

Entry Access sharing

CUSC transmission access WG 1

23rd June 08

Rights and notification

The proposal

- ◆ Shared TEC is defined as:
 - ◆ A number of parties can share TEC within a zone
 - ◆ Donor retains responsibility for LT access
 - ◆ Recipient uses LT access for a period
- ◆ For the purposes of this presentation:
 - ◆ Each party has completed local connection
 - ◆ WG3:
 - ◆ Zones
 - ◆ Scope of 'local' connection
 - ◆ Local charge / residual – recipient pays
- ◆ What are the rights / obligations
- ◆ How do you notify the SO
 - ◆ SO has to be able to monitor and charge
- ◆ Issues and interactions

Rights and obligations

- ◆ Within a zone
 - ◆ LT access can be shared
 - ◆ 1:1
 - ◆ Across technologies
- ◆ SO must be notified
- ◆ Local connections must be present
- ◆ Neither party in default
- ◆ All parties GC compliant
 - ◆ Notify PNs independently

Process Options

- ◆ Should not unreasonably restrict parties ability to trade
 - ◆ Aligning with energy
- ◆ Should facilitate efficient use of system
- ◆ Notification
 - ◆ Codified
 - ◆ Notify ex ante
 - ◆ Notify ex post
- ◆ Administrative efficiency
 - ◆ Web based if notify

Notification - Codified

- ◆ Two parties would agree and inform National Grid of agreement to share.
- ◆ Agreement would be for:
 - ◆ Fixed or variable volume?
 - ◆ Number of parties and interaction
 - ◆ Hierarchy of use?
 - ◆ Open or closed period?
 - ◆ Termination
- ◆ Process
 - ◆ New CUSC form
 - ◆ Lead time for agreement ?
 - ◆ Application & [Termination]
- ◆ Transparency
 - ◆ Publish a register on web

Notification – Ex ante

- ◆ Donor informs National Grid it is donating some of it's access holding
 - ◆ Donor names recipient (ANs)
- ◆ Lead time?
 - ◆ How close to real does it need to be?
 - ◆ How long can it be informed in advance?
- ◆ Period?
 - ◆ Minimum half hour
 - ◆ Closed or open notification?
 - ◆ Time varying requirements?
- ◆ Published – ex ante / ex post ?
- ◆ IS implications
 - ◆ ANs very short-term will require operational systems
 - ◆ Smart systems – time stamping

Notification – Ex post

- ◆ Donor informs National Grid it has donated some of it's access holding
 - ◆ Donor names recipient
- ◆ Lag time?
 - ◆ By when after real time?
 - ◆ Can we have ex post and ex ante
- ◆ Period?
 - ◆ Minimum half hour
 - ◆ Closed or open notification (if open implies also ex ante)?
 - ◆ Time varying requirements?
- ◆ Published
- ◆ IS implications
 - ◆ ANs very short-term will require operational systems
 - ◆ Smart systems – time stamping
 - ◆ Delay in producing Overrun prices – depending on model

Other issues & interactions (1)

- ◆ Could have more than 2 parties sharing
 - ◆ Fix to 1 to start?
- ◆ Unwinding at short notice?
 - ◆ Counter notification, cancellation
- ◆ Impact on investment
 - ◆ Baseline oversold on historic SQSS assumptions
 - ◆ LT rights cannot be technology specific
- ◆ Overrun settled on a zone creates implicit intra company sharing (not notified)
- ◆ Usefulness is enhanced with overrun (less risk)

Other issues & interactions (2)

- ◆ Transaction fee
- ◆ Pre-qualification (none ?)
- ◆ 'Introduction service'
- ◆ Fixed price if facilitated – TNUoS not value
- ◆ Error process
 - ◆ Disputes & incorrect submissions
- ◆ IS system to record and monitor holding
 - ◆ Time stamped i.e. what did you hold 2 weeks ago on Tuesday
- ◆ Nodal sharing exchange rates ...