

**MODIFICATION 0525**

**DRAFT LEGAL TEXT - ATTACHMENT E**

Modification 0525 will modify EID Sections A (General), B (Capacity), C (Nominations) and D (Allocation) and Transition Document Part V. The draft text has been prepared as a mark-up of those Sections as they will appear following Modifications 0493 and 0500 (currently awaiting Ofgem approval) and 0510 and 0519 (currently in consultation) if those Modifications are approved.

**EUROPEAN INTERCONNECTION DOCUMENT**

**SECTION C – NOMINATIONS**

**1 General**

**1.1 Introduction**

1.1.1 This Section C provides for the basis on which Nominations may be made in respect of Interconnection Points.

1.1.2 The requirements in this Section C are additional to those of TPD Section C (and where applicable TPD Section D2.3); and except as modified and unless dis-applied by this Section C, the provisions of TPD Section C (and where applicable TPD Section D2.3) apply to Interconnection Point Nominations.

1.1.3 For the purposes of this Document:

- (a) in relation to a User which nominates gas for delivery to or offtake from the Total System at an Interconnection Point, **Counterparty IS User** means the IS User (including the User) which is to offtake such gas from or deliver such gas to the Interconnected System at the Interconnection Point;
- (b) **Interconnection Point Nomination** means a Nomination (either an Output Nomination or an Input Nomination, and including a Renomination) in respect of an Interconnection Point;
- (c) **Interconnected System Nomination** means a nomination (including a renomination) to the Adjacent TSO in respect of a gas flow in an Interconnected System at the Interconnection Point;
- (d) in relation to an Interconnection Point Nomination, a **corresponding** Interconnected System Nomination is an Interconnected System Nomination submitted by the Counterparty IS User for the same Interconnection Point, Day and Direction, and Single-Sided or Double-Sided, as the Interconnection Point Nomination;
- (e) **Interconnection Point Renomination** means an Interconnection Point Nomination which is a Renomination;

- (f) **Matching Procedures and Rules** means the procedures and rules for the time being adopted by the TSOs in relation to an Interconnection Point as provided in paragraph 1.5;
- (g) **Matching** means the application of the Matching Procedures and Rules to the Processed Nomination Quantity in respect of an Interconnection Point Nomination and the Processed Nomination Quantity in respect of the corresponding Interconnected System Nomination.

## 1.2 Double-Sided and Single-Sided Nominations

1.2.1 For the purposes of this Section C, an Interconnection Point Nomination is:

- (a) **Single-Sided** where it is submitted by a single communication to one of the TSOs which operates both as Interconnection Point Nomination and as a corresponding Interconnected System Nomination made by the same User (as IS User);
- (b) **Double-Sided** where a separate corresponding Interconnected System Nomination is to be submitted by the Counterparty IS User;

(and references to a Single-Sided or Double-Sided Interconnected System Nomination shall be construed accordingly).

## 1.3 Matching and Initiating TSO

1.3.1 In respect of each Interconnection Point, either National Grid NTS or the Adjacent TSO will be the **Initiating** TSO, and the other will be the **Matching** TSO, as for the time being specified in or determined under the Interconnection Agreement.

1.3.2 National Grid NTS will publish, for each Interconnection Point, whether it is (for the time being) Matching TSO or Initiating TSO.

1.3.3 Where National Grid NTS is Matching TSO in respect of an Interconnection Point:

- (a) National Grid authorises Users to submit (as IS Users) Single-Sided Interconnection Point Nominations to the Adjacent TSO, and will appoint the Adjacent TSO as its agent to receive such Nominations;
- (b) Users are responsible for arranging (as IS Users, under the Adjacent Rulebook) for the submission of such Nominations to the Adjacent TSO;
- (c) the sending of communications (taking effect as Single-Sided Interconnection Point Nominations), and any question as to whether such a communication is validly sent or as to the time of sending or receiving such a communication, shall be governed by and determined in accordance with the Adjacent Rulebook.

