

UNC0859 -Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (as introduced by UNC0814)

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Agenda

Background

Modification Overview

Integrity Considerations / Mitigations

Background

- An Urgent Enabling Modification <u>0814</u> was raised in July 2022 allowing BBLC to temporarily gain access to the existing Enhanced Pressure Service at the Bacton Exit IP and increase their Maximum Network Exit Point Offtake Rate (MNEPOR) via permitting changes to BBLCs Interconnector Agreement
- Ofgem approved Modification 0814 on 6th March 2023 and in their decision letter they acknowledged the contractual arrangements between Interconnector Ltd (INT) and BBLC are not equal when they stated:

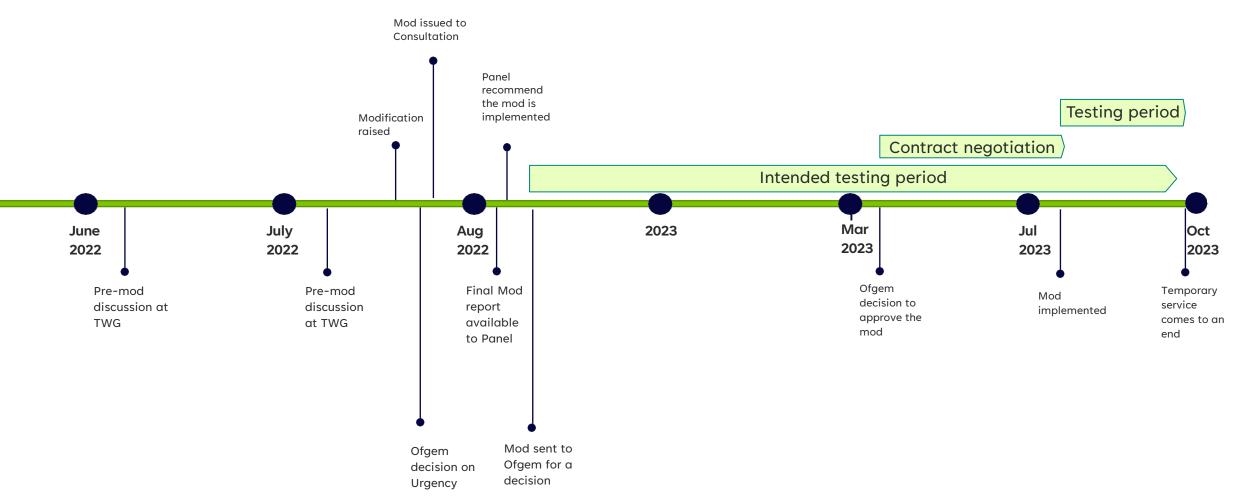
"the proposed solution will ensure a level-playing field between BBL and INT by granting BBL access to an enhanced pressure service that INT already has access to. This will subsequently ensure fair and equal treatment of both interconnectors as well as facilitating a level-playing field between them and their users, which will promote competition"

- These contractual arrangements expired as of 05:00 on 1st October 2023 and BBLC and its shippers did not have an opportunity to utilise the service due to unforeseen delays in implementation and changes in the prevailing market conditions.
- NGT would like to facilitate fair competition between Shippers and between Interconnector Operators at Bacton Exit IP and consider reinstating the arrangements introduced as part of UNC0814 on a temporary basis until and including 31/12/2024 an appropriate mechanism to achieve this and "ensure a level-playing field between BBL and INT" as stated by Ofgem.

Factors to consider

- INT have enduring access to the enhanced pressure service at the Bacton Exit IP
- This is an enabling modification which would permit the BBLC contractual change only
- NGT have a separate process for reviewing enhanced pressure requests and managing any associated risks which is part of the BAU operation of the GSO
- Any potential operational or physical risks are outside of scope for the Modification.

Timeline of UNC0814



Why is this a UNC Code matter?

- This is an Enabling Modification which utilises the "relevant Interconnector Provision" as per EID Section A4.1.3 which explains that relevant Interconnector Previsions cannot be made unless
- (a) approval is obtained from each user holder capacity ('for the time being') at the relevant IP, or
- (b) pursuant to a Code Modification. Given the practical challenges associated with the former option (including the transient nature of Users holding capacity 'for the time being')

Modification overview

- The Modification seeks to facilitate temporary changes to BBLC Interconnector Agreement (IA) until and including 31st

 December 2024. The contractual changes would result in BBLC being able to:
- Request the existing Enhanced Pressure Service (export pressures from 55-68 bar)
- Increase their Maximum Network Exit Point Offtake Rate (MNEPOR) from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h). This is a proportional increase to take into account them being able to request and maintain higher export pressures
- NGT already provides any enhanced pressure requests on a reasonable endeavours basis and takes into account NTS conditions before accepting any such requests.
- Any potential physical or operational risks on the network are outside of scope for the Modification because it is about giving BBLC the contractual ability to request the service and flow at the higher rate.
- The proposed solution should provide NGT a large enough window of opportunity to gather data and contribute towards our longer term thinking.
- The solution is identical to 0814 but it has a different trial period end date. Therefore, we believe it is fully developed proposal and ready for consultation and will further competition between Shippers and between Interconnector Operators at Bacton.

Integrity Considerations

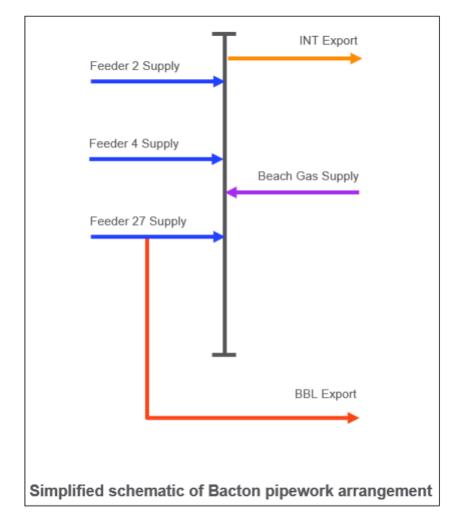
- During the UNC0814 discussions INT argued that by allowing BBLC to increase their contractual export capabilities, it may have a detrimental impact on them due to the perceived risk of dust / solid material being present in the pipeline and potentially being delivered to their infrastructure.
- NGT recognise and acknowledge that there is dust in the NTS, as there is in all pipeline systems and it forms part of the normal BAU risk management of the GSO.

What have we been doing to help manage these risks:

- For the last ~12 months NGT have deployed double filtering of the gas at Bacton to reduce the risk of dust
- In Summer 2022 F4 was taken out of operation to be cleaned
- INT and NGT have a Velocity Control Protocol documented in their IA which helps to keep the velocities down
- In September 2023 BBLC conducted a pipeline inspection of their pipeline and did not identify any material, dust or liquids
- Velocity analysis has been conducted and if the Modification is implemented, the velocities experienced will be lower than those experienced between May 2022 – August 2022 whilst F4 was isolated

NTS Footprint

- INT predominately receives gas from F2/4 and the adjacent Bacton beach terminals
- Whereas BBLC predominantly receives gas from F27
- NTS configurations are available which result in the velocities being entirely dependent upon their own flows eg running them in separate configurations.



Thank you

