



# **Entry Capacity Release Methodology Statement Consultation Conclusions Report**

**06<sup>TH</sup> September 2013**

## Executive Summary

### Introduction

Special Condition 9B of National Grid Gas' ("NG NTS") Gas Transporter Licence in respect of the NTS (the "Licence") sets out obligations to prepare and submit for approval by the Authority an entry capacity release methodology statement ("ECR") setting out the methodology by which NG NTS will determine whether to allocate entry capacity. In addition, NG NTS is obliged to review the statement on a biennial basis in consultation with gas shippers and other interested persons.

On 26<sup>th</sup> July 2013 NG NTS invited views in respect of the proposed revisions to the ECR to be made by 23<sup>rd</sup> August 2013.

This document sets out NG NTS' conclusions on its consultation on the proposed ECR (version 0.1). It provides a summary of the representations received, NG NTS' response, and an indication of whether changes have been made to the proposed statement.

### Responses

Representations were received from two respondents listed below.

- EdF Energy (EdF)
- RWE Supply and Trading (RWE)

The main issues relate to

- Concern that the date by which revenue drivers need to be included within the Licence is not visible to industry
- Clarification of which term to be used Developer, developer or Reservation Party
- Some editing issues

Detailed comments from the respondents and National Grid's response to these comments are provided in the following table.

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Party	Issue	Response Quotes	NG NTS Response	Proposed changes
<b>1- General.</b>				
RWE	Driver for change	The consultation sets out the main drivers for updating the Statement at this time. These include extending the Statement to incorporate the release of non-incremental entry capacity and reflecting the revised RIIO-T1 Licence conditions, rather than making material changes at this time.	Agree	None
RWE	Scope	Overall, the draft Statement contains a clear explanation of the mechanisms that National Grid Gas will utilise to release both Obligated and Incremental entry capacity.	Noted	None
RWE	Scope and explanation of changes	The table in the Appendix and the accompanying explanations are helpful in understanding the proposed changes.	Noted. Where there are significant and substantial changes being proposed to a capacity methodology statement it is our intention to aid reviewers by providing similar explanation tables in future.	None
EDF		We also believe that the new ECR structure makes it easier for the reader to follow and that the explanation of proposed changes along with the track changed document is very useful.		
RWE	Scope	We also welcome National Grid Gas' efforts to align the Statement with the new licence and UNC terminology.	Noted	None
RWE	Timing of review	We agree with National Grid Gas that it is appropriate to bring forward this review in order to minimise the overlap with the review and consultation process for the ECR that will be necessary should UNC Modification Proposal 0452 <sup>1</sup> be implemented. There is a large volume of changes proposed in this current consultation and it makes sense to incorporate these before consulting on changes required by 0452.	Noted	None
EDF		EDF Energy welcomes the opportunity to comment on the Entry Capacity Release Methodology Statement (ECR) and understand the rationale for undertaking the review earlier in the year in order to accommodate a further review if UNC modification proposal 0452 is implemented.		

<sup>1</sup> Introduction of the Planning and Advance Reservation of Capacity Agreement (PARCA)

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EDF	Terminology	We welcome the retention of the capacity terminology section within the ECR. It helps to provide industry with clarity over the Licence terms and illustrates how substituted entry capacity is treated.	Noted	None
EDF	Revenue Driver	We are concerned that the revenue drivers need to be included within the Licence by an 'appropriate date' which is to be the day before the QSEC invitation letter is issued. Industry does not currently have visibility of this date; will NGG NTS publish this date in advance in order to maintain transparency? Paragraph 79: Currently industry does not have visibility of this date.	We hope that the changes proposed within Mod 0452 will take agreement of the Revenue Drivers off the critical path for delivery of incremental capacity. Hence the date for inclusion will not be as important. However, the date for inclusion in the Licence (i.e. the day before the QSEC invitation letter) will be made clear to any affected party in ongoing discussions with NG NTS. Due to the timelines involved it may be too late for any new RDs to be accommodated for the March 2014 QSEC.  However, the deadline can be estimated by industry from UNC which restricts a QSEC auction to March (usually we commence the auction in the middle of the month), with the invitation letter being no less than 28 days earlier (usually sent 28 days before). Hence the deadline for inclusion in the Licence is likely to be early to mid February.	None
EDF	Web Links	The inclusion of links to NGG NTS' website will assist industry to find associated documents which can be difficult to locate.	A link to the area containing all National Grid's capacity methodology statements is given in page 5. We believe this is sufficient. However National Grid will soon be refreshing its website. When this change is implemented we will review all the links (and consider including more) within all our capacity statements.	None
EDF	Definition	Page 5: Define NTS as per paragraph 1.	The reference to NTS on page 5 is part of the definition of the Licence, i.e. the licence uses the abbreviated "NTS". Hence, we believe a definition within the main text, as for paragraph 1 is inappropriate. However, we believe that a footnote can be added here.	Page5, line 3. Footnote added to define NTS. Note: We believe it is useful to retain the duplicate definition in paragraph 1.
EDF	Typing error	Page 5: Team name and department are different to what is in ECS statement.	Agree.	Team name added to contact.
EDF	Definition	Paragraph 5: Licence definition is Non-incremental Obligated Entry Capacity.	Agree.	"Incremental" amended to "incremental"
EDF	Definition	Paragraph 34: Licence definition is Non-obligated	Agree.	"Obligated" amended

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		Entry Capacity.		to “obligated”
EDF	Formatting	Paragraph 46: Paragraph needs to be reformatted.	We have reviewed this paragraph and although it looks unusual we believe the formatting to be correct. The unusual layout is due to the inclusion of a long web link and bullet points.	None.
EDF	Definition	Paragraph 42 or 66: Should Interconnection Point be defined within the Statement if not referred to in either the UNC or Licence?	If implemented, Mod 449 will put a definition of Interconnection Point into UNC. Hence we do not consider it necessary to include a definition in this statement.	None
EDF	Definition	Paragraph 77: Can NGG clarify which term is to be used here 'Developer or developer or Reservation Party'. Paragraph changes Developers to either developers or Reservation Party.	Reservation Party is defined in UNC, but only applies to exit capacity. Developer is not defined. Our use of Reservation Party may be pre judging the development of Mod 452. We believe the correct term should be “developer”.	Paragraphs 23, 73 and 144; “Reservation Party” and “Developer” changed to “developer”