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# TRANSMISSION ACCESS - INTERCONNECTIONS

Current Arrangements

Addressing TR's Five Questions

Implications of TA Vision

Consideration of European Developments

Other Comments

What Interconnections would want from any Access Regime

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# Current Arrangements

- Not without issue, but in general
- Charged the same as any other connectee
- Capacity rights are for max capability and for duration of project
- Rights are contracted through bilaterals and CUSC and are considered firm
- Connection fee and TNUoS charges made to IOs and on to IUs
- BSUoS charges made to IUs directly
- Have been successfully adapted from Pool world to NETA world
- Have also been successfully adapted under different contract structures since 1990

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# Addressing TR's Questions

- Rights are allocated to IO once security established, firm for duration of project although no absolute surety of price
- IOs could trade those rights in theory and can contract on
- Breaching contract terms could ultimately require disconnection and termination charges as appropriate
- Initially the IO is the contracted party with NGC and has the prime contractual responsibility
- NGC's transmission investment driven by needs of the customer building the interconnection and the need to meet the planning standards. No different from other users and prospective users.
- Sufficient information currently available - Charge out rules, transparent tendering, 7yr Statement

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# Implications of TA Vision

- Access rights will only be allocated for several years. Then? Auctions?
- Contract/Auction for I/C Capacity and then auction for Trans. Capacity?
- Possible incorporation of Interconnection assets into Transmission?
- Who and how do you invest in new interconnections?
- What about current contracts for use of the Interconnections? Some have 2 yrs to run, some have 30yrs. Explicit duration. Compensation?
- Are you led to having different rules for interconnections from rest of system? Are you led to having different rules for current interconnections and future ones?
- Are the assets owners going to be allocated 2-way rights each time?
- Is the SO going to always be wanting to buy back the rights in the direction most likely to aggravate a transmission constraint?

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# Consideration of European Developments

- CBT may lead to fixed charges for use of transmission
- Replace Connection and TNUoS and/or any TA regime?
- Increasing interest in ICRP model in Europe
- System to System trading, when, who?
- Is Interconnection ownership an issue?
- UK insisting on cost reflectivity before it joins CBT, conflict?

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## Other Comments

- Scottish transfers may or may not have been higher in a TA regime
- French flows can reverse and if seen to be a long term possibility then the system could be reinforced accordingly. The judgement now will be one of constraints costs versus investment costs.
- Any present or future interconnection transfer could flow disadvantageously wrt the Transmission System even though overall economics suggest otherwise at a given time - Hence it is important to consider this at the investment planning stage.

# What I/Cs Want From Any Access Regime

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- Entry and Exit Access rights to each system agreed for the life of the Interconnection
- Proper recognition of Two-Way flow and Superposition
- Equitable treatment of IOs/IUs within the overall charging regime
- Trading opportunities in all timescales are maximised, not frustrated
- Interconnection investment opportunities can be realised
- The ability to have firm and non-firm access rights