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Ofgem
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Next steps for Great Britain's (GB's) implementation of the first European Union (EU) network code for gas on Congestion Management Procedures (CMPs)

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy understand that the first auctions under Capacity Allocation Mechanism (CAM) will be 1 February 2016 with the obligation to change the GB gas day to take place by November 2015. We also understand that there is a desire from DECC for harmonisation of the European gas day to take place sooner than November 2015. In order to ensure all industry participants have the opportunity to effectively and efficiently accommodate the various changes across the businesses we require clarification as soon as possible on the exact date the changes to the GB gas day will take effect.

Based on the high-level information issued by National Grid Gas (NGG) we have undertaken an initial assessment of the impact of NGG complying with CAM upon EDF Energy. We have identified a number of internal processes and systems (including trade capture systems and demand forecasting) that will be affected by the change to the GB gas day. There will also be changes to our commercial contracts, both with NGG in terms of NExAs and NEAs as well as others. We will incur costs in order to ensure that all our internal processes and systems are able to effectively interact with changes to NGG's processes and systems for the purposes of complying with CAM.

We would also like to understand if these changes will just impact interconnection points or be further rolled out to all GB entry/ exit points. We believe it should not be the latter however clarification on this point is needed.

NGG has already highlighted a number of processes and interactions that could be affected at a high-level. We request that NGG to continue to share the outcome of its impact assessment process with industry so that all proposed changes can be considered and consulted upon in a timely manner. In addition to the processes and systems that are internal to individual shippers highlighted by NGG we believe that consideration needs to be given to processes not necessarily operated by shippers such as Gemini, Claims Validation processes and smart metering.

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We therefore believe that it would be sensible for NGG to set up a specific industry workstream to inform and discuss the impact of CAM and further European developments with shippers in order to develop the most efficient and effective modes of implementation, similar to that proposed under CMP in Ofgem's consultation.

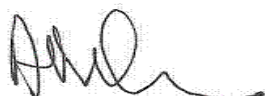
In terms of the options for implementing CMP we believe the most effective, least cost solution for NGG and shippers should be followed, whether that be through changing the Gas Act or individual gas licences.

We hope you have found our comments useful.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Natasha Ranatunga on 020 3126 2312, or me.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mark Cox".

Mark Cox
Head of Transmission and Trading Arrangements
Corporate Policy and Regulation