

Pre Modification Discussion

Combined ASEP Modification

Pre-Mod discussion: Combined ASEP Mod

- Proposed Mod on treatment of capacity at combined ASEPs
 - Mod will consider introduction of different classifications of capacity at ASEPs to allow different charging treatments
 - E.g. “storage capacity”, “abandoned capacity”
- Industry Webex held **29 August 2017**
 - Part of new pre-mod development process being trialled by National Grid
- Industry discussion on **7 September** (after Trans. WG)

Rapid Mod Development

Rapid Mod Development

- A WeBex meeting was held on 29th August 2017 to discuss with industry some detailed solution options for the treatment of capacity at combined ASEPs
- Although this particular modification proposal is not typical of the type of modification thought to be suitable for rapid mod development, as it is not a “routine” modification, it is being trialled to assess elements of possible approaches to develop RMD
- The trial reviewed whether or not WeBex style meetings could be beneficial in progressing mods more efficiently in between the monthly Workgroup meetings
- NG is also considering trialling a further modification proposal which may be more suitable for RMD. The proposal is “Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections” which would remove the requirement for every new NTS Exit connection to include a Remotely Operable Valve (ROV) Installation
- If anyone has any feedback, further ideas/suggestions for how we can improve please inform Lesley Ramsey - Lesley.Ramsey@nationalgrid.com

Project CLOCC

Project CLoCC

Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

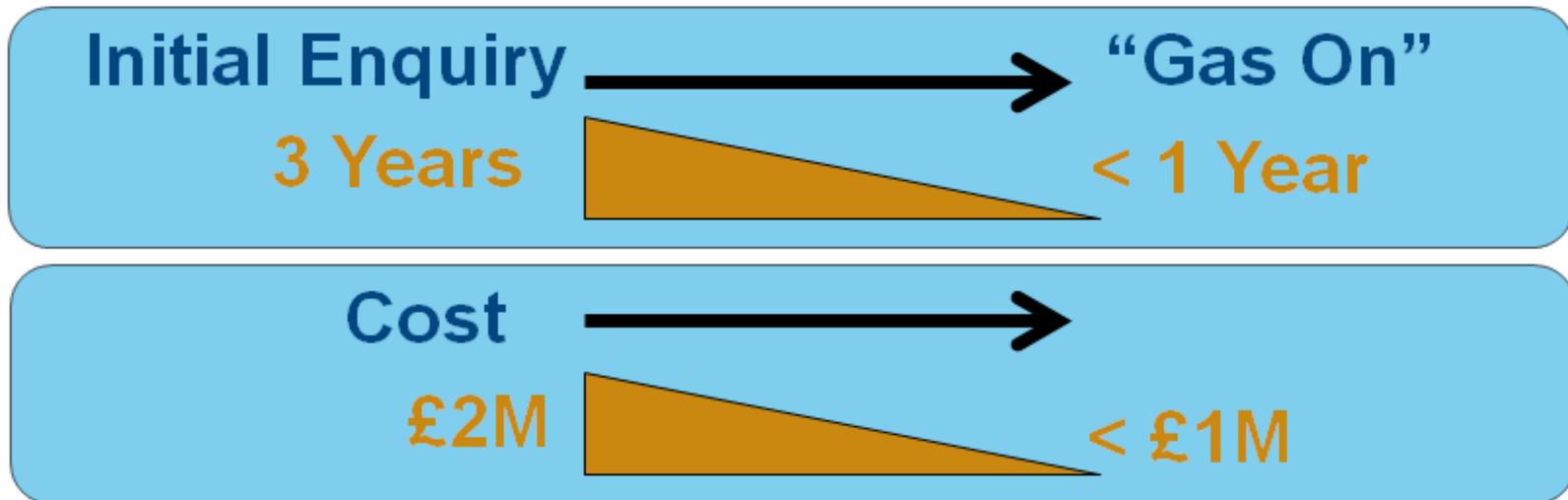
CUSTOMER LOW COST CONNECTIONS (CLOCC)

Nicola Lond
Commercial Lead

TWG September 2017



Project CLoCC – Core Objectives



Engaging with key stakeholders now -
Aiming to deliver by October 2018

Facilitating demand for connection of lower flows to NTS

Project CLoCC – Objectives for today

UNC Modifications – Pre Mod Discussion:

- 1. Removal of requirement for ROV at Exit Points**
- 2. Standard Design Application to Offer (A20)**
- 3. Standard Design PARCA**

