

Options for NTS consideration - User Commitment

Suggestion	Pros	Cons
No user commitment	<ul style="list-style-type: none"> • Flexibility for all users – able to book longer term & adjust based on revised forecasts • Avoids sterilisation of capacity • Bookings more accurately match forecasts 	<ul style="list-style-type: none"> • Would require a process to prevent hoarding as this could lead to inaccurate capacity signals • Could lead to reduction in capacity available for substitution
No user commitment unless investment justified and above baseline	<ul style="list-style-type: none"> • Flexibility for all users – able to book longer term & adjust based on revised forecasts • Avoids sterilisation of capacity • Bookings more accurately match forecasts • Allows NTS to apply UC if appropriate • No UC to sub baseline 	<ul style="list-style-type: none"> • Risk of hoarding levels of capacity, up to the trigger of UC • First past the post triggers and pays cost
No user commitment unless investment justified and above a Users zonal baseline (Mod 0671)	<ul style="list-style-type: none"> • Flexibility for all users – able to book longer term & adjust based on revised forecasts • Avoids sterilisation of capacity 	<ul style="list-style-type: none"> • First past the post triggers and pays cost

Options for NTS consideration - User Commitment

Suggestion	Pros	Cons
<p>Remove requirement to book enduring capacity (other than for a large load)</p>	<ul style="list-style-type: none"> • Whole system solution – uses UNC Section H to share forecast information (more reflective of system usage than capacity bookings) • Allows commitment to 1 in 20 obligation, but without sterilising capacity longer term • Bookings up to Y+3 more reflective of current view of demand • Simplifies process by reducing admin, system requirements • Flexibility to adjust bookings to reflect requirements more accurately • Additional flexibility for sources of embedded entry (adjust bookings accordingly) • Removes requirement for substitution 	<ul style="list-style-type: none"> • No mechanism for shippers to outline long term forecasts • Would benefit from long term forecasting incentive to drive accuracy of Section H information

Options for NTS consideration - Substitution

A substitution methodology should:-

1. Be consistently applied to all relevant processes (Annual & PARCA)
2. Information provided is sufficient and timely to allow all parties to assess locational impact accurately
3. Be a simple within portfolio solution