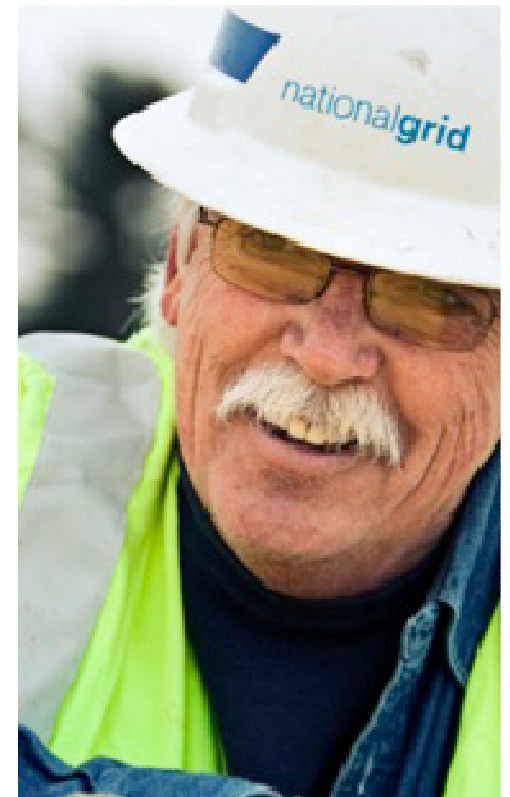
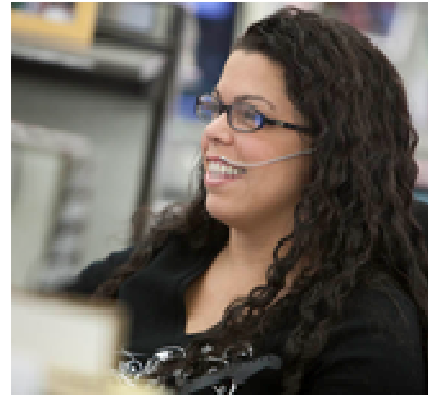
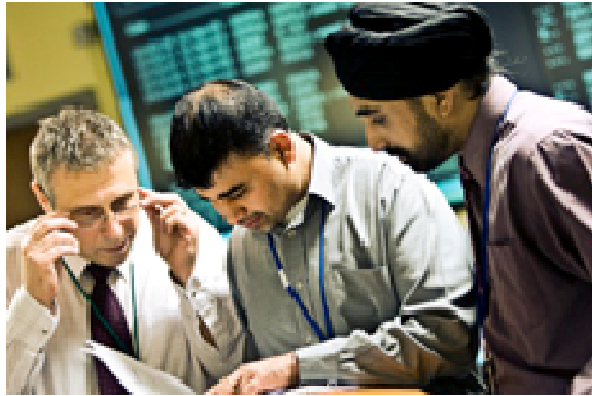


ECRG – GCM19 Draft Consultation Paper

16th December 2009



nationalgrid

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Introduction

- ◆ A DRAFT Charging Methodology Consultation Paper (GCM19) has been placed on the National Grid Website.
- ◆ The Paper covers;
 - ◆ Charging Proposal;
 - ◆ Removal of NTS entry reserve price discounts
 - ◆ Discussion (UNC & Licence Changes)
 - ◆ Revision of Interruptible quantities
 - ◆ Removal of UNC references to zero reserve prices
 - ◆ Implied removal of clearing obligation

Charging Proposal

- ◆ National Grid proposes through GCM19 that:
 - ◆ The 33% NTS Entry Capacity Reserve price discount for day ahead daily entry capacity (DADSEC) is removed.
 - ◆ The 100% NTS Entry Capacity Reserve price discount for within-day daily entry capacity (WDDSEC) is removed.
 - ◆ Day-ahead and within-day Daily NTS Entry Capacity Reserve prices (p/kWh/day) would be equal to the rolling monthly auction reserve prices
- ◆ Implementation
 - ◆ It is proposed that these arrangements are implemented in relation to capacity made available from [1st October 2010].
 - ◆ A decision would be required at least two months prior to this date ([31st July 2010]) to allow for the code defined two month notice of charges.

Interruptible Quantity

- ◆ The interruptible quantity is currently defined as;
 - ◆ the “daily average unutilized firm capacity”
 - ◆ referred to as the ‘use it or lose it’ UIOLI quantity and designed as an anti hoarding measure.
 - ◆ *Calculated as the 30 day average amount by which the Firm NTS Entry Capacity exceeds the delivered quantities*
 - ◆ *calculated once a week using data 7 days prior to the calculation date i.e. utilizing closed out data*
 - ◆ Plus, a discretionary amount of NTS Entry Capacity which National Grid NTS determines.

Potential Interruptible Quantity

- ◆ Limit release of interruptible quantity to when firm capacity has “sold out” via a UNC Modification Proposal
- ◆ To avoid the scenario where a small quantity of firm capacity remains unsold, and yet the UIOLI quantity implies unutilized capacity, the UIOLI quantity at an ASEP could be;
 - ◆ released when it was in excess of unsold ASEP firm capacity (e.g. UIOLI = 10, Unsold = 6; Release 10), or
 - ◆ modified to be the difference between the prevailing calculation and the unsold firm capacity (e.g. UIOLI = 10, Unsold = 6; Release 4 {=10-6}).

Other Changes

- ◆ UNC
 - ◆ Reference to zero reserve price would need to be removed via a UNC Modification Proposal
- ◆ Licence
 - ◆ Removing the zero reserve price would imply removing the clearing obligation via a Licence change
 - ◆ This could be met in the short term via a Licence derogation
 - ◆ Changes to the Licence mapping of Within-day obligated entry capacity revenue from SO to TO might also be required
 - ◆ This might also require a UNC change to neutrality arrangements as obligated within-day entry capacity revenue is re-distributed via neutrality