

Modification 0163 “Offering Capacity at Donor ASEP in Trades & Transfers Process”

The Proposer, ScottishPower Energy Management, requests a variation to this Proposal, pursuant to UNC Modification Rules Section 6.5.1(c) of the UNC.

Reason for Variation

Following representations received and concerns raised at the Transmission Workstream meeting, ScottishPower Energy Management believes that it is necessary to add further clarity to this Modification Proposal and believes that the best way forward is to make a variation to the Proposal.

Nature of Variation

ScottishPower Energy Management has not sought to change the original intention or purpose of this proposal, but simply to add clarity.

This clarity has been added through additional wording to the last two paragraphs of Section 1a) Nature and Purpose of the Modification Proposal:

a) Nature and Purpose of this Proposal

National Grid NTS has

It is proposed that, in addition to all the provisions embodied within 0156A, the following provisions shall be included:

Basically, **unsold capacity and** capacity surrendered for the trades and transfers process within zone will be offered firstly at the Donor ASEP – this will ensure that the capacity is made available where it is required at the entry point at which it was purchased. **“Unsold” capacity will be made available at the reserve price for the specific ASEP.** This **”Sold” capacity which is surrendered** would be offered at a reserve price based on the **weighted average** price **of successful bids** paid **at auction.** It could be argued that this will still reward speculative behaviour but applies only to the auctions for 07/08, and will not encourage future speculative behaviour.

All remaining capacity volumes, **including all sold and unsold capacity not bought at the ASEP,** will be available for trade and transfer at the relevant exchange rate within and between zones, ensuring that capacity is moved away from where it is not required to where it is. “

Proposer

Steve Gordon (ScottishPower Energy Management)

Proposer’s Representative

Steve Gordon (ScottishPower Energy Management)