1.3.4 Where National Grid NTS is Initiating TSO in respect of an Interconnection Point:

- (a) National Grid agrees to receive Single-Sided Interconnected System Nominations on behalf of the Adjacent TSO and to be appointed by the Adjacent TSO as agent to receive such Nominations;

- (b) Users are responsible for arranging (under the Adjacent Rulebook) authorisation from the Adjacent TSO to submit such Interconnected System Nominations to National Grid NTS.

1.3.5 The Matching Procedures and Rules provide for the Initiating TSO to communicate Single-Sided Interconnection Point Nominations to the Matching TSO.

#### **1.4 Confirmed and Processed Nomination Quantities**

1.4.1 For the purposes of this Section C:

- (a) **Processed Nomination Quantity** means:
  - (i) in respect of an Interconnection Point Nomination, the quantity determined by National Grid NTS under paragraph 2.3.1(a);
  - (ii) in respect of an Interconnected System Nomination, the equivalent quantity determined by the Adjacent TSO in accordance with the Adjacent Rulebook;
- (b) **Confirmed Nomination Quantity** means, in respect of an Interconnection Point Nomination and the corresponding Interconnected System Nomination, the quantity determined by Matching in accordance with paragraph 2.3.1(b).

1.4.2 Once an Interconnection Point Nomination has been approved in accordance with paragraph 2.5.4, the Nomination shall be treated as having been made for the Confirmed Nomination Quantity.

1.4.3 In accordance with paragraph 1.4.2 (and without limitation of that paragraph), for the purposes of the following provisions of TPD Section C a reference to the Nomination Quantity in relation to an Interconnection Point Nomination is to the Confirmed Nomination Quantity:

- (a) TPD Section C1.1.2(f) (as provided in paragraph 1.6.1);
- (b) TPD Section C1.8(c) (in other words the Implied Nomination Flow Rate is to be determined on the basis of whether a Renomination increased or decreased the prevailing Confirmed Nomination Quantity).

#### **1.5 Matching Procedures and Rules**

1.5.1 In relation to each Interconnection Point, National Grid NTS and the Adjacent TSO will establish and adopt (in or pursuant to the Interconnection Agreement) and may from time to time revise:

- (a) procedures (in which Users will not participate) for comparing the Processed Nomination Quantities respectively under each Interconnection Point Nomination and corresponding Interconnected System Nomination; and
- (b) rules to determine which (or in any given circumstances affecting the NTS or the Interconnected System, which) of those Processed Nomination Quantities is to be determined as the Confirmed Nomination Quantity under each such nomination.

1.5.2 National Grid NTS will publish, for each Interconnection Point, the matching rules (under paragraph 1.5.1(b)) under the Matching Procedures and Rules for the time being.

## 1.6 Nominated Quantity

- 1.6.1 For the purposes of TPD Section C, the Nominated Quantity in respect of an Interconnection Point Nomination is the Confirmed Nomination Quantity under the Interconnection Point Nomination prevailing at the end of the Day.
- 1.6.2 For the purposes of any provision of the Transportation Principal Document other than a provision in TPD Section C, and for the purposes of Section D of this Document, a reference to Nominated Quantity in respect of any Day, User, Interconnection Point and Direction is to the sum of the Nominated Quantities under each Interconnection Point Nomination made by the User for that Day, Interconnection Point and Direction.

## 1.7 Nomination Timing

- 1.7.1 For the purposes of the submission of Initial Interconnection Point Nominations, the Input Nomination Time is 13:00 hours on the Preceding Day (the same as the DM Output Nomination Time) (and TPD Section C1.2 is modified accordingly).
- 1.7.2 In relation to an Interconnection Point Renomination submitted at any time, the **Renomination Submission Time** is the next hour bar after the Renomination was received by National Grid NTS.
- 1.7.3 The **Nomination Deadline** in relation to an Interconnection Point Nomination is:
  - (a) in the case of an Initial Nomination, the DM Output Nomination Time or Input Nomination Time (as modified under paragraph 1.7.1);
  - (b) in the case of a Renomination, the Renomination Submission Time.
- 1.7.4 The **Nomination Confirmation Time** in relation to an Interconnection Point Nomination is the time 2 hours after the Nomination Deadline.
- 1.7.5 The latest time by which an Interconnection Point Renomination may be submitted is 02:00 hours (and TPD Section C4.1.3(b) is modified accordingly).

