

Energy Systems Management and Security  
10 S Colonnade  
Canary Wharf  
London  
E14 4PU

18 August 2021

Dear Sir / Madam,

RE: Proposed change to Existing Arrangements for Accessing Licence Baseline Exit Capacity on the National Transmission System at Bacton Interconnection Point

We support Ofgem's preferred policy option of Option 2. Aggregating the two exit points within NGG's Licence is the preferred option as it best facilitates competition. We would also expect NGG in discharging its obligation to provide a merged exit point by treating this capacity as competing capacity. This would make arrangements at Bacton exit competitive, and, from a technical perspective, it would replicate arrangements at other locations on the National Transmission System ('NTS') where capacity is contested.

The mechanism by which shippers will obtain access to current firm NTS exit capacity at Bacton in future needs to be efficient and without any unnecessary regulatory constraints. Centrica is of the view that combining the 2 current NTS exit points at Bacton (one serving the BBL interconnector, the other the IUK interconnector) and introducing competing auctions for the NTS exit capacity via the PRISMA platform will enable competition between the 2 interconnectors. This solution will lead to more efficient price discovery, as both interconnector providers compete to innovate on product and price to attract end users.

Don't hesitate to contact me if you wish to discuss any of these points further.

Yours faithfully,  
Ricky Hill