



Discretionary Release of Interruptible Entry Capacity - Update

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Discretionary Release of Interruptible Entry Capacity - background

- ◆ UNC Mod 159 was approved 1st Sep'07 – permitting National Grid to release a discretionary quantity of interruptible entry capacity in **addition** to UIOLI (Use It Or Lose It) defined quantities.
- ◆ The mod was implemented for Winter 07/08 and the following rules/criteria for release applied:
 - All interruptible entry capacity is released through the existing auction process (DISEC – zero reserve price, pay as bid).
 - Obligated firm must be sold out to >95% (incl. TTSEC outcome)
 - UIOLI zero available to bid for OR sold out 4 out of 7 previous days
 - Headroom available to Nodal Allocation Maximum (NAM)
 - Discretionary release quantity = NAM – (Obligated firm level + UIOLI)
- ◆ National Grid continually review the appropriateness of release of discretionary interruptible. e.g.
 - taking account of physical flows and capacity sales
 - avoid premature scale-off resulting from over-selling product
 - effectiveness and appropriateness of release criteria utilised in Winter 07/08
- ◆ As part of the review process outcome the release criteria adopted for Winter 07/08 will largely remain in place for Winter 08/09, however the NAM is to be replaced.

Discretionary Release of Interruptible Entry Capacity Winter 08/09

- ◆ The Nodal Allocation Maximum (NAM) release cap is no longer relevant for this Winter
 - NAM was based on the TTSEC (Trade and Transfer) auction/methodology for Winter 07/08.
 - MOD 187a saw the introduction of the enduring Trade and Transfer regime effective from 1st June 08.
 - No longer a concept of “NAMs” as part of Trade and Transfer.

- ◆ For Discretionary release of Interruptible capacity (Winter 08/09) the NAM will be replaced with the lesser of:
 - 150% of the license defined release obligation at each ASEP.
 - The maximum quantity of capacity (firm plus interruptible) historically sold at each ASEP since Apr-07 and this will be recalculated on a weekly basis.

- ◆ Monthly Interruptible Capacity report is published:
 - Giving discretionary and UIOLI quantities for each gas day and each ASEP
 - Report is available via the following web link:
<http://www.nationalgrid.com/uk/Gas/Data/CMR/>