



Energy for
generations

Gas Markets and Systems

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Tariff Network Code Article 28(2) consultation on discounts, multipliers, and seasonal factors for Gas Year 2022/23

Dear Gas Markets and Systems Team

ESB Generation & Trading (“ESB GT”) welcomes the opportunity to respond to Ofgem’s Tariff Network Code Article 28(2) consultation on discounts, multipliers, and seasonal factors.

ESB GT would like to propose that the multipliers and seasonal factors should not change from Gas Year 2021/22 and for further incentives to encourage LNG imports and gas storage volumes. The reasons for our position are described below.

1. There should be a balance between the short- and long-term gas exit capacities during the energy transition. The use of multipliers and seasonal factors thus far has encouraged high utilisation of the National Transmission System and the development of a competitive gas market in GB, especially for gas-fired generators. The flexibility expected from thermal generators should be complemented by the availability of consistent multipliers and seasonal factors. For this reason, ESB GT would recommend that multipliers and seasonal factors should remain as they are for Gas Year 2022/23. Having predictable tariffs is especially crucial at a time when gas prices are volatile.
2. There are potential benefits in incentivising LNG imports and gas storage to ensure security of supply and keeping the lights on. The gas and electricity markets are intertwined and there are benefits in having consistency and predictability at a time when the uncertainties around gas prices have had a knock-on effect on wholesale electricity prices.

ESB GT welcomes further discussions on the points raised in this response.