

TEC Incentives

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Background

- Financial incentive through charging methodologies on generation in positive tariff zones to maintain an accurate TEC i.e. they pay for their TEC whether they use it or not
- No such incentive on generation in negative zones
- Lack of incentive is raising issues in a number of areas
 - e.g. CAP 68 - Competing requests for new capacity
 - e.g. use of TEC in TNUoS transport model
- TEC “Hoarding” inefficiencies: All generation causes infrastructure costs although this is more than offset in negative zones

Views

- Is there an issue?

Options

- Do nothing
- CUSC solution
 - Requirement to maintain realistic TEC
 - Automatic TEC reduction: “use it or lose it”.
- Charging solution
 - e.g. negative TNUoS charge on shortfall below TEC