



Promoting choice and value
for all gas and electricity customers

OFGEM Update - Gas Operational Forum

12th October 2011

Miles Perry

1. SO incentives for 2012/13

2. SO incentive schemes from 2013

3. European Developments

SO incentives for 2012/13

- Five out of the seven incentive schemes will expire on 31 March 2012.
- In our open letter published in May we set out our intention to rollover the expiring schemes from 1 April 2012 to 31 March 2013.
- We are holding a stakeholder workshop this afternoon to give interested parties an opportunity to comment on our initial views on proposals for the incentives

SO incentives from 2013

- Ofgem released a consultation on System Operator incentives from 2013.
- Our view is that there should be:
 - Longer schemes
 - Greater SO – TO alignment (in terms of scheme design and SO-TO interactions)
- Ofgem has received responses from stakeholders and will publish a consultation document by the end of November.

European Developments

ACER projects

- ACER's Framework Guidelines on Capacity Allocation Mechanisms were adopted on August 3 2011. Framework Guidelines on gas balancing are forthcoming.
- The European Commission confirmed that work on harmonized transmission tariff structures is to be taken forward as FG and NC. ACER asked to consult on the possible scope of the FG.
- FG on Interoperability in scoping phase. Commission expected to send the letter to ACER in the next few weeks inviting them to submit the FG within 6 months.

CEER projects

- Vision paper on Target Model for the European gas market to be finalised by Spring 2012.
- Guidelines of Good Practice for Storage System Operators (GGPSSO) have been reviewed by CEER. Following Madrid Forum SSOs asked to implement the voluntary GGP.

European Developments

European Commission projects

- Legislative proposals on Congestion Management procedures (CMP) forthcoming.
- Proposals for a Regulation on guidelines for the implementation of Energy Infrastructure Priorities 2020 to be released on 19 November.

ENTSOG projects

- Work on Network Code on Capacity Allocation Mechanisms progressing.
- Development of the Network Code on Balancing to start soon.
- First official Ten-Year Network Development Plan (TYNDP) published on 17 February. ACER opinion on this published on 26 August.



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Links

Gas SO Incentive Scheme

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

by e-mail

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by telephone

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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 are wheat stalks. In the foreground, there is a close-up of a gas burner with blue flames. The overall theme is energy and natural resources.

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