

Workstream Report
Change System Capacity Transfers Notification Time Limit from 04:00 hours to 03:00
hours
Modification Reference Number 0287
Version 1.0

This Workstream Report is presented for the UNC Modification Panel's consideration. The Transmission Workstream has considered the request of the Panel Meeting held on 22 April 2010 for a report on the new issues raised during consultation and also for a consideration of the impact of implementing the Proposal on the relevant objectives. In submitting this report, the Workstream considers that the Panel should now be able to make a recommendation on implementation of this Proposal.

New Issues Raised during the Consultation

Panel Members drew particular attention to the representation of Scottish and Southern Energy plc (SSE). In particular, SSE did not agree that implementation would improve the efficient and economic operation of the pipeline system. The ability of Shippers to transfer capacity and ensure it was allocated to whoever values it the most economically and efficiently would be reduced, and capacity over-run charges might be incurred. Ultimately, this would impact the use of UIOLI injection and withdrawal storage services and hence impact on the earnings of storage sites and will be detrimental to further investment in new storage projects.

In order to address these issues, National Grid NTS provided, to the Transmission Workstream, information on the number of transfers made between 03:00 and 04:00 over the period 2005 to 2010. In terms of numbers of transfers, these were between 0.16% and 1.08% of the total. In terms of quantity transferred, these were between 0.0217% and 0.0866% of the total. After reviewing this information, the Workstream agreed that the impact on storage services would be minor and therefore implementation would not affect storage project investment

Impact of Implementation on the Achievement of the Relevant Objectives

Some Workstream Members expressed difficulty discerning any compelling benefit from implementation of the Proposal. National Grid NTS responded to this issue by pointing out the lack of availability of UK Link (Gemini) from 04:00 and this limited its ability to respond to transfers raised after 03:00. The Workstream agreed that this could be viewed as discriminating against late transfers but did not reach a consensus on whether such temporal discrimination would affect the development of competition.

Whilst National Grid NTS acknowledged that it had coped with the current volumes, and therefore the issue of discrimination had not occurred to date, it expressed concern that under the enduring Exit Regime there may be an increase in transfers between 03:00 and 04:00. Not all Workstream Members agreed that this would be the case, pointing out that at many Exit Points there is only one User who would have no other User to receive any transfer of capacity. Some members considered that even if the volumes were small, there might be some that were so close to the 04:00 system maintenance period, that National Grid NTS would be unable to approve them in time. Such an outcome would be inconsistent with the requirements of the GT Licence, and therefore implementation of this Proposal, by removing this risk, would better facilitate the relevant objective: "the efficient discharge of the licensee's obligations under this licence"

Conclusion

Having considered the Panel's referral, the Workstream was unable to reach any conclusion on whether implementation would better facilitate the achievement of any of the relevant objectives.