, and cooperate with the other Party's TSOs in carrying out, the tasks set out at Annex 2.

ARTICLE 19

Terms, conditions and methodologies for single day-ahead and intraday coupling and access to balancing platforms

1. Each Party shall require its NEMOs and TSOs, as appropriate, to apply and abide by existing terms and conditions and methodologies and, if approved by both Parties, any new terms and conditions or methodologies or variations to existing terms, conditions or methodologies, required to implement or make use of:
 - (a) single day-ahead coupling, as provided for at Article 17.1(a);
 - (b) single intraday coupling, as provided for at Article 17.1(b);
 - (c) the common platform for the exchange of balancing electricity from replacement reserves, as provided for at Article 18.1(a); or
 - (d) the common platform for the exchange of balancing electricity from frequency restoration reserves with manual activation, as provided for at Article 18.1(b).
2. Neither Party may require its NEMOs and TSOs to apply or abide by any such new terms and conditions or methodologies or variations to existing terms, conditions or methodologies, unless approved by both Parties.

3. Each Party shall require its NEMOs and TSOs, as appropriate, to cooperate with the other Party's NEMOs and TSOs in developing any proposals and amendments to proposals for any such new terms and conditions or methodologies or variations to existing such terms and conditions and methodologies.
4. Each Party shall notify the other Party's representative(s) in the Energy Cooperation Group in writing in a timely manner of any such proposals or amendments to proposals. To this end, a process of regular exchange of information and consultation shall be set up by the Energy Cooperation Group.
5. Following a notification pursuant to paragraph 4, either Party may request an exchange of views thereon within the Energy Cooperation Group, in particular to consider the potential for reaching a common approach to the proposal.
6. A Party which is minded to approve a proposal shall notify the other Party's representative(s) in the Energy Cooperation Group in writing and, unless the other Party is also minded to approve the proposal, the Parties shall discuss how to proceed within the Energy Cooperation Group. If the Parties do not agree a common approach to the proposal within 30 days of the notification, the Party which made the notification may notify the other Party in writing of its intention to suspend:
 - (a) in the case of a proposal under paragraph 1(a), Article 17.1(a) and the corresponding obligations at Article 17.2;
 - (b) in the case of a proposal under paragraph 1(b), Article 17.1(b) and the corresponding obligations at Article 17.2;
 - (c) in the case of a proposal under paragraph 1(c), Article 18.1(a) and the corresponding obligations at Article 18.2 and
 - (d) in the case of a proposal under paragraph 1(d), Article 18.1(b) and the corresponding obligations at Article 18.2.

The suspension shall take effect twelve months after the notification to suspend and shall apply until such time as the Parties agree a common approach to the proposal.

7. In the case of a suspension of Article 17.1(a) or Article 17.1(b), the Parties shall ensure that electricity interconnector capacity at the relevant timeframe is allocated on an alternative basis which is transparent, market-based and non-discriminatory.

ARTICLE 20

Requirements for single day-ahead and intraday coupling and access to balancing platforms

1. The legislation governing the regulation of the electricity sectors of the United Kingdom in respect of Great Britain and the Union shall continue to meet the requirements set out in Annex 3.
2. Paragraph 1 is without prejudice to the right of each Party to amend, adopt or repeal legislation of relevance to the requirements set out in Annex 3.
3. Where a Party is developing legislation of relevance to the requirements set out in Annex 3, it shall notify the other Party through the Energy Cooperation Group in writing in a timely

manner. To this end, a process of regular exchange of information and consultation shall be set up by the Energy Cooperation Group.

