

## Representation

### Draft Modification Report

#### **0376 and 0376A: Increased Choice when Applying for NTS Exit Capacity**

**Consultation close out date:** 06 January 2012

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** Association of Electricity Producers

**Representative:** Julie Cox

**Date of Representation:** 06 January 2012

#### **Do you support or oppose implementation?**

**0376** - Support

**0376A** - Support

#### **If either 0376 or 0376A were to be implemented, which would be your preference?**

Prefer 0376

#### **Please summarise (in one paragraph) the key reason(s) for your support/opposition.**

The Association supports both these modifications as they both provide more choice to Users in securing NTS exit capacity, whether that is allowing applications beyond Y+4 in the ad-hoc process or allowing non-October start dates for application in the July application window. Both these features will provide the flexibility necessary to align the capacity bookings for new gas-fired generating plant or incremental bookings as older plant is replaced or updated with project development timescales. We favour 376 since the lower application threshold will support incremental bookings for developments at existing sites. We note a number of these have already progressed through current and previous processes but faced difficulties in doing so.

#### **Are there any new or additional issues that you believe should be recorded in the Modification Report?**

0376/0376A

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Version 1.0

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### **Self Governance Statements:**

*Do you agree with the Modification Panel's decision that these should be self-governance modifications?*

**Yes**

### **Relevant Objectives:**

*How would implementation of these modifications impact the relevant objectives?*

SSC A11(c) efficient discharge of licensee's obligations - we believe providing more notice of exit capacity bookings, potentially beyond Y+4, would support more timely and hence economic and efficient investment in the system. Providing the actual start month rather than this defaulting to October will have a similar effect, as would reducing the minimum threshold in the ad hoc process. We recognise that NG has concerns with the potential volume of small incremental requests via the ad hoc process and not being able to consider these in parallel with other requests. However we do not expect there to be a large number of these such that this becomes a significant issue.

SSC A11(d) Securing of effective competition – We believe that allowing non-October start dates and reducing the threshold to 1 GWh both enable capacity bookings to be matched to project requirements rather than having to book capacity early, wait for an Annual Application Window or book an exaggerated quantity. This will ensure that shippers only face costs that align with their actual requirements and hence facilitate competition.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if these modifications were implemented?*

None – although we note the implementation costs seem high for what would seem relatively simple system changes.

### **Implementation:**

*What lead-time would you wish to see prior to these modifications being implemented, and why?*

We would hope that implementation takes place as soon as possible and particularly before the July 2012 application window to avoid the potential need to make an October start booking in that window. We would also like to seek assurances that implementation is not delayed to allow for the ExCR to be bought into line with the code.

### **Legal Text:**

*Are you satisfied that the legal text will deliver the intent of each modification?*

Yes

**Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*