

Exec Summary | 0832 Introducing additional flexibility to change the NTS large price step for Ascending Clock Auctions at IPs

Agenda Item	Key Messages
<p>Purpose of modification</p>	<ul style="list-style-type: none"> ▪ When there is high demand for capacity at Interconnection Points, it is vital that the large price step is set at an appropriate level in order to minimise the length of the auction process and ensure auctions have time to close out before the next auction for capacity over the same period is scheduled to begin, thus ensuring that capacity can be allocated if it has been bid for. ▪ The purpose of this modification is to improve Ascending Clock Auctions for IP Capacity by providing additional flexibility to change the percentage of the Reserve Price used to determine the NTS large price step when it is deemed appropriate to do so..
<p>Impacted parties</p>	<ul style="list-style-type: none"> ▪ High: None ▪ Low: Interconnector Ltd, BBL, GNI, National Grid, Shippers
<p>How does this modification achieve it's purpose and the relevant objectives?</p>	<ul style="list-style-type: none"> ▪ This Modification seeks to maintain the current arrangements, where the NTS large price step for an auction is the greater of 5% of the reserve price or 0.0001p/kWh/d, as the default arrangement, but to also allow the percentage of the reserve price used to determine the NTS large price step to be changed, where it is deemed beneficial, in order for an Ascending Clock Auction to close out in a timely manner. ▪ Section Y Modification Relevant Objectives: <ul style="list-style-type: none"> ▪ (c) Facilitates effective competition between gas shippers and between gas suppliers.-Positive ▪ (e) Compliance with the Regulation and any relevant legally binding decisions of the European Commission. - Positive
<p>Consumer benefit</p>	<ul style="list-style-type: none"> ▪ Lower bills than would otherwise be the case – The Modification promotes the booking of IP Capacity according to the desired profile by reducing the risk of Shippers being unable to obtain capacity for the chosen capacity period due to auctions timing out, with the resulting benefits passed on to end consumers.
<p>Other</p>	<ul style="list-style-type: none"> ▪ This modification has been submitted as a self-governance Modification with the request that it be sent to NTSCMF Workgroup for 2 months for development.
<p>Contact for more information</p>	<ul style="list-style-type: none"> ▪ Ashley Adams : Ashley.Adams@nationalgrid.com 07813996680