



Lea Slokar
Ofgem
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Canary Wharf
London
E14 4PU

**Call for Evidence: Change to Existing Arrangements for Accessing Licence
Baseline Exit Capacity on the National Transmission System at Bacton
Interconnection Point**

September 16, 2019

Dear Lea,

Uniper welcomes the opportunity to respond to this consultation. Please note this response is on behalf of both Uniper UK and Uniper Global Commodities Gas Shipper licencees.

We have not addressed each of the questions in this consultation, but our views are summarised below:

- We support the proposal to introduce National Grid Gas (NGG) Obligated Exit Capacity at the BBL Exit point, which is important to support the significant recent investment by BBL shareholders to enable physical reverse flow of gas from Great Britain (GB) to the Netherlands (NL).
- We fully support the statement in Ofgem's consultation letter that *"physical reverse flow to the Netherlands provides a new route for British export gas capacity to Europe, new trade opportunities and direct access to the Dutch gas market and storage facilities, potentially improving GB's gas market liquidity, competition and reducing transmission charges for GB consumers."*
- We agree that the current NGG Exit Capacity baseline of 'zero' for BBL is not facilitating fair and equal grid access for BBL Users, when compared to IUK Users. As Ofgem notes: *"NGG is obliged to offer 623.58 GWh/day (57 mcm/day) of Licence Baseline Exit Capacity at Bacton (IUK) and 0 GWh/day at Bacton (BBL)."* Objectively, we see no reason for this to continue with the recent introduction of reverse flow capability of BBL.
- We recognise that the current Exit Capacity arrangements reflect the physical capability of BBL when NC CAM was implemented in 2015 and as such, no longer reflects physical and commercial reality. BBL Users can currently only access interruptible or non-obligated capacity and as a result, these Users have less "firm" rights to flow gas compared to IUK Users. We do not believe this facilitates effective competition in the UK wholesale market, particularly between different interconnector Users. Furthermore, we believe that NGG should be offering the same capacity products for both IUK and BBL, to avoid potential discrimination issues.
- Uniper offers a non-binding expression of interest in purchasing the new Obligated Firm Exit capacity, if made available to the market. We cannot, however, confirm specific volumes or timeframes. Primarily, this is due to ongoing uncertainty about the price that would apply as a result of NC TAR

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proposals, which have yet to be determined by Ofgem. If purchased, it would form part of the wider Uniper capacity portfolio, that provides options and flexibility to help support security of supply and liquidity in the GB gas market.

Yours sincerely,

Richard Fairholme
Energy Law & Regulation
Uniper