## 1.8 Market Transactions involving Interconnection Points

- 1.8.1 The provisions of TPD Section D are modified as provided in this paragraph 1.8 in respect of Physical Market Transactions for which the Originating User is to make Contract Renomination(s) in respect of an Interconnection Point (as an Eligible System Trading Point or in the case of a Locational Market Transaction the Eligible System Trading Point).
- 1.8.2 The Originating User must take account of the Nomination Confirmation Time in determining the Market Transaction Lead Time and otherwise in determining its Market Offer.
- 1.8.3 Where the Originating User has more than one prevailing Interconnection Point Nomination (at the relevant Interconnection Point and in the relevant Direction), the User may for the avoidance of doubt decide which of such Interconnection Point Nominations are subject to the Contract Renomination.

- 1.8.4 Where (as contemplated by TPD Section D2.3.7) the Originating User does not make a Contract Renomination which complies with TPD Section D2.3:
- (a) National Grid NTS will adjust the Processed Nomination Quantity in respect of the prevailing Interconnection Point Nomination(s) by the amount for which the Contract Renomination was required to be made;
  - (b) where the Originating User has more than one prevailing Interconnection Point Nomination (at the relevant Interconnection Point and in the relevant Direction):
    - (i) the adjustment under paragraph (a) will be made in respect of each of such Interconnection Point Nominations pro rata to their respective Confirmed Nomination Quantities;
    - (ii) the User may subsequently revise the adjusted Interconnection Point Nominations, by submitting Interconnection Point Renominations, provided that the sum of the Nomination Quantities is unchanged compared to the sum of the prevailing Confirmed Nomination Quantities.

## 1.9 UK Link

1.9.1 For the avoidance of doubt, Interconnection Point Nominations are to be submitted as UK Link Communications in accordance with TPD Section U; but it is acknowledged that the UK Link Manual provides formats for Interconnection Point Nominations which differ from those for Nominations at other System Points.

### 1.10 Primary Interconnection Points

1.10.1 The provisions of this Section C apply separately in relation to each Subsidiary Interconnection Point comprised in a Primary Interconnection Point (and a reference in this Section C to an Interconnection Point is to a Subsidiary Interconnection Point), subject to the further provisions of this paragraph 1.10.

1.10.2 For the purposes of any provision of the Code other than this Section C and TPD Section C, in relation to a Primary Interconnection Point a reference to Nominated Quantity in relation to a User, Day and Direction is to the sum of the Nominated Quantities (in accordance with paragraph 1.6.2) at both Subsidiary Interconnection Points.

1.10.3 In paragraph 1.8, references to Interconnection Point are to the Primary Interconnection Point, and references to Interconnection Point Nominations are to Interconnection Point Nominations in respect of both Subsidiary Interconnection Points.

1.10.4 References in paragraph 3.1.2 to Interconnection Point Capacity are to Interconnection Point Capacity at the Primary Interconnection Point; and paragraphs 3.1.4 and 3.1.5 apply by reference to a User's Interconnection Point Nominations in aggregate at both Subsidiary Interconnection Points.

