

Representation - Draft Modification Report UNC 0665

Changes to Ratchet Regime

Responses invited by: **5pm on 14 March 2019**

To: enquiries@gasgovernance.co.uk

Representative:	Jon Crouch
Organisation:	Infinis
Date of Representation:	14 March 2019
Support or oppose implementation?	Support/Oppose/Qualified Support/Comments * <i>delete as appropriate</i>
Relevant Objective:	<p>a) Positive/Negative/None * <i>delete as appropriate</i></p> <p>d) Positive/Negative/None * <i>delete as appropriate</i></p>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Infinis is an operator of gas reciprocating engines fuelled by natural gas which provide peak power and system balancing services (Power Response or PR) to the power market. The penal ratchet regime for exceeding capacity within the gas transportation charging regime is a material disincentive to us moving our PR sites from NDM to DM. This modification would remove a significant barrier to us transitioning our NDM sites to DM status. Whilst the commodities of gas and power have very different characteristics, and the consequent network impacts are materially different, it seems odd to us that our plants are half hourly settled for electricity (and second by second for balancing services) yet our NDM sites still rely on estimates for settlement of gas. This change would allow us to make maximum advantage from the rollout of smart meters. We would expect the enhanced information flow to improve both operational management and network investment signals for gas, ultimately benefiting all consumers.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We would support implementation as soon as possible. Implementation before the start of Winter 2019/20 seems sensible. We see no advantage in prolonging the current disincentive to move our sites to DM.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Moving to DM for gas at our NDM sites would improve our ability to manage our fuel costs. We do not see it adding costs to our business.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We have not reviewed the legal text.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None of which we are aware.

Please provide below any additional analysis or information to support your representation

None.