4. Following a notification pursuant to paragraph 3, either Party may request an exchange of views thereon within the Energy Cooperation Group and may subsequently request that the Energy Cooperation Group decides whether the legislation governing the regulation of the electricity sector of the Party which provided the notification would continue to meet the requirements set out in Annex 3 and, if such legislation would not continue to meet a requirement set out in Annex 3, whether the way in which that requirement would no longer be met could result in market participants in the territory of the other Party suffering a competitive disadvantage when making use of:
 - (a) single day-ahead coupling, as provided for at Article 17.1(a);
 - (b) single intraday coupling, as provided for at Article 17.1(b);
 - (c) the common platform for the exchange of balancing electricity from replacement reserves, as provided for at Article 18.1(a); or
 - (d) the common platform for the exchange of balancing electricity from frequency restoration reserves with manual activation, as provided for at Article 18.1(b).

The decision of the Energy Cooperation Group shall be taken within a period of six months from the date of the request. If the Energy Cooperation Group does not reach a decision within that period, the provisions of Chapter 6 shall apply and either Party may request consultations under Article 26 or the establishment of an arbitration panel under Article 27 to make the decision on behalf of the Energy Cooperation Group.

5. If a Party adopts a legislative act of relevance to the requirements set out in Annex 3, it shall transmit a copy thereof to the other Party through the Energy Cooperation Group.
6. Where a Party adopts a legislative act which the Energy Cooperation Group has concluded would result in the legislation governing the regulation of the electricity sector of that Party no longer meeting a requirement set out in Annex 3 and the Energy Cooperation Group has also concluded that the way in which that requirement would no longer be met could not result in a competitive disadvantage of the type described at paragraph 4, the Energy Cooperation Group shall decide on a corresponding amendment of the relevant part of Annex 3. That decision shall be taken within a period of six months from the date on which the Party transmitted a copy of the relevant text pursuant to paragraph 5.
7. Where a Party adopts a legislative act which the Energy Cooperation Group has concluded would result in the legislation governing the regulation of the electricity sector of that Party no longer meeting a requirement set out in Annex 3 and the Energy Cooperation Group has also concluded that the way in which that requirement would no longer be met could result in a competitive disadvantage of the type described at paragraph 4, the other Party may either:
 - (a) request that the Energy Cooperation Group decides on a corresponding amendment of the relevant part of Annex 3, in which case that decision shall be taken within a period of six months from the date of the request; or
 - (b) notify the other Party in writing of its intention to suspend Section 5 of Chapter 3 of this Agreement. Any suspension shall take effect three months after the notification and shall apply until such time as the Parties agree to revoke the suspension in whole or in part.

8. In the case of a suspension of Section 5 of Chapter 3, the Parties shall ensure that electricity interconnector capacity at the day-ahead market timeframe and the intraday market timeframe is allocated on an alternative basis which shall be transparent, market-based and non-discriminatory.

ARTICLE 21

Monitoring and compliance

The Parties shall ensure that their regulatory authorities monitor the compliance of their NEMOs and TSOs with the requirements placed on them in accordance with Articles 17, 18 and 19.

SECTION 6

COOPERATION AND PARTICIPATION IN BODIES

ARTICLE 22

Cooperation and Participation in bodies

1. The United Kingdom shall be allowed to participate in relevant bodies as follows:
 - (a) ENTSO-G – the United Kingdom shall be permitted to participate as an observer in meetings of the General Assembly of the European Network of Transmission System Operators established under Article 5 of Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005;
 - (b) ACER – representatives from the regulatory authorities of the United Kingdom shall be permitted to participate as observers in the Electricity and Gas Working Groups of the European Union Agency for the Cooperation of Energy Regulators established under Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019.
2. The United Kingdom and the Union shall enter into an agreement implementing the United Kingdom's participation as set out in paragraph 1.
3. The Parties affirm the right of the United Kingdom's TSOs to be members of the European Network of Transmission System Operators for electricity established under Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.
4. The Parties shall cooperate to facilitate the cost-effective deployment of offshore wind and electricity interconnection and the development of hybrid projects linking offshore windfarms with interconnectors. The Parties recognise the value of, and shall support each other's full participation in, the existing voluntary structures established for such cooperation between the North Seas Countries.

CHAPTER 4

CARBON PRICING

[Additional legal provisions on carbon pricing may be inserted following further discussions.]

