
UNC Workgroup 0454 Minutes

Introduction of a Long Term Non Firm Capacity Product

Thursday 06 March 2014

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Anna Shrigley	(AS)	ENI
Bethan Winter	(BW)	Wales & West Utilities
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Karen Healy	(KH)	National Grid NTS
Malcolm Montgomery	(MM)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Sarah Lloyd	(SL)	National Grid NTS

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0454/060314>

1.0 Introduction

Following the January UNC Modification Panel meeting, Ofgem reviewed the Final Modification Report and directed that this should be reconsidered and revised to provide clarity on the following points:

1. Provision of sufficient evidence or criteria to justify the release of discretionary capacity to certain users on an exclusive basis in the light of NGG's obligation not to discriminate between users.
2. The criteria used to determine what (as in its source) and how much discretionary capacity will be available for use as LTNF (and not made available for other users, if that is the case).
3. The criteria for determining when the LTNF buyback option will be exercised, and in particular the order in which it will be exercised compared to other products that are subject to curtailment.

The UNC Modification Panel therefore requested the Workgroup to address the points raised by Ofgem and provide a revised FMR for consideration, following which the Panel will re-submit it to Ofgem for decision.

2.0 Consideration of Ofgem's 'send back' letter

SL, in the form of a presentation, provided further clarification relating to the three points. A short discussion ensued.

National Grid NTS confirmed that the LTNF product is available to all Users, should they meet the criteria and wish to use it. This was therefore not believed to be discriminatory. Discretionary products were available for other Users in other circumstances.

LTNF is essentially an interruptible product and will not impact upon any of the existing obligations to release existing capacity. The quantity will not exceed the relevant incremental signal.

A constraint will be identified and managed consistent with existing UNC rules; daily interruptible/off-peak capacity will be curtailed first, and the LTNF buyback option will then be considered alongside any other offers for Firm Capacity.

The Workgroup agreed with National Grid NTS' points of clarification.

The Workgroup was satisfied that the legal text provided was not impacted by these clarifications and no further issues were raised regarding its content.

The Workgroup considered that the additional information provided in relation to these issues was supplemental and therefore would not impact upon previous consultation responses.

Workgroup Recommendation

The Panel was recommended not to issue this amended report for further consultation before forwarding it to the Authority as directed.

Next Steps

The revised Final Modification Report will be finalised and submitted to the March UNC Modification Panel for its consideration.

3.0 Any Other Business

None.