

Response received via email:

RWE Supply and Trading welcomes the opportunity to comment on the above consultation and apologises for the slight delay in sending this to you.

We fully support IUK's efforts to secure future capacity bookings to replace the existing long-term bookings that expire in September 2018. Offering new products and services which remain within the parameters of what the EU Network Codes on Capacity Allocation and Tariff Harmonisation allow is entirely appropriate and IUK has a good track record of responding to meet the needs of its customers and the market as a whole.

We recognise the desire of IUK to encourage long term capacity bookings by providing shippers with the added flexibility of being able to re-profile long term capacity bookings without being subjected to multipliers that would apply to future short term capacity bookings. Whether this is sufficient to reverse the current trend of short term capacity booking remains to be seen and will depend to a large extent on the level of reserve prices and multipliers that are adopted. Finding the right balance of reserve prices and multipliers to optimise capacity bookings and generate sustainable revenue streams will be challenging and clearly cannot ignore future and prevailing price spreads that exist between the UK and continental markets.

The proposed limitations on the amount of capacity that can be released under the re-profiling service seem appropriate. However, applying a one-off 10 day window for re-profiling all capacity bought across multiple years could be challenging for shippers. IUK may want to consider if an appropriately timed re-profiling window could be applied annually to any multiple yearly capacity products bought in each annual auction.

Best regards,

Steve Rose
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