[The United Kingdom’s publication “The Future Relationship with the EU: the UK’s Approach to Negotiations” sets out that the UK would be open to considering a link between any future UK Emissions Trading System (ETS) and the EU ETS (as Switzerland has done with its ETS), if it suited both sides’ interests. Any such agreement would need to recognise both parties as sovereign equals with our own domestic laws. It could:

- (a) provide for mutual recognition of allowances, enabling use in either system;**
- (b) establish processes through which relevant information will be exchanged; and**
- (c) set out essential criteria that will ensure that each trading system is suitably compatible with the other to enable the link to operate.]**

CHAPTER 5

ENERGY COOPERATION GROUP

ARTICLE 23

Composition and functioning of the Energy Cooperation Group

1. An Energy Cooperation Group composed of representatives of the Parties is established. The Energy Cooperation Group shall be co-chaired by a representative of the Government of the United Kingdom at ministerial level and by the Member of the European Commission responsible for [...], or their respective designees.
2. Either Party may request the convening of a meeting. The Energy Cooperation Group shall meet within 30 days of such a request.
3. Decisions taken by the Energy Cooperation Group in the cases provided for in this Agreement shall, upon their entry into force, be binding on the Parties, who shall take the necessary steps to ensure their implementation and application.
4. The work of the Energy Cooperation Group shall be governed by the rules of procedure set out in Annex 4.
5. Subject to paragraph 6, the Energy Cooperation Group shall make its decisions by mutual consent. The decisions taken shall be binding on the Parties.
6. In relation to the decisions of the Energy Cooperation Group set out at Article 20, if the Energy Cooperation Group does not reach a decision within the applicable time period set out in that Article, the provisions of Chapter 6 shall apply and either Party may request consultations under Article 26 or the establishment of an arbitration panel under Article 27 to make the decision on behalf of the Energy Cooperation Group.

7. The Energy Cooperation Group may decide to set up working groups that could assist it in its work.

ARTICLE 24

Functions of the Energy Cooperation Group

1. The Energy Cooperation Group shall administer this Agreement and shall ensure its proper implementation.
2. The Energy Cooperation Group may decide to adopt a new Annex, or to amend an existing Annex, to this Agreement.
3. The Energy Cooperation Group shall fulfil the functions set out in Chapter 3 in relation to the technical provisions for trade in electricity.
4. Upon suspension of, or prior to the notification of termination of, provisions of this Agreement in accordance with Articles 19, 20 and 47, the Energy Cooperation Group shall hold an exchange of views and shall aim to find agreement to end the suspension or prevent the termination.
5. The Energy Cooperation Group shall aim to settle disputes referred to it by the Parties in line with Article 26.
6. The functions of the Energy Cooperation Group shall be limited to those set out in this Agreement.

CHAPTER 6

DISPUTE SETTLEMENT

ARTICLE 25

Scope

Unless otherwise provided for in this Agreement, this Chapter applies with respect to the settlement of any dispute between the Parties concerning the interpretation and application of the provisions of this Agreement and to the making of any decision in accordance with Article 23.6.

ARTICLE 26

Consultations in the Energy Cooperation Group

1. The Parties shall endeavour to resolve any matter referred to in Article 25 through consultations in good faith with a view to reaching a mutually agreed solution.
2. A Party may bring any matter referred to in Article 25 before the Energy Cooperation Group by means of written request to the other Party and to the Energy Cooperation Group. In the request for consultations, the Party which requested consultations shall give the

reasons for the request, including identification of the matter at issue and an indication of its factual basis and its legal basis specifying the relevant covered provisions.

3. Each Party shall provide sufficient information to the Energy Cooperation Group to enable a full examination of the matter.
4. The Energy Cooperation Group may resolve the matter by adopting a decision.
5. Consultations shall be deemed to be concluded no later than 45 days after the date of receipt of the request unless the Parties agree otherwise.
6. Consultations, including all information disclosed and positions taken by the Parties during those proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings.

