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By email

FAO: Dora Guzeleva, Ofgem
Arun Pontin, Ofgem
cc. Nicola Meheran, Ofgem

November 16, 2012

Dear Sirs,

GTC response to “Informal consultation on the Network Innovation Competition (NIC) and Network Innovation Allowance (NIA) governance documents” letter dated 10 October 2012 and Arun Pontin’s email of 31 October titled “Independent Gas Transporters and the Network Innovation Competition”

Please find below GTC’s responses to your informal consultation and email of 31 October:

1. GTC are interested in the option of entering the NIC in 2013.
2. GTC are keen to see that the NIC is open to all Network Licensees from day 1. In the event that modifications to primary legislation preventing IGTs participating in the NIC are not achieved for the 2013 competition, consideration should be given to a mechanism where IGTs recover the costs directly under RPC arrangements rather than via the upstream GDN. We do not consider this would require changes to primary legislation.
3. The NIC Governance Document requires further drafting to clarify the way in which funding is recovered by IGTs. This will include sections 3.6, 5.21 and section 7.
4. “The NIC is focussed on funding larger scale, more complex innovation projects” whilst smaller projects are funded via NIA. We would not wish to see non-RIIO Licensees, who do not have access to a NIA mechanism, being excluded from obtaining NIC funding on the basis that the project is not large enough.
5. Further clarity is required in respect of how the costs associated with implementing and maintaining a portal will be recovered. Consideration should be given to non-RIIO Licensees recovering this via the NIC funding mechanism.

6. The NIA Governance Document obligates the Network Licensees to share learning and knowledge (amongst themselves). Network Licensees, in this instance are only RIIO Licensees (unlike NIC). We would like to see the sharing of Learning extended to both RIIO and non-RIIO licensees.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Foley', with a stylized flourish extending from the end.

Bob Foley

Head of Renewables