

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.

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SIGNATURE:
POSITION: Energy Balancing Manager
COMPANY: TransCo

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