ARTICLE 27

Establishment of a panel

1. If the Energy Cooperation Group has failed to resolve the matter within 45 days from the request for consultations, or if the Parties agree not to enter or continue consultations, the Party which requested consultations may request the establishment of an arbitration panel.
2. The request for the establishment of a panel pursuant to paragraph 1 shall be made in writing to the other Party. In its request, the requesting Party shall explicitly identify:
 - (a) the matter at issue;
 - (b) the legal basis specifying the relevant covered provisions; and
 - (c) the factual basis.
3. The Parties may agree that the establishment of an arbitration panel may be requested before the expiry of the time limit laid down in paragraph 1.

ARTICLE 28

Composition of a panel

1. A panel shall be composed of three arbitrators.
2. No later than 10 days after the date of receipt of a Party's request for the establishment of a panel by the other Party, the Parties shall consult with a view to reaching an agreement on the composition of the panel.
3. If the Parties do not reach an agreement on the composition of the panel within the time period provided for in paragraph 2, each Party shall appoint an arbitrator from the sub-list for that Party established pursuant to Article 29 no later than five days after the expiry of the time period provided for in paragraph 2. If a Party fails to appoint an arbitrator within that time period, the co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel shall select by lot, no later than five days after the expiry of the time period, an arbitrator from the sub-list for the Party that has failed to appoint an arbitrator established pursuant to Article 29. The co-chair of the Energy

Cooperation Group from the Party requesting the establishment of an arbitration panel may delegate the selection by lot of the arbitrator to his or her representative.

4. If the Parties do not reach an agreement on the chairperson of the panel within the time period provided for in paragraph 2, on request of a Party, the co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel shall select by lot, no later than five days after the date of delivery of the request, the chairperson of the panel from the sub-list of chairpersons established pursuant to Article 29. That request shall be notified simultaneously to the other Party. The co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel may delegate the selection by lot of the chairperson of the panel to his or her representative.
5. Should the lists provided for in Article 29 not be established or not contain at least nine individuals as referred to in that Article, the following procedures apply:
 - (a) for the selection of the chairperson:
 - (i) if the sub-list of chairpersons contains at least two individuals agreed by the Parties, the co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel shall select by lot the chairperson from those individuals no later than five days after the date of delivery of the request referred to in paragraph 4;
 - (ii) if the sub-list of chairpersons contains one individual agreed by the Parties, that individual shall act as chairperson; or
 - (iii) if the Parties fail to select a chairperson pursuant to subparagraph (i) or (ii) or if the sub-list of chairpersons contains no individual agreed by the Parties, the co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel shall, no later than five days after the date of delivery of the request referred to in paragraph 4, select by lot the chairperson from the individuals who had been formally proposed by a Party as chairperson at the time of establishing or updating the list of arbitrators referred to in Article 29. A Party may propose a new individual, if an individual who had been formally proposed as chairperson by that Party is no longer available; and
 - (b) for the selection of an arbitrator other than the chairperson:
 - (i) if the sub-list of a Party contains at least two individuals agreed by the Parties, that Party shall select an arbitrator from those individuals no later than five days after the expiry of the time period provided in paragraph 2;
 - (ii) if the sub-list of a Party contains one individual agreed by the Parties, that individual shall act as an arbitrator; or
 - (iii) if an arbitrator cannot be selected pursuant to subparagraph (i) or (ii) or if the sub-list of arbitrators of a Party contains no individual agreed by the Parties, the co-chair of the Energy Cooperation Group from the Party requesting the establishment of an arbitration panel shall select an arbitrator applying *mutatis mutandis* the procedure referred to in subparagraph (a).
6. The date of establishment of the panel shall be the date on which the last of the three arbitrators has notified the Parties of the acceptance of his or her appointment.

