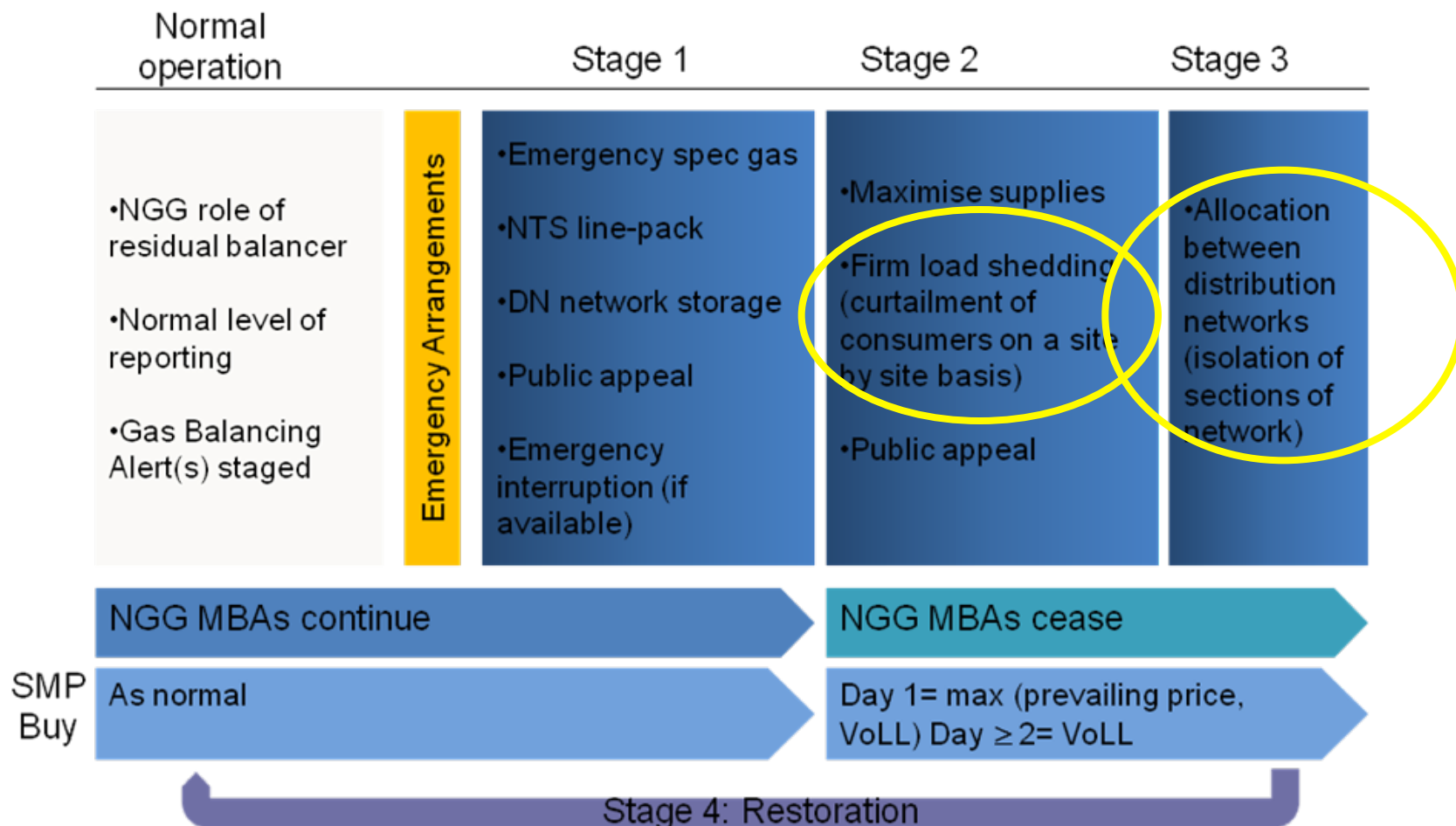


Significant Code Review – High Level Implementation Options



Nick Reeves
Energy Balancing Credit Committee – 25th November 2011

Emergency Stages Post Exit Reform

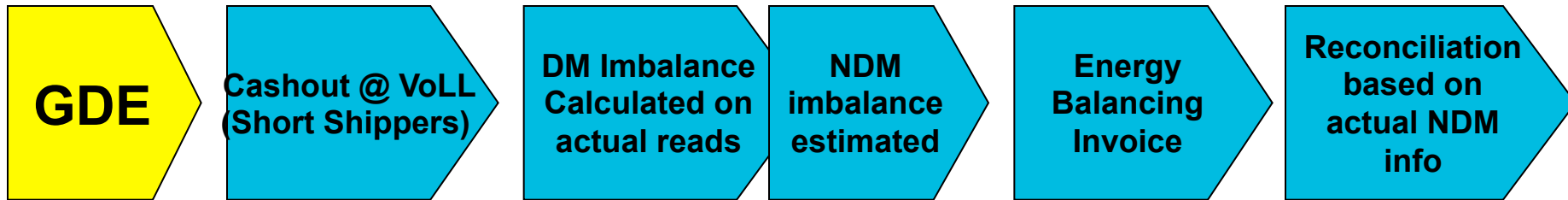


SCR Draft Policy Decision – Key Points

- In the event of a Gas Supply Deficit Emergency;
 - Short shippers will face cashout prices at capped administered price
 - Price will reflect Value of Lost Load (VoLL) of £20/therm
 - End Users that are interrupted (provide involuntary Demand Side Reduction) will receive payment
 - Firm DM end users interrupted at stage 2 will receive VoLL for each day of emergency
 - Firm DM and NDM end users interrupted at stage 3 will receive VoLL for day 1 of emergency

High Level Implementation Options

■ Near Time option



■ Post Event option



Considerations

■ Neutrality

- Is this appropriate for managing process?
- Monies in @ VoLL may not cover DSR payments @ VoLL - is neutrality appropriate for managing this difference?
 - Should short imbalance be targeted on short shippers?

■ Credit Arrangements

- Near Time vs Post Event process
- Reconciliation

■ Market Signals

- VoLL as daily SMP Buy Price vs Post Event adjustment

Questions

- Further considerations from EBCC?