## 2 Requirements and procedure for Interconnection Point Nominations

### 2.1 Additional requirements for Interconnection Point Nominations

- 2.1.1 A User must make separate Interconnection Point Nominations (for an Interconnection Point, Day and Direction) in respect of each Counterparty IS User.
- 2.1.2 A User may submit an Interconnection Point Nomination to National Grid NTS:
- (a) as a Double-Sided Interconnection Point Nomination; or
  - (b) where National Grid is the Initiating TSO, as a Single-Sided Interconnection Point Nomination.
- 2.1.3 Where National Grid NTS is the Matching TSO, a Single-Sided Interconnection Point Nomination must be submitted to the Adjacent TSO as agent (as provided in paragraph 1.3.3(a)) for National Grid NTS (and a User may not submit such a Nomination direct to National Grid NTS).
- 2.1.4 For each Interconnection Point Nomination, there must be a corresponding Interconnected System Nomination submitted by the Counterparty IS User.
- 2.1.5 A User may not have more than one prevailing Single-Sided Interconnection Point Nomination and one prevailing Double-Sided Interconnection Point Nomination in respect of an Interconnection Point, Direction and Day for each Counterparty IS User.
- 2.1.6 Pursuant to paragraph 2.1.5, an Interconnection Point Nomination (for an Interconnection Point, Day, Direction and Counterparty IS User, and Double-Sided or Single-Sided) submitted before the Nomination Deadline shall be treated as superseding any previously-submitted such Nomination.
- 2.1.7 National Grid NTS will acknowledge to the submitting User the receipt:
- (a) of a Double-Sided Interconnection Point Nomination submitted to National Grid NTS;
  - (b) of a Single-Sided Interconnection Point Nomination submitted to National Grid NTS where it is Initiating TSO.

## **2.2 Content of Nominations**

- 2.2.1 An Interconnection Point Nomination must specify, in addition to the applicable requirements of TPD Section C:
- (a) the identity of the Counterparty IS User;
  - (b) the Direction of the Nomination; and
  - (c) whether it is submitted as Single-Sided or Double-Sided.
- 2.2.2 By specifying Direction an Interconnection Point Nomination indicates whether it is an Input Nomination or Output Nomination.
- 2.2.3 The requirement in TPD Section C3.2.2(e) (to specify volume or calorific value) does not apply in respect of an Interconnection Point Nomination.

## **2.3 Processing and Matching**

- 2.3.1 In relation to each Interconnection Point Nomination (whether submitted as Single-Sided or Double-Sided) National Grid NTS will, following (but not before) the Nomination Deadline:
- (a) determine the quantity for which the Interconnection Point Nomination is approved subject to Matching (the Processed Nomination Quantity); and
  - (b) pursuant to the Matching Procedures and Rules:
    - (i) if it is Matching TSO, determine and notify to the Adjacent TSO, or
    - (ii) if it is Initiating TSO, receive from the Adjacent TSO,the quantity for which the Interconnection Point Nomination and corresponding Interconnected System Nomination is approved by Matching (the Confirmed Nomination Quantity).
- 2.3.2 The Processed Nomination Quantity in respect of an Interconnection Point Nomination will be:
- (a) if the Interconnection Point Nomination is rejected, zero;
  - (b) otherwise, the Nomination Quantity, except where paragraph 3 applies.
- 2.3.3 For the avoidance of doubt, in respect of an Interconnection Point Nomination:
- (a) the Processed Nomination Quantity may be different from Nomination Quantity;
  - (b) the Confirmed Nomination Quantity may be different from the Processed Nomination Quantity.
- 2.3.4 National Grid NTS will notify to the User the Confirmed Nomination Quantity in respect of each approved Interconnection Point Nomination or Interconnection Point Renomination when notifying such approval.

## **2.4 Renominations**

- 2.4.1 A User may withdraw or modify an Interconnection Point Renomination up to but not after the Renomination Submission Time.
- 2.4.2 The Renomination Effective Time of an Interconnection Point Renomination shall not be less than 2 hours after the Renomination Submission Time (and TPD Section C4.1.10(a) is modified accordingly).
- 2.4.3 The Renomination Effective Time of an Interconnection Point Renomination shall not be later than 04:00 hours.