ARTICLE 29

List of arbitrators

The Energy Cooperation Group shall, at its first meeting, establish a list of at least nine individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: a sub-list for each Party, established on the basis of proposals from each Party, and a sub-list of individuals who are not nationals of either Party and who shall act as the chairperson of the panel. Each sub-list shall include at least three individuals. For the establishment or an update of the sub-list of chairpersons, each Party may propose up to three individuals. The Energy Cooperation Group will ensure that the number of individuals on the list of arbitrators is always maintained at the level required by this Article.

ARTICLE 30

Qualifications of arbitrators

All arbitrators shall:

- (a) have specialised knowledge or expertise in the specific sectors and issues covered by Chapters 3 or 4 and, in the case of a chairperson, also have experience in arbitration proceedings;
- (b) be independent of, and not be affiliated with or take instructions from, either Party;
- (c) serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the proceedings; and
- (d) comply with the Code of Conduct referred to in Article 34.

ARTICLE 31

Replacement of arbitrators

If in arbitration proceedings under this Chapter, any of the arbitrators of the original panel is unable to participate, withdraws, or needs to be replaced because that arbitrator does not comply with the requirements of the Code of Conduct referred to in Article 34, the procedure set out in Article 28 shall apply.

ARTICLE 32

Functions of panels

The panel:

- (a) shall make an objective assessment of the matter before it, and shall set out, in its decisions, the findings of fact and law and the rationale behind any findings and conclusions that it makes; and

- (b) shall consult regularly with the Parties and provide adequate opportunities for achieving a mutually agreed solution. In doing so the panel shall always ensure that it shares information or makes requests of both Parties simultaneously.

ARTICLE 33

Terms of reference

1. Unless the Parties agree otherwise no later than 10 days after the date of the establishment of the panel, the terms of reference of the panel:

- (a) in the case of a dispute, shall be:

"to examine, in the light of the relevant covered provisions of this Agreement, the matter referred to in the request for the establishment of the panel, to decide on the conformity of the measure at issue with the relevant covered provisions of this Agreement and to issue a report in accordance with Articles 36 and 37"; and

- (b) in the case of a decision to be made in accordance with Article 23.6, shall be:

"to examine, in the light of the requirements of Article 20, the matter to be decided on behalf of the Energy Cooperation Group set out in the request for the establishment of the panel, to decide that matter and to issue a report in accordance with Articles 36 and 37".

2. If the Parties agree on other terms of reference than those referred to in paragraph 1, they shall notify the agreed terms of reference to the panel no later than three days after their agreement.

ARTICLE 34

Rules of Procedure and Code of Conduct

The panel proceedings provided for in this Chapter shall be conducted in accordance with the Rules of Procedure of a Panel and the Code of Conduct for Arbitrators, as set out in Annexes 5 and 6 respectively.

ARTICLE 35

Rules of interpretation

1. The panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law including those codified in the Vienna Convention on the Law of Treaties.
2. In determining the effect of a measure for the purposes of this Agreement, the panel may consider, as appropriate, the domestic law of a Party as a matter of fact. In doing so, the panel shall follow the prevailing interpretation given to the domestic law by the courts or authorities of that Party and any meaning given to domestic law by the panel shall not be binding upon the courts or the authorities of that Party.

ARTICLE 36

Interim report

1. The panel shall issue an interim report to the Parties setting out the findings of fact, the applicability of the relevant provisions (in the case of a dispute) and the basic rationale behind any findings and recommendations that it makes no later than 120 days after the date of its establishment. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to issue its interim report. Under no circumstances shall the delay exceed 30 days after the deadline.
2. Each Party may submit to the panel written comments and a written request to review precise aspects of the interim report no later than 15 days after the date of issuance of the interim report. After considering any written comments and requests by each Party on the interim report, the panel may modify the interim report and make any further examination it considers appropriate.

