

**SBGI**

**Response to the Ofgem Consultation :**

**Transmission Price Control Review  
Updated Proposals**

## The SBGI

The SBGI (formerly known as the Society of British Gas Industries) is the trade association for the UK onshore gas industry, although its scope now extends beyond gas. Its membership includes gas network owners, most of the major suppliers of products and services to those organisations and the majority of the gas storage companies operating or developing facilities in the UK.

## Introduction

The SBGI welcomes the opportunity to comment on the updated proposals for the Transmission Price Control Review.

The SBGI has decided to limit the scope of their response to specific issues around the gas transmission system.

## Consultation Questions

*Q7.4 What do you think regarding the proposed regulatory treatment of NGG's use of affiliated LNG?*

We support the proposal to increase the regulated prices that National Grid pays for storage services so that these services can be opened to competition and form part of the potential market for storage operators including new entrants over time.

*Q10.1 Do you agree with our proposals for the treatment of entry and offtake capacity release obligations and capacity substitution?*

These issues are also raised in the UNC modification proposals and we shall comment on these issues in that forum.

*Q10.4 Is it appropriate to propose an incentive on NGG NTS to release additional incremental flexibility over and above the flexibility baseline?*

We believe National Grid should be incentivised to offer additional flexibility but the method should also allow storage operators to provide such flexibility allowing competition into the market. It would be helpful to the development of competition if National Grid had an obligation to secure additional capacity and had to tender for such services.

*10.5 Do you agree with our view that an Innovation Funding Incentive is appropriate?*

We support the Innovation Funding Initiative as there is the possibility of both improving existing operations and the exploitation of new technologies that may be able to be developed by R&D.