## **2.5 Approval and rejection**

- 2.5.1 National Grid NTS may reject an Interconnection Point Nomination:
- (a) if the Interconnection Point Nomination does not comply with paragraph 2.2.1;
  - (b) if the Interconnection Point Nomination is not submitted by the User or its User Agent;
  - (c) if the quantity of gas nominated in the Interconnection Point Nomination is negative;

- (d) in the case of a Double-Sided Interconnection Point Nomination, if the Adjacent TSO does not notify National Grid NTS (pursuant to the Matching Procedures and Rules) of a corresponding Interconnected System Nomination submitted by the Nomination Deadline; or
  - (e) in accordance with paragraph 3.1.6.
- 2.5.2 Paragraph 2.5.1 applies in addition to the grounds for rejection of a Nomination in TPD Sections C2.4.1 and C3.4.1 (as modified by this Section C); and for the purposes of TPD Section C, in relation to an Interconnection Point Nomination, the grounds for rejection in paragraph 2.5.1 shall be deemed included in TPD Sections C2.4.1 and C3.4.1).
- 2.5.3 National Grid NTS will not approve or reject an Interconnection Point Nomination before the Nomination Deadline.
- 2.5.4 The time by which an Interconnection Point Nomination is to be approved or rejected is the Nomination Confirmation Time; but if National Grid NTS does not approve an Interconnection Point Nomination, or notify the Confirmed Nomination Quantity, by the Nomination Confirmation Time, the Interconnection Point Nomination shall be deemed rejected (and TPD Sections C2.4.4 and C3.4.4 do not apply).
- 2.5.5 It is acknowledged that where National Grid NTS is the Matching TSO, in case of a failure of either TSO to exchange information (within the required timescale) under the Matching Procedures and Rules, Matching may not be carried out in respect of an Interconnection Point Nomination, in which case:
- (a) no Confirmed Nomination Quantity will be determined in respect of that Nomination, and the Nomination will be rejected; and
  - (b) in the case of an Initial Nomination, the Nomination Quantity shall be deemed to be zero in accordance with TPD Section C2.2.6 or (as the case may be) TPD Section C3.2.4; or
  - (c) in the case of a Renomination, the prevailing Nomination shall remain in force;
- and in such a case National Grid NTS will notify the User by the Nomination Confirmation Time, but National Grid NTS will have no liability or other obligation to the User in respect of such failure or rejection.

### **3 Exceptional Events**

#### **3.1 Transportation Constraints**

- 3.1.1 This paragraph 3.1 applies in relation to an Interconnection Point and a Day where National Grid NTS determines at any time before or during the Day that there is or will be a Transportation Constraint affecting the Interconnection Point on the Day in either Direction.
- 3.1.2 For the purposes of this paragraph 3.1:
- (a) a reference to an Interconnection Point Nomination is to an Interconnection Point Nomination for the Interconnection Point, Day and Direction for which National Grid NTS makes a determination as provided in paragraph 3.1.1;



- (b) the relevant time is the time at which National Grid NTS makes a determination as provided in paragraph 3.1.1 (or, if later, at which it decides to adjust or reject Nominations under this paragraph 3);
- (c) in relation to an Interconnection Point Nomination:
  - (i) a User's **Fully Adjusted** Available Interconnection Point Capacity is its Interconnection Point Capacity (for the relevant Interconnection Point, Day and Direction) Fully Adjusted in accordance with TPD Section B2.8, B2.10 or B2.17 (in the case of NTS Entry Capacity) or TPD Section B3.9 or B3.11 (in the case of NTS Exit (Flat) Capacity), as at the Nomination Deadline;
  - (ii) a User's **Effective Capacity Rate** for an hour in the Day is a rate (in kWh/h) reflecting the User's Fully Adjusted Available Interconnection Point Capacity for the remainder of the Day from that hour.
- (d) in relation to a User a **relevant** Interconnection Point Nomination is an Interconnection Point Nomination which, at the relevant time:
  - (i) has been made by the User and approved; or
  - (ii) has been submitted by the User but not yet approved, and which would otherwise be approved.

