

OFGEM Update - Gas Operational Forum

08th July 2011

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- 1) SO incentive schemes from 2013
- 2) Gas SCR
- 3) European Developments



Consultation on SO incentives from 2013

Ofgem has released a consultation on System Operator incentives from 2013

- •NGG's System Operator activities are currently subject to 7 incentives (Shrinkage, Unaccounted for Gas, Demand Forecasting...)
- •All current incentives expire in March 2013
- Deadline for responses 26 July

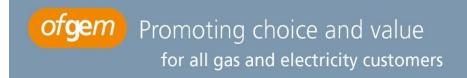
Our view is that there should be:

- Longer schemes
- •Greater SO TO alignment (in terms of scheme design and SO-TO interactions)

We welcome stakeholder views on these issues

Gas Significant Code Review (SCR)

- The initial SCR consultation was launched in January. It considers reforms to promote security of supply, including:
 - Cash-out reform
 - Compensating firm customers at value of lost load
 - Obligations to ensure security of supply
- Ofgem has received responses from stakeholders and will publish a draft decision in autumn 2011.



European Developments

ACER now in place but not yet fully staffed

ACER projects

- Following public consultations, ACER's Framework Guidelines on Capacity
 Allocation Mechanisms and FG on gas balancing are now being developed
- Tariff structures: European Commission invited regulators to finalise proposals and is considering to pursue this as a Commission guideline

CEER projects

- Consultation on a Target Model for the European gas market will be published shortly
- Guideline of Good Practice for Storage System Operators (GGPSSO) is currently being reviewed by CEER

European Commission projects

- Congestion Management procedures (CMP), proposals published last September
- Energy Infrastructure Package (EIP), proposals published last November

ENTSOG project

- Consultation on Network Code on Capacity Allocation Mechanisms published in June



Links

Gas SO Incentive Scheme

http://www.ofgem.gov.uk/Markets/WhlMkts/EffSystemOps/SystOpIncent/Pages/SystOptIncent.aspx

Gas Significant Code Review (SCR)

http://www.ofgem.gov.uk/Markets/WhlMkts/CompandEff/GasSCR/Pages/GasSCR.aspx

CEER

http://www.energy-regulators.eu

ACER

http://www.acer.europa.eu

ENTSOG

http://www.entsog.eu/

Any questions?

If you have any questions please feel free to contact us anytime

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