

Letter received by Email

Date: 04 March 2019

Organisation: *sisman energy consultancy ltd*

Abstract:

Hi Penny

Please can you share this with the Panel Chair.

It is shocking to see that Joint Office, Workgroup and the Panel are making a concerted effort to delay finalisation of the 678 Change Proposals. It increasingly looks like all three entities feel that legal compliance is no longer of primary importance.

It is clear that many of the proposals being considered would be illegal and that consistently the processes associated with 678 have proved incapable of weeding out non-compliant proposals. I note the attached correspondence which was aimed to help eliminate non-compliant proposals and to encourage JO's stewardship of the process to limit the filibustering going on in the Workgroup; it is regrettable that there is no transparency about how the request was assessed.

I cannot see any account of Panel's deliberations last week on the JO website but can see that a timetable will be discussed with Workgroup today that is likely to be inconsistent with an Oct 2019 implementation of any 678 proposal.

The current gas transmission charging regime suffers major dysfunctions and the industry and its institutions should not be allowed to continue to frustrate change to remove major cross-subsidies and distortions.

Should the 678 process be considered unable to deliver substantive reform for October 2019 then a far simpler approach should be contemplated on an urgent basis exactly as suggested to the January NTSCMF. I have communicated this to both BEIS and Ofgem and trust that, if necessary, a proposal that might retain the current Reference Price Methodology but which at least removes shortfall and zero reserve prices for short term capacity will be raised so that the major dysfunctions of the regime can be addressed, and in a timely manner, to have effect in October 2019.

It would be shameful if the industry and its institutions were again allowed to delay essential reforms and allow the substantial distortions within our current regime to continue for another year.

Best regards

Nigel

Nigel Sisman

sec

sisman energy consultancy ltd

Home office: 0121 704 1630

Mobile: 07778 030716