



Modification Proposal 216A - Overview

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Introduction

- Mod 216A raised by E.ON UK to address concerns from some Users about the potentially unlimited discretion described by National Grid NTS in their Mod Proposal 216.
- Mod 216A is based on Mod 216, but places reasonable limits on National Grid's discretion to release additional (including associated Unsold) NTS Entry Capacity. We believe this would bring much needed certainty for Users of the NTS.
- The main differences (and similarities) between the two Mods are described on the next two slides...
- Consultation for Mod 216 & 216A closes 9th June 2008

Modification Proposal 216 (National Grid NTS)	Modification Proposal 216A (E.ON UK)
Refers to an "entry capacity release mechanism" (but suggests it is likely to be a pay-as-bid auction)	Specifies that release mechanism <u>will</u> be a pay-as-bid auction
Does not specify the number of auction rounds for a new pay-as-bid auction	Specifies that any new pay-as-bid auction shall be <u>at least</u> two rounds
Minimum User notice period for new auction of 7 days (as per NG NTS Licence obligations)	Minimum User notice period for new auction of 28 days (as per the AMSEC auction)
No minimum quantity of Capacity to be released	Minimum quantity of one (1) month "strips" of capacity to be released

Modification Proposal 216 (National Grid NTS)	Modification Proposal 216A (E.ON UK)
<p>Maximum quantity of Capacity to be made available = 1 Year</p>	<p>Maximum quantity of Capacity to be made available = 1 Year</p>
<p>Terms and Conditions for new auction made available to Users at least 7 days ahead of auction</p>	<p>Terms and Conditions for new auction made available to Users at least 28 days ahead of auction</p>
<p>No end date to Proposal – an “evergreen” discretionary right for NG NTS</p>	<p>Discretionary right ends 30th September 2009 (end of next Capacity Year)</p>
<p>Auction Reserve Price will be the prevailing AMSEC Auction Reserve Price</p>	<p>Auction Reserve Price will be the prevailing AMSEC Auction Reserve Price</p>