

Modification No 222: Amendment of Interconnector UK's Minimum Wobbe Limit Comments from AEP¹

The Association welcomes the opportunity to comment on this modification proposal.

The Association supports this proposal, whilst acknowledging that the modification route is not the only means available for implementing a change of this type. However we agree that this provides transparency of such changes to the industry and provides an opportunity for interested parties to comment.

Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Gas Transporter Licence Standard Special Condition A11.1

- (d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:
 - (i) between relevant shippers
 - (ii) and suppliers;
 - (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers:

Implementation would facilitate this objective by bringing IUK into line with other entry points, indeed it is unclear why the Wobbe limit was different in the first place. This inturn should no longer prevent gas from flowing to the UK that may otherwise have been restricted through being out of specification, and should enhance competition in supply between shippers.

¹ The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.

The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

Implementation will enhance security of supply by removing the restriction on certain volumes of gas flowing to the UK. However it is our understanding that pressure was more likely to be on the upper Wobbe limit than the lower one due to increased LNG supplies to Zeebrugge.

The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

CCGTs connected close to Bacton may experience a wider CV / wobbe range and more rapid variations. This can be problematic for stable CCGT operation and in extreme can cause plant trips and plant damage.

Analysis of any advantages or disadvantages of implementation of the Modification Proposal

The Association agrees with the advantages and disadvantages listed in the draft modification report

6th October 2008