3.1.3 Where this paragraph 3.1 applies and the condition in paragraph 3.1.4 is satisfied:

- (a) National Grid NTS may adjust the Processed Nomination Quantity under each relevant Interconnection Point Nomination in accordance with paragraph 3.1.5;
- (b) following (and on the basis of) the determination of such adjusted Processed Nomination Quantity, National Grid NTS will determine with the Adjacent TSO an adjusted Confirmed Nomination Quantity for such Interconnection Point Nomination pursuant to the Matching Procedures and Rules;
- (c) the adjusted Confirmed Nomination Quantity:
  - (i) will replace the prevailing Confirmed Nomination Quantity in respect of an Interconnection Point Nomination within paragraph 3.1.2(d)(i);
  - (ii) will be the Confirmed Nomination Quantity in respect of an Interconnection Point Nomination within paragraph 3.1.2(d)(ii).

3.1.4 The condition (for the purposes of paragraph 3.1.3) is that either:

- (a) the aggregate of the Confirmed Nomination Quantities under all relevant Interconnection Point Nominations exceeds the User's Fully Adjusted Available Interconnection Point Capacity, or
- (b) for any hour h of the Day the aggregate of the Implied Flow Rates under all relevant Interconnection Point Nominations exceeds the User's Effective Capacity Rate.

3.1.5 The Processed Nomination Quantity for each relevant Interconnection Point Nomination, excluding an Interconnection Point Nomination rejected under paragraph 3.1.6, shall be adjusted so that:

- (a) where the relevant time is not later than 03:00 hours on the Preceding Day, the aggregate of the adjusted Processed Nomination Quantities for all relevant Interconnection Point Nominations does not exceed the User's Fully Adjusted Available Interconnection Point Capacity;
- (b) where the relevant time is later than 03:00 hours on the Preceding Day, the aggregate of the adjusted Implied Flow Rates for any hour of the Day does not exceed the User's Effective Capacity Rate; and
- (c) where there is more than one relevant Interconnection Point Nomination, the adjustments (under paragraph (a) or (b)) are pro rata their Processed Nomination Quantities.

3.1.6 Where the condition in paragraph 3.1.4 is satisfied, National Grid NTS may (as an alternative, in whole or part, to adjusting Processed Nomination Quantities in accordance with paragraph 3.1.5), reject any Interconnection Point Nomination within paragraph 3.1.2(d)(ii).

### **3.2 Emergencies**

3.2.1 In a Gas Deficit Emergency at stage 2 or higher, National Grid NTS may make any adjustment of the Processed Nomination Quantity under any Interconnection Point Nomination which in its opinion is appropriate in connection with the Emergency (and which is not in conflict with the provisions of TPD Section Q, and the Confirmed Nomination Quantity will (pursuant to the Matching Procedures and Rules) be adjusted accordingly.

### **3.3 Adjacent TSO adjustments**

3.3.1 Where under the Matching Procedures and Rules the Adjacent TSO in relation to any Interconnection Point notifies National Grid NTS that pursuant to the Adjacent Rulebook the Processed Nomination Quantity under any Interconnected System Nomination is to be adjusted as a result of any constraint or emergency affecting the Interconnected System:

- (a) National Grid NTS and the Adjacent TSO will determine (on the basis of what is notified by the Adjacent TSO) an adjusted Confirmed Nomination Quantity for the corresponding Interconnection Point Nomination pursuant to the Matching Procedures and Rules;
- (b) the adjusted Confirmation Nomination Quantity will replace the prevailing Confirmation Nomination Quantity, or (as the case may be) will be the Confirmation Nomination Quantity, for such Interconnection Point Nomination.

### **3.4 Information to the Authority**

Where National Grid NTS adjusts the Processed Nomination Quantity under any Interconnection Point Nomination, or rejects such a Nomination, pursuant to this paragraph 3, National Grid NTS will as soon as reasonably practicable inform the Authority of the fact that, and the circumstances in which, it did so.