Removal of ROV requirement

- Principles of Mod:
 - Remove the requirement for ROV at Exit Points
 - National Grid discretion on when an ROV at Exit Points is required
 - Methodology for determination of ROV
 - UNC proposed to change from Will have an ROV to may have an ROV for Exit
 - Entry and Bi-directional to remain with ROV requirement as currently

Standard Design Application to Offer

■ Principles of Mod:

- Define a Standard Design Connection
- Define Standard Designs
- To ensure all current UNC definitions are still applicable or updated accordingly to accommodate Standard Design connections.
- To include for all new potential customer types within the Entry and Exit requirements
- To allow appropriate NTS connection application fees
- To ensure the Principles set out in section Y, The Gas Transmission Connection Charging Methodology, are appropriate for all types of connection including Standard Design connection
- To allow National Grid to offer Meter and Filter Enhancements to Standard Design connections

Standard Design PARCA

- Principles of Mod:
 - Introduction of an accelerated route through the PARCA process for a Standard Design Customer with a Green capacity indicator
 - This is to align the PARCA Stage 1 process to the Application to Offer for a connection by streamlining the process where possible. This can be achieved by using upfront analysis to provide the capacity indicator
 - A Capacity Indicator will be provided to customers from the NTS Customer Connections Portal
 - To allow appropriate and proportionate PARCA application fees

Proposed Mods Timetable

ITEM	ROV	A20/PARCA
Initial consideration by Panel	19 th October 2017	19 th October 2017
Modification considered by Workgroup	November /December 2017	November to April 2018
Workgroup Report presented to Panel	18 th January 2018	May 2018
Draft Modification Report issued for consultation	18 th January 2018	May 2018
Consultation Close-out for representations	8 th February 2018	June 2018
Final Modification Report available for Panel	15 th February 2018	June 2018
Modification Panel decision	15 th February 2018	June 2018

Proposed Governance

- All 3 Mods are proposed as self Governance Mods
- Welcome any views on this

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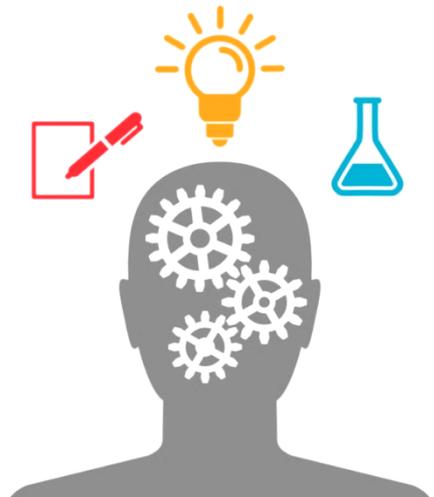
Customer Low Cost Connections

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European Update



7 September 2017

1. General Update

Code Status Update

Code	Current Status	Implementation date
Tariffs (TAR)	Entered into Force 6 April 2017, Mods now being raised (e.g. UNC 0621 + combined ASEP Mod)	Applicable from 6 April 2017, 1 October 2017, 31 May 2019.
Transparency (TRA)	Entered into Force 6 April 2017	Applicable from 01 October 2017, First publication end 2017
CAM amendments	Entered into Force 6 April 2017	Applicable from 6 April 2017

2. EU Code Updates

Tariff Code Update

ENTSOG 2nd TAR NC Implementation Workshop

- **Second External TAR NC Implementation Workshop** has been changed to **5 October**
 - Same date as next Transmission WG!
- Venue is the Diamant Conference Centre – it has been renamed to **BluePoint Brussels**
- Official notification with details on ENTSOG website is imminent
- Updated IDoc (Implementation Document) now being finalised (currently 269 pages)

ENTSOG 2nd TAR NC Implementation Workshop

- Draft agenda compiled on the basis of feedback received at the 1st Implementation Workshop, stakeholder comments and the 2nd application date compliance
- 4 sessions:
 - 1st Session: Transparency
 - 2nd Session: NRA/ACER perspective
 - 3rd Session: Addressing stakeholder concerns
 - 4th Session: Up-coming year/Implementation and Effect Monitoring