ARTICLE 37

Final report

1. The panel shall issue its final report to the Parties no later than 30 days after the date of issuance of the interim report. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to issue its final report. Under no circumstances shall the delay exceed 30 days after the deadline.
2. The final report shall include an adequate discussion of any written comments and requests made by the Parties on the interim report. The panel may, in its final report, suggest ways in which the final report could be implemented.
3. The Parties shall make the final report publicly available in its entirety no later than 10 days after the date of its issuance, subject to the protection of confidential information.

ARTICLE 38

Compliance with the final report

1. In the case of a dispute, the Party complained against shall:
 - (a) take any measure necessary to comply promptly and in good faith with the final report issued pursuant to Article 37; and
 - (b) inform the complaining Party in writing of its progress to comply with the final report.
2. The Energy Cooperation Group shall monitor the follow-up to the final report and any recommendations of the panel.

ARTICLE 39

Suspension and termination of proceedings

On the joint request of the Parties, the panel shall suspend at any time the proceedings for a period agreed by the Parties not exceeding 12 consecutive months. In the event of such suspension, the relevant time periods shall be extended by the period of time for which the proceedings of the panel were suspended. The panel shall resume the proceedings at any time upon the joint request of the Parties or at the end of the agreed suspension period on the written request of a Party. The request shall be notified to the chairperson of the panel, as well as to the other Party, where applicable. If the proceedings of the panel have been suspended for more than 12 consecutive months, the authority for establishment of the panel shall lapse and the proceedings of the panel shall be terminated. The Parties may agree at any time to terminate the proceedings of the panel. The Parties shall jointly notify such agreement to the chairperson of the panel.

ARTICLE 40

Mutually agreed solution

1. The Parties may reach a mutually agreed solution at any time with respect to any matter referred to in Article 25.
2. If a mutually agreed solution is reached during panel proceedings, the Parties shall jointly notify the agreed solution to the chairperson of the panel. Upon such notification, the panel proceedings shall be terminated.
3. Each Party shall take the measures necessary to implement the mutually agreed solution within the agreed time period.
4. By no later than the date of expiry of the agreed time period, the implementing Party shall inform the other Party in writing of any measures it has taken to implement the mutually agreed solution.

ARTICLE 41

Administration of the procedures under this Chapter

1. Each Party shall:
 - (a) designate an office which shall be responsible for the administration of the procedures under this Chapter;
 - (b) be responsible for the operation and costs of its designated office; and
 - (c) notify the other Party in writing of the office's location and contact information no later than three months after the date of entry into force of this Agreement.
2. Notwithstanding paragraph 1, the Parties may agree to jointly entrust an external body with providing support for certain administrative tasks for the procedures under this Chapter.

ARTICLE 42

Time period

1. All time limits laid down in this Chapter, including the limits for the arbitration panels to notify their rulings, shall be counted in calendar days, the first day being the day following the act or fact to which they refer.
2. Any time period referred to in this Chapter may be modified for a particular matter by agreement of the Parties. The panel may at any time propose to the Parties to modify any time period referred to in this Chapter, stating the reasons for the proposal. On request of a Party, the panel shall decide whether to modify the time period referred to in Article 36.2, stating the reasons for its decision, *inter alia*, in view of the complexity of the particular matter.

ARTICLE 43

Expenses

Unless the Parties agree otherwise, the expenses of the panel, including the remuneration of its arbitrators, shall be borne by the Parties in equal shares in accordance with the Rules of Procedure.

CHAPTER 7

FINAL PROVISIONS

ARTICLE 44

Implementation

The Parties shall take all appropriate measures to ensure compliance with the obligations under this Agreement, including the decisions of the Energy Cooperation Group.

ARTICLE 45

Territorial application

[...]

ARTICLE 46

Annexes

The annexes to this agreement are an integral part of it. For greater certainty, the footnotes shall also form an integral part of this Agreement.

ARTICLE 47

Termination

1. A Party may terminate this Agreement at any time by notifying the other Party of its decision in writing and after consultation within the Energy Cooperation Group.
2. The termination shall take effect 2 years after the notification has been made to the other Party.
3. The decision shall be made public after the notification has been made to the other Party.

