

Shared Transmission Capacity

TASG 13th July 2007

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Objective of straw man

- To formalise the sharing of transmission capacity between several generators
- Whilst it is envisaged for the natural complement of intermittent generation and non base load non intermittent generation, there is no reason why it could not be used of any combination of generation / generator types

Environment

- Straw man is additional to and not an alternative to certain other proposals
- Overrun straw man fits in well with this
- Connect and manage compatibility needs to be given further thought.

Options

- Pre defined sharing model (Portfolio TEC)
- Open sharing model (actually short term TEC trading)
- Combination of pre defined and open sharing
- Pre defined sharing simpler BUT
- Open sharing potentially more efficient and removes systematic advantage of portfolio players

Pre defined sharing

- TEC shared between a pre defined group of generators
- There would be a formula for defining how the outputs in the group were combined to give the TEC allocated to the group. This could be simple addition or more complex.
- All generators within group free to run up to their CEC. If group TEC exceeded would be subject to overrun

Open sharing

- Two types of product:
 - Primary TEC
 - Secondary TEC
- Primary TEC held by parties who want to choose when to generate and in the absence of sharing pay normal TNUoS charges
- Secondary TEC only gives firm rights if sharing executed. Only subject to TNUoS when take up TEC from primary holder

Primary TEC holder release

- Primary TEC holder may release some or all of TEC up to 30 minutes before gate closure (but can do earlier)
- Released TEC for any period displayed on TEC sharing platform (either bespoke or web based)
- If any of the released capacity is taken (see next slide) by a secondary TEC holder, primary TEC holder not charged TNUoS pro rata for that period.

Secondary TEC holder take up (1)

- Secondary holders can check via platform for any period what capacity is available to them due to release by primary TEC holders. The platform would have built in rules (effectively exchange rates) to calculate how much capacity the secondary holder could get from whatever volume / location combination of primary TEC release there was for the period

Secondary TEC holder take up (2)

- If of use Secondary TEC holder could accept a desired volume of TEC release from primary holder release
- The secondary TEC holder then has TEC for that settlement period and pays TNUoS charges pro rata for its zone
- The primary TEC holder whose TEC release has been taken is relieved of its pro rata TNUoS for the period

Observations on open sharing (1)

- Both Primary and Secondary TEC holders can overrun their TEC up to their CEC as per the overrun straw man
- Scheme can be thought of as simple short term TEC trading. However to simplify in this version it is transfer with liability assumed and avoided for pro rata TNUoS charges for period – no other payments made

Observations on open sharing (2)

- There would be an incentive on primary TEC holders to release their capacity in as long a duration as possible as early as possible as this would maximise the chance of it being taken up by secondary TEC holders and thereby avoiding TNUoS charges.
- The platform should have a rule to take up the usable released primary TEC on offer in priority according to the time it has been on offer to facilitate the above.

Relationship with energy market

- For pre defined sharing model (portfolio TEC) access arrangements would facilitate energy sales contract based on portfolio
- For open sharing model it is assumed that a liquid short term energy market would facilitate energy sales contracts based on ad hoc shared transmission capacity