

Representation – Draft Modification Report UNC 0616S

Capacity Conversion Mechanism for Interconnection Points

Responses invited by: **5pm on 12 October 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Malcolm Montgomery
Organisation:	National Grid NTS
Date of Representation:	6 th October 2017
Support or oppose implementation?	Support
Relevant Objective:	g) Positive

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

Implementation of a Capacity Conversion mechanism is a requirement of the amended EU code on Capacity Allocation Mechanisms (CAM). Modification 616s will add such a mechanism to the UNC, achieving GB compliance with EU law.

Self-Governance Statement: Please provide your views on the self-governance statement.

National Grid NTS believes that self-governance is appropriate.

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

Implementation is not required until 1st January 2018¹. This is the entry into force date for the mechanism required by the CAM code. An earlier date is not sought in order to give parties sufficient time to prepare for implementation.

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

National Grid NTS has identified some system development that is required for the effective implementation of this mechanism. This was an output of the Feasibility and Analysis (F&A) work requested of Xoserve under XRN4262. Following these F&A workshops then National Grid NTS has requested the chosen solution to be put in place

¹ This means the first relevant bundled auction will be the January rolling monthly auction selling capacity for the gas month of February.

for early next year. This solution will require some ongoing manual processing by National Grid NTS; further details can be found in change request XRN4368 – EU Gas Capacity Conversion Interim Optimal Solution.

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

Yes.

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.*

No.

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

No further comments.