



**NTS Exit Capacity Release Methodology Statement in respect of the
Transitional Period
Comments from AEP¹**

The Association of Electricity Producers (AEP) welcomes the opportunity to provide comments on the proposed revisions to the ExCR.

We appreciate National Grid's initiative in progressing this proactively rather than waiting for a decision on Modification Proposal 214, as this would have extended the timescales before the intent of the proposal could have been implemented.

The Association supports the proposed changes to the ExCR Methodology Statement as it broadly reflects the intent of Modification Proposal 214 to provide a means by which NTS exit capacity can be secured >6months ahead of time where it can be demonstrated that there is a need for the capacity, albeit National Grid does not need to undertake investment to provide the capacity.

We would like to make two observations:

- 1) The ExCR seeks to retain the 20Mth p.a. threshold whereas Mod 214 sought to remove it. We consider it would be desirable to remove this threshold to ensure equal treatment of DN and direct connect customer offtake requests. However if DN behaviour in terms of requesting offtake capacity does not change, such that direct connects are not disadvantaged, then we accept that this threshold can remain. We would expect National Grid to monitor this in the absence of the publication of OCS bookings.

- 2) We think the drafting of the ExCR could be simplified by amalgamating Chapter 2 and Chapter 3A, it is not clear to us what the difference is between existing capacity and incremental capacity that does not require investment and therefore by definition already exists?

15 August 2008

¹ The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.