

**PROPOSAL FOR REVIEW: REF 0100**

**REVIEW OF THE FLEXIBILITY MECHANISM**

**DATE:** 21/11/96

**PROPOSED IMPLEMENTATION DATE:** To be agreed

**INTRODUCTION:** In view of operational experience from Phases 1 and 2 of the Flexibility Mechanism, there is a need to review its efficiency and develop in line with recommendations. There is also a need to consider its relationship with external markets.

**AREA OF NETWORK CODE CONCERNED:** Principal Document Section D

**NATURE OF PROPOSAL:**

The Review Group will need to consider:

- Access to the Flexibility Mechanism of any buyer or seller of natural gas, providing such buyer or seller meets the minimum volumetric level of bids.
- Requirement for capacity reservation for flexibility bids.
- The economic operation of the Flexibility Mechanism in balancing the system.
- Separation of the penalties associated with imbalances, from the costs associated with the Flexibility Mechanism.
- Changes to AT-LINK functionality to allow for more efficient operation of the Flexibility Mechanism.

**PURPOSE OF PROPOSAL:** This proposal would enable a review of the operation of the Flexibility Mechanism in view of operational experience to date.

**PROPOSER:** Chris Train  
**SIGNATURE:**  
**POSITION:** Energy Balancing Manager  
**COMPANY:** TransCo

**MODIFICATION PANEL SECRETARY'S USE ONLY**

**REFERENCE NUMBER:** 0100

**DATE RECEIVED:** 21/11/96