



Energy for  
generations

## Generation & Trading

National Grid NTS

By email: Ashley.Adams@nationalgrid.com  
Jennifer.Randall@NationalGrid.com

### Capacity Access Review: Strategy Consultation

19 February 2020

ESB Generation and Trading, (ESB GT) welcomes the opportunity to respond to the National Grid NTS **Capacity Access Review: Strategy Consultation**.

We broadly agree with the scope and approach proposed by Strategy Consultation document. Our observations on the Capacity Access Review are outlined below in the responses to specific consultation questions.

#### General questions

**Q.1 Do you wish your consultation response to remain anonymous?**

No

**Q.2 How would you describe your interest within the gas industry? E.g. (Shipper, Distribution Network, Storage Facility Operator etc.)**

Shipper, Exit gas capacity user

#### Long-Term Ambition Statement

**Q.3 On a scale of 1-10, (1-very strongly disagree, 10-very strongly agree). Do you agree with the long-term ambition statement set out by National Grid NTS in section 6?**

8

Whilst the statement is well-intended and focuses on the right attributes that the future capacity access regime will need to demonstrate, we believe this vision is trying to cover too many issues, deliverables and features, some of which are standard expected practice and may not need to be explicitly covered as an ambition. As an observation, we believe the statement could have been shortened, for instance to a simpler statement such as "Dynamic, flexible and adaptable capacity access regime that can accommodate new technologies and sources of gas whilst delivering consumer value and minimising distortions to existing capacity users. This will be achieved via compliant, easy and efficient capacity access products and processes".



However, as noted above, the content of the statement is satisfactory, and we would not object strongly to the way it is worded at the moment.

#### **Q.4 Do you have any other comments to add regarding the ambition statement?**

We do not believe that all of the features or key attributes of the future system, as expressed in the Ambitions Statement, have been translated into specific future functions. It would be useful to see how these ambitious deliverables will be achieved through specific functions and principles.

#### **Future Functions**

Q.5 On a scale of 1-10, (1-very strongly disagree, 10-very strongly agree) Do you agree with the following functions set out by National Grid NTS in section 7.

#### **Q.5a Signal a need for capacity requirements.**

7

We would not expect signalling a need for capacity requirements for operational system purposes to be the primary function of the capacity access regime. Instead, it could facilitate a more flexible and accessible process for users to signal their potential need for capacity, more importantly the type of capacity. This would allow the capacity access regime to further develop and evolve its capacity products range and monitor trends and requirements in capacity needs from specific user types.

#### **Q.5b Manage network access where there is a short-term constraint.**

9

We agree with this function and expect this to be a standard and mandatory duty of any efficient capacity access regime

#### **Q.5c Provide users with commercial certainty on network access.**

7

While we agree that users require commercial certainty on their access rights and commercial aspects, we believe it will be a function of the Charging Review to set this commercial certainty over capacity prices highlighted in the consultation document. Nevertheless, we are of the view that it is within the remit of the capacity access regime to provide cost-effective and efficient access solutions. Additionally, depending on a number of future policy and market developments and the scale of new technologies entering the NTS, users may be willing to trade commercial certainty for financial benefits if future capacity products allow them to do so.



**Q.5d Collect Transporter allowed revenue.**

7

We would not expect this to be the primary or the main objective of the capacity access regime. Instead, we would expect capacity access regime to use its available tools and processes to gather and monitor dynamic data on expected capacity access needs and developments in order to integrate it into wider revenue recovery modelling.

**Q.5e Enable new entrants, including new sources of gas and technologies, to easily and efficiently access the NTS.**

8

We agree with the need for new entrants to easily access the NTS. However, we would add that this access needs to be granted in an efficient and economic manner without jeopardising the needs or rights of existing users. Furthermore, easy and efficient access should be allocated to all users irrespective of their technology and fuel type.

**Q.6 Do you have any other comments regarding the 5 future functions?**

We largely agree with the required future functions of the capacity access regime identified in the consultation document. Nevertheless, in line with our comments above, it is difficult to correlate each function (apart from function 5e) to specific attributes highlighted in the Ambitions Statement. It would be useful to map functions to specific ambitions in order to see how they will contribute to this stated vision.

More importantly, we note that significant focus of the proposed reviews falls on the ability to integrate new technologies and fuel types in line with wider decarbonisation plans and achieving Net Zero targets. In light of that, we would highlight potential interactions with 'Ofgem Review of GB System Operation' which will also include in its scope the roles, functions and capabilities that the System Operators will need to perform to respond to the challenges of the net zero target.

**Short-Term Issues**

Q.7 Are there any other issues you are experiencing with the current regime that are not outlined in Section 9 Fig. 1?

No