



Promoting choice and value
for all gas and electricity customers

OFGEM Update - Gas Operational Forum

08th July 2011

Miles Perry

- 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



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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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The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, there is a close-up of a gas burner with a flame. In the foreground, there are stalks of wheat. A large, semi-transparent white arrow points from the top right towards the bottom left, passing behind the text.

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