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## **Modifications 0150 Introduction of the AMTSEC Auction & 0150A – Modification 0151 Transfer of Sold Capacity between ASEPs and 0151A**

Dear Julian

Thank you for the opportunity to comment on the above Modification Proposals.

Although we broadly support the consideration of transfer capacity mechanisms for both unsold and sold capacity, we do not believe that there has been sufficient time made available to fully consider the likely implications of these Proposals. We also note that little time would be available for the development of bidding strategies following the current AMSEC auction. On the basis of the information available to us we are of the view that these timing issues could have been avoided.

It is clear from the recent Transmission Workstream meetings that there is still significant uncertainty within the industry around the introduction of the AMTSEC auction and the Trades mechanism and how they will work in practice. This was especially evident at the workstream meeting on the 9<sup>th</sup> May when Ofgem presented their views on the Trades and Transfers process.

In BP's view these proposed changes to the entry capacity regime therefore generate significant uncertainty for stakeholders.

It is difficult to fully assess the likely impact of these Modification Proposals because much of the relevant context and detail is in our opinion not yet available. It is for example not

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currently possible to obtain a comprehensive understanding of how capacity transfers would work in practice, or what the applicable exchange rates would be.

We note that Modification Proposals 150 and 151 are suggested for a limited period, whereas Proposals 150A and 151A are not time limited. That said it is of course important that the same rigour is applied to the assessment process regardless of whether a proposal is intended for a limited period or proposed on a permanent basis.

We trust that these comments are helpful; please do not hesitate to contact me if you wish to discuss any aspect of them.

Yours sincerely,

**Andrew Pearce**  
**Regulatory Affairs**