



**Energia Response to Initial Modification  
Report No. 17 to the NI Network Gas  
Transmission Code**

***Introduction of Mechanism to Enable Booking of Exit  
Capacity for Commissioning***

**01 June 2023**

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# 1. Introduction

Energia welcomes the opportunity to respond to the Initial Modification Report No. 17 to the NI Network Gas Transmission Code (the “Report”) on the proposed introduction of a mechanism to enable the booking of Daily Exit Capacity for commissioning units (the “Modification”).

Energia is firmly of the view that the proposed Modification to introduce the availability of Daily Exit Capacity products for new power stations which will be undergoing commissioning is not an appropriate change to the NI Network Gas Transmission Code and should not be approved. There are a number of reasons for this position which we elaborate on below.

## **UR Consultation**

Firstly, there is currently an ongoing consultation from the Utility Regulator in relation to the introduction of short-term exit capacity products in Northern Ireland and the potential impacts of this change. The consultation notes that should there be a decision to implement short term exit capacity products then the earliest this would come into effect would be in October 2024. Energia agree with the comments in the Report that any decision regarding this is complex and needs to take account of a number of considerations. It is therefore not appropriate that a change regarding Daily Exit Capacity could be made whilst this consultation is ongoing, and all views have been received and considered. Rather, to ensure good regulatory practice, the consultation process must be completed before any informed changes regarding the implementation of short-term exit capacity products can be made.

## **Proposed Modification specific to Commissioning Units only**

Energia do not support a change that will be specific to the commissioning of a new power station. This provides an unfair advantage that other units seeking to booking Exit Capacity in NI can not avail of. The mechanism and costs for booking Exit Capacity in NI was known when developers of new power stations participated in the relevant Capacity Auctions and would have been taken into account by any prudent developer when submitting bids into the auction. In addition, we note that an amendment to the ratchet mechanism regarding booking Exit Capacity in NI has already been approved for new gas-fired power stations in NI when commissioning. As per above, to ensure good regulatory practice we believe any changes to the booking of Exit Capacity should not have progressed until after the completion of the current live consultation process. Therefore, it is not fitting or appropriate that further changes should be approved for new power stations in NI when commissioning.

## **Other impacts not considered by the Modification**

The Report highlights a number of other concerns regarding the Modification that have not been considered within the proposal. These include the requirement for changes to the Transporters Licence as it does not currently allow the Transporter to offer Daily Exit Capacity products and therefore does not address how any revenue from Daily

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Exit Capacity would be dealt with. In addition, a number of IT system changes would be required to address nominations and billing changes arising from the Modification. The Report estimates a timeframe of 6-9 months to implement IT system changes associated with this. Energia are concerned therefore that there are a number of additional changes required to facilitate implementation of the Modification that have not been considered and are not justifiable.

In summary, Energia are opposed to the implementation of the proposed Modification to introduce Daily Exit Capacity products for new power stations which will be undergoing commissioning. The Modification undermines a live consultation from the Utility Regulator which seeks to take into consideration numerous impacts from introducing short term exit capacity products before making a final decision. Furthermore, the Modification seeks to make a change that only new power stations undergoing commissioning can avail of (to the exclusion of all other participants) and has not taken into consideration necessary licence and IT system changes required to facilitate it. On this basis Energia recommend that the Modification is rejected.