

Workstream Report
Amendment to the QSEC and AMSEC Auction Timetables
Modification Reference Numbers 0230/0230A
Version 1.0

This Workstream Report is made pursuant to Rule 9.3.2 of the Modification Rules where the Modification Panel has determined that one or more representations to the Proposal have identified issues that may arise through the implementation of this Proposal. In consequence of this, the Modification Panel has determined that views on these issues should be obtained from the Transmission Workstream.

The Transmission Workstream has considered the issues raised in representations and, on the advice of that the Proposers that they are likely to propose material variations to the Proposals, recommends that these varied Proposals proceed directly to consultation applying normal time-scales. The Workstream did not recommend that legal text for either Proposal be requested by the Modification Panel.

1 Issues Raised

Modification Proposals 0230/0230A

British Gas Trading Limited (BGT), in its representation to the Proposals, identified (*inter alia*) that implementation of either Proposal would:

1. Remove the current ability for Users to procure capacity in the AMSEC auction that reflected the firm maintenance/outage plans developed by industry parties prior to the February AMSEC auctions.
2. Double the current overlap between capacity purchased in the QSEC auctions and that purchased for the same strip of capacity in subsequent AMSEC auctions from six months to twelve.

BGT concluded that neither of these consequences of implementation would be expected to facilitate the achievement of Standard Special Condition A11.1 (d): “*so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition... between relevant shippers...*”

Modification Proposal 0230A

National Grid NTS (NGNTS), in its representation to the Proposals, identified (*inter alia*) that this Proposal could not be implemented as currently worded for the following reasons:

- It is proposed that Proposal 0230A be implemented on 1 March 2010 in order to facilitate a March 2010 QSEC auction. UNC TPD Section B2.2.1(d) requires that National Grid NTS issue an invitation letter 28 days before the QSEC auction. National Grid NTS would not have the authority under the UNC to issue an invitation 28 days before a March auction if Proposal 0230A were not implemented until 1 March.
- UNC TPD Section B2.2.3(b) requires National Grid NTS, when issuing an invitation letter for the QSEC auction, to include in that letter the amount of unsold capacity available that will be offered in that auction. National Grid NTS would not be able to do this 28 days before the proposed March 2010 QSEC as the proposed February AMSEC auction would not have concluded and therefore the unsold amount would be unknown as the transaction periods overlap (October 2011 – March 2012).

Implementation of this Proposal would therefore not be expected to facilitate the achievement of Standard Special Condition A11.1 (f): *“so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code”*

2 Views of the Transmission Workstream

Proposals 0230 and 0230A

A presentation was made to the Workstream by NGNTS outlining two potential solutions and both Proposers advised that they would be willing to consider raising variations to incorporate the Workstream’s preferred solution. The Workstream expressed a preference for retaining a February date for the AMSEC auctions, even though this would involve some compression of workload both for the Transporter and Users.

Proposal 0230A

The Proposer indicated that he had been in touch with NGNTS and would be varying the Proposal as necessary to overcome the implementation issues.

3 Workstream Recommendation

The Transmission Workstream has considered the issues raised in representations and, on the advice of that the Proposers that they are likely to raise material variations to the Proposals, recommends that these varied Proposals proceed directly to consultation applying normal time-scales. The Workstream did not recommend that legal text for either Proposal be requested by the Modification Panel.