

## Representation - Draft Modification Report UNC 0753

### Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity

Responses invited by: **5pm on 11 June 2021**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

*Please note submission of your representation confirms your consent for publication/circulation.*

<b>Representative:</b>	Anna GYORY
<b>Organisation:</b>	ENGIE
<b>Date of Representation:</b>	10/06/2021
<b>Support or oppose implementation?</b>	Oppose
<b>Relevant Objective:</b>	<p>c) Positive</p> <p>d) Negative</p> <p>g) Negative</p>
<b>Relevant Charging Methodology Objective:</b>	<p>c) Negative</p> <p>e) Negative</p>

#### Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

The proposed solution does not solve the problem raised. There is already a discrimination between historical contracts (contracted before April 2017) and newcomers on the market and if there is no RRC on secondary capacities, the distortion will increase as more users will have access to National Grid's capacity without RRC. Moreover, the revenues to be recovered will be the same but RRC will be paid on fewer contract, the RRC will likely be higher, thus raising the charges for newcomers even more. This will also emphasise the cross-subsidisation between newcomers and existing contracts.

The solution would be rather to apply the RRC to all the flown volumes and not on the capacity products, regardless of the origin of the capacity (secondary or primary, contracted date).

#### Implementation: What lead-time do you wish to see prior to implementation and why?

As the impact of this modification is impossible to determine it should not be introduced before the next gas year.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

The modification did not include any study on how much RRC is recovered from secondary and from primary capacity holdings thus there is no indication of missed revenues after implementation of the modification. In absence of this it is difficult to evaluate the costs of this implementation.

This modification should be included in a larger reflection on RRC appliance to capacity products.

**Please provide below any additional analysis or information to support your representation**