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**3rd Party Proposal: Storage Information at LNG Importation Facilities.
UNC 104 – CIA Response**

The CIA welcomes the opportunity to respond to the questions posed in this impact assessment and is for the implementation of modification 104.

The CIA believes that increased market information and data transparency will help consumers understand the market and therefore aid the ability to make more informed forecasts. This modification was initially raised to allow greater market transparency irrespective to the number of LNG importation facilities in the market place. Therefore the implementation of this proposal should not be delayed until more LNG importation facilities are commissioned.

Question 1: The CIA agrees that on the basis of observations this winter, the Isle of Grain LNG importation facility has generally operated as a welcomed baseload source of gas supply.

Question 2: The CIA agrees that following a diversion of LNG imports away from GB, LNG importation facilities will operate similarly to storage.

Question 3: The CIA believes that increased market information and data transparency will help consumers understand the market and therefore aid the ability to make more informed forecasts. We agree that the increased provision of stock information regarding LNG importation will allow market participants to factor the diversion of LNG imports away from GB into their market price expectations.

Question 4: The CIA believes the estimated benefits obtained from Ofgem's qualitative analysis are reasonable and that they far outweigh any costs associated with the implementation of modification 104.

Question 5: The CIA agrees that this proposal would improve the economic and efficient operation of the market, as the increased transparent information published through this proposal will aid the effective functioning of the competitive market.



CIA members are committed to Responsible Care

Question 6: Ofgem's assessment of contract renegotiation required as a result of this proposal is unclear in the impact assessment; we believe that there is no requirement for contract renegotiation.

Question 7: The CIA agrees that the release of aggregated LNG importation information will improve competition, as the published data will be available to all market participants producing a level playing field.

Question 8: We agree that the proposal would positively benefit customers, as the increased data transparency would allow more informed forecasts aiding future decisions.

Question 9: We support Ofgem's assessment that the implementation of this proposal will have little effect on short and long term security of supply.

Question 10/11: The CIA believes that as reasonable estimates can already be made from currently published information regarding the stock levels at the Grain facility, coupled with the proposal to publish information on a D+1 basis, mitigates any concerns regarding the commercial sensitivity of the information.

Question 12: The CIA believes that implementation prior to more LNG importation facilities being operational would **not** be inconsistent with the intent of the proposal, as the modification was initially raised to allow greater market transparency irrespective of the number of LNG importation facilities.

If you require any clarification please do not hesitate to contact me.

Kind regards,

Gareth Davies
Climate Change and Energy Executive