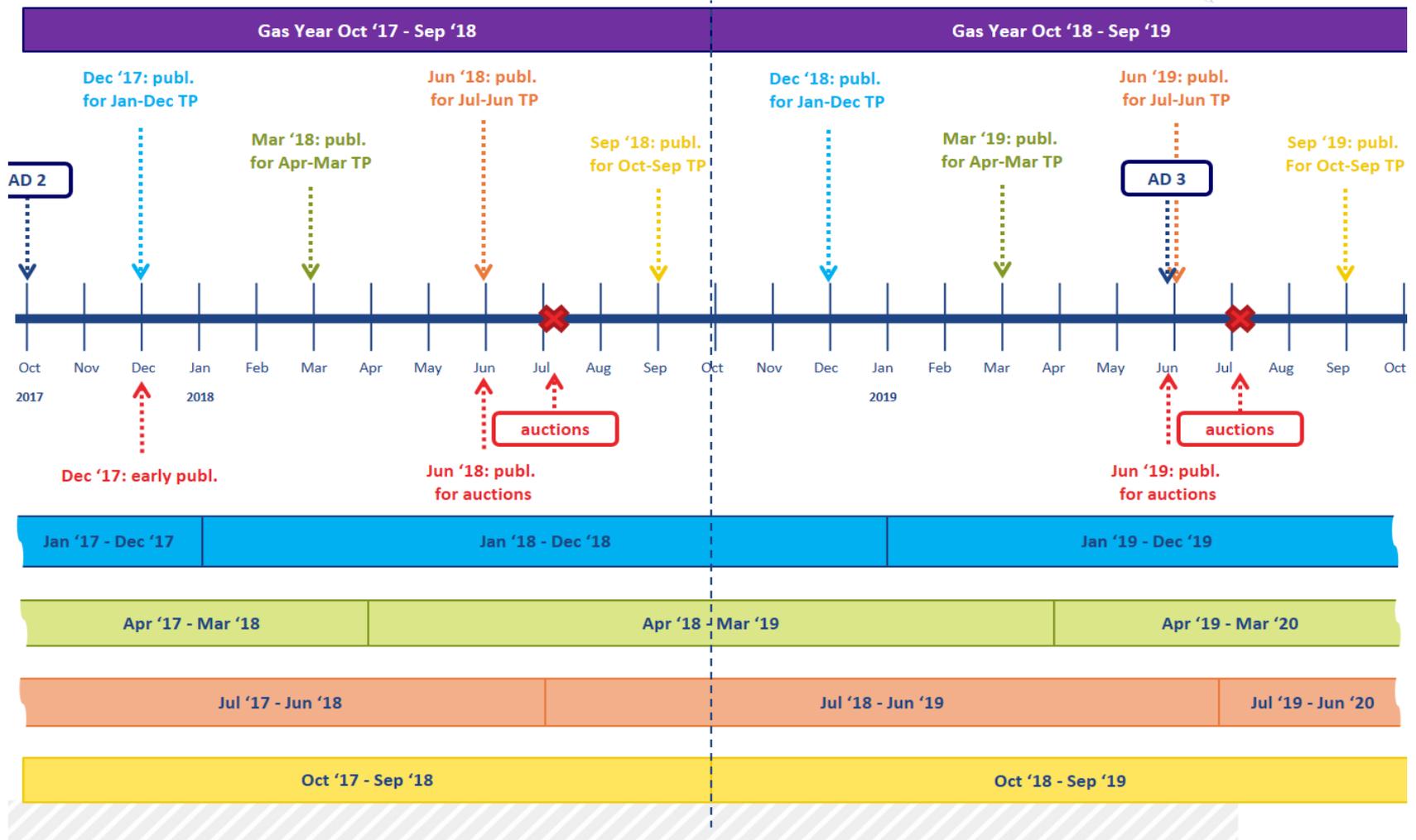
Application Date 2: 1 October 2017

- Chapter VI and VIII are applicable from **1 October 2017**
- **Ch VI: Clearing price and payable price**
 - Key feature is that prices at IPs must now be floating
 - I.E. July 2018 annual auction at IPs will have a floating price
 - Change already implemented in GB via **UNC Mod 611**

Application Date 2: 1 October 2017

- **Chapter VIII: Publication requirements**
 - Requirements have now been identified
- Standardised templates have been finalised
- Testing for uploading data onto ENTSOG Transparency will commence shortly
- GB to publish early in accordance with EC requirements (**December 2017**)

Publication Timetable



Template for Information published ^{nationalgrid} before annual yearly capacity auction

TAR NC	Description	Link	Further information
Information to be published before the annual yearly capacity auction			
Art. 29 (a)	Information for standard capacity products for firm capacity (reserve prices, multipliers, seasonal factors, etc.)	<u>Link to the information of the TSO individual website!</u>	
		<u>Link 2</u>	
		<u>Link 3</u>	
Art. 29 (b)	Information for standard capacity products for interruptible capacity (reserve prices and an assessment of the