ARTICLE 48

Amendments

1. This Agreement may be amended if the Parties so agree.
2. The Parties may consult, at the request of either Party, on possible amendments to this Agreement through the Energy Cooperation Group.
3. Any amendment shall enter into force on the date specified by the Parties, by an exchange of written notifications between the Parties that their respective internal procedures necessary for its entry into force have been completed.
4. The Energy Cooperation Group may decide to adopt a new Annex, or to amend an existing Annex, to this Agreement. Notwithstanding paragraph 3, such amendments shall be confirmed by and enter into force upon the exchange of written notifications between the United Kingdom and the Union, unless otherwise agreed by the Parties.

ARTICLE 49

No direct effect on persons

1. Nothing in this Agreement shall be construed as conferring rights or imposing obligations on persons, without prejudice to the rights and obligations of persons under other public international law, nor as permitting this Agreement to be directly invoked in the domestic legal systems of the Parties.
2. A Party shall not provide for a right of action under its domestic law against the other Party on the ground that a measure of the other Party is inconsistent with this Agreement.

ARTICLE 50

Ratification and entry into force

1. The Parties shall approve this Agreement in accordance with their respective internal requirements and procedures.
2. This Agreement shall enter into force on one of the following dates, whichever is the latest:

- (a) 1 January 2021 in the event that the Parties have, prior to that date, exchanged written notifications certifying that they have completed their respective internal requirements and procedures;
- (b) the first day of the month following the date the Parties exchange the written notifications referred to in sub-paragraph (a).

ANNEX 1

NEMOs, TSOs AND ALLOCATION OF ELECTRICITY INTERCONNECTOR CAPACITY AT DAY-AHEAD AND INTRADAY MARKET TIMEFRAMES

A. Designation of NEMOs

[...]

B. Tasks of NEMOs

[...]

C. Tasks of TSOs

[...]

ANNEX 2

TSOs AND BALANCING

[...]

ANNEX 3

REQUIREMENTS FOR SINGLE DAY-AHEAD AND INTRADAY COUPLING AND ACCESS TO BALANCING PLATFORMS

Without prejudice to the obligations of the Parties under Chapter 3, for the purposes of Article 20, the requirements are the following:¹

	<i>For the Union</i>	<i>For the United Kingdom in respect of Great Britain</i>
<i>Requirements regarding the operation of wholesale electricity markets</i>	Article 3 of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, in so far as it applies to wholesale electricity markets	Article 3 of Retained Regulation 2019/943, in so far as it applies to wholesale electricity markets
<i>Requirements regarding electricity balancing markets</i>	Article 6 of Regulation (EU) 2019/943	Article 6 of Retained Regulation 2019/943
<i>Requirements regarding network charges</i>	Article 18 of Regulation (EU) 2019/943	Article 18 of Retained Regulation 2019/943
<i>Requirements regarding market integrity and transparency</i>	Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency, in so far as it applies to electricity	Retained Regulation 1227/2011, in so far as it applies to electricity
<i>Requirements regarding the unbundling of transmission system operators</i>	Chapter VI of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU	Sections 10A to 10O of the Electricity Act 1989
<i>Requirements regarding regulatory authorities for electricity</i>	Article 57 of Directive (EU) 2019/944, in so far as they provide for the independent regulation of the requirements set out in this Annex	Sections 3A, 11A and 49A of the Electricity Act 1989 and sections 3A and 5 of, and schedule 2 to, the Utilities Act 2000, in so far as they provide for the independent regulation of the requirements set out in this Annex

¹ References in this list to Retained EU Law are deemed to be references to such legislation, as amended by the United Kingdom to apply to the United Kingdom.

ANNEX 4

RULES OF PROCEDURE OF THE ENERGY COOPERATION GROUP

[...]

ANNEX 5

RULES OF PROCEDURE OF A PANEL

[...]

ANNEX 6

CODE OF CONDUCT FOR ARBITRATORS

[...]