



29th August 2014

Introduction of Entry Capacity to Northern Ireland - Transitional Arrangements Business Rules for Industry Consultation

SSE welcomes the opportunity to respond to the Business Rules for Industry Consultation on *Introduction of Entry Capacity to Northern Ireland – Transitional Arrangements*. We would like to provide the following comments and look forward to discussing some of these issues in more depth as further details emerge.

The Consultation Document commences with a discussion of “Relevant Context” which proposes that from 1st October 2015 Entry Nominations which exceed a Shipper’s Entry Capacity holding will be rejected. SSE does not accept such a precondition to this or any consultation on future arrangements in Northern Ireland. This proposed “key element” is not part of EU requirements nor is it being imposed by National Grid. Such a measure will not promote accurate nominating behaviour and could lead to unnecessary costs for the consumer. SSE recognises that significant development work has brought the NI TSOs to this point and seeks to work constructively with them in the coming months to deliver the most appropriate arrangement for NI consumers.

As Europe continues to develop common methodologies at all European Interconnection Points, SSE believes the methods adopted at the Moffat IP should fully consider the arrangements being made at other IPs and avoid unnecessary variance or complexity. Furthermore, every opportunity to streamline existing operations across any IP is welcome. SSE supports the use of the PRISMA capacity platform in Northern Ireland as this is also the chosen platform in many other systems.

SSE understands that DNOs will continue to book and hold Exit Capacity on behalf of Shippers after October 2015 with minimal changes to current rules. We look forward to the 2016 Review on this matter.

It is disappointing that the planned CJV between the TSOs will not be in place by Q3 2015. SSE hopes that the TSOs will co-ordinate and co-operate effectively in order to facilitate the efficient operation of the Network and to develop the confidence of Shippers in the EU Implementation Process.

The duration of the Initial Entitlement of Entry Capacity will be the same as that used by the DNOs such that Initial Entry Capacity will be held until 30th September 2020 and will comprise the sum of Entitlements in respect of each Exit Point at which SSE ships. SSE notes that these Entitlements are unbundled and encourages the TSOs to work with National Grid to develop the Bundling Application process. SSE would prefer this facility to be available “at the earliest opportunity” rather than being left until after 1st October 2015.

SSE believes that the most appropriate distribution of Capacity is the one that best serves NI consumers. As such the Initial Entitlement is best determined by PTL using the most recent years’ average Entry Allocations. To use more historic data would lead to an inaccurate distribution of costs amongst consumers.

SSE considers it appropriate that the Capacity Application Process for April 2015 be based on the existing rules. However, any opportunity to simplify what are interim arrangements



should also be taken. With regards to Entry Capacity for October 2015, SSE agrees that it should be included in the April 2015 Application Window.