Firm entry capacity

The volume of firm entry capacity made available at each ASEP consists of the following amounts:

* **baseline entry capacity (obligated)** – as defined by our Gas Transporters Licence;
* **incremental entry capacity (obligated)** – firm capacity made available over and above baseline, in response to market demand and backed by user commitment; and
* **incremental entry capacity (non-obligated)** – at our discretion, we can release additional firm entry capacity at an ASEP, over and above obligated levels.

### Interruptible entry capacity

Interruptible entry capacity is made available to the market at ASEPs where it can be demonstrated that firm entry capacity is not being used. The volume of interruptible entry capacity available at an ASEP consists of two parts:

* **use it or lose it (UIOLI)** – any firm entry capacity that has not been used over recent days, can be resold to the market as interruptible entry capacity; and
* **discretionary** – we can make additional interruptible entry capacity available to the market at its discretion.

If there is physical congestion on the network, then we may curtail interruptible entry capacity rights without any compensation.

Auctions

[**Long-term auctions**](https://www.nationalgridgas.com/capacity/entry-capacity#tab-1)[**Short-term auctions**](https://www.nationalgridgas.com/capacity/entry-capacity#tab-2)[**Past auction data**](https://www.nationalgridgas.com/capacity/entry-capacity#tab-3)

Long-term auctions

There are three long-term auctions that are held for firm entry capacity, and are as follows:

**Quarterly system entry capacity (QSEC)**

The QSEC auction is held annually in March and can be open for up to 10 working days. Entry capacity is made available in quarterly strips from October Y+2 to September Y+16 (where Y is the current gas year).

Users may provide investment signals through the QSEC, which subject to an economic test, may increase the levels of firm entry capacity that we are obliged to release at the relevant ASEP on an enduring basis. Alternatively, we may substitute unsold firm entry capacity from one ASEP in order to wholly or partially satisfy an investment signal at another ASEP.

After the QSEC auction has closed, allocations are completed in May after we have analysed submitted bids. For more details on the QSEC auction, download the [2019 QSEC Presentation](https://www.nationalgridgas.com/sites/gas/files/documents/QSEC%20auction%20process%202019.pdf) and the [IECR Model](https://www.nationalgridgas.com/node/126471).

**Annual monthly system entry capacity (AMSEC)**

The AMSEC auction is run annually in February, in which entry capacity is sold in monthly strips from April Y+1 through to September Y+2. This auction is 'pay as bid' and subject to a minimum reserve price.

The auction is open for four days from 8am to 5pm. Each auction window is separated by two business days, as detailed in the UNC. The processing and allocation is completed after 5pm on each day. Any unsold quantities from AMSEC are made available in the RMTnTSEC auction and sold in monthly bundles.

**Rolling monthly trade and transfer (RMTnTSEC) and rolling monthly trade initiation surrender (RMTISSEC)**

The RMTnTSEC auction is held monthly, at the month ahead stage. The auction is 'pay as bid', and subject to the same reserve price as AMSEC.

Users have the opportunity to surrender any excess entry capacity they hold at this auction during the rolling monthly trade initiation surrender (RMTISSEC) stage of this auction process; however, this will only be allocated if there is demand for entry capacity at the relevant ASEP from another shipper.

We shall allocate the surrendered entry capacity first, before allocating any unsold obligated amounts. This is the ‘trade’ part of the auction. Additionally, if there is insufficient unsold obligated entry capacity at an ASEP to meet demand, then entry capacity may be transferred from a nearby ASEP that has unsold entry capacity.

This is similar to substitution but in this case, the transfer is not enduring, it only applies to the relevant month. This is the ‘transfer’ part of the auction name. The complexity of this necessitates a trade and transfer methodology statement, which you can also find on the methodologies section of the our website.

### Short-term auctions

There are two auctions that run daily for the sale of firm entry capacity. There is also one auction that runs on daily for the sale of interruptible capacity. All these are detailed below:

**Day ahead daily system entry capacity (DADSEC)**

Any unsold obligated quantities from previously held long-term entry capacity auctions are made available in the DADSEC auction. Unsold obligated entry capacity is available as a daily product. Allocation takes place at the day ahead stage at 14:00, 17:00 and 01:00. The daily entry capacity reserve price has a 33% discount to the MSEC reserve price. DADSEC is a 'pay as bid' auction.

**Within day daily system entry capacity (WDDSEC)**

All unsold obligated quantities are available in the WDDSEC auction. Entry capacity is still sold in quantities of kWh/day, although the available capacity rate increases by 1/x rather than 1/24 (where x is the number of hours remaining in the day from the bid ‘effective from’ time).

Bids are allocated hourly, and there is no reserve price for within day allocations. This satisfies our licence condition to hold a clearing allocation. WDDSEC is a 'pay as bid' auction, with the last allocations taking place at 01:00. Bids may be evergreen or reducing. An evergreen bid remains fixed throughout the day. A reducing bid reduces by 1/x with each hour that passes where it remains unallocated (where x is the number of hours remaining in the gas day at the time the bid was placed).

**Daily interruptible system entry capacity (DISEC)**

Interruptible entry capacity is available in the DISEC auction. Entry capacity is available daily for each ASEP, and bids are allocated at the day ahead stage by 14:00. There is no reserve price for interruptible entry capacity, and DISEC is a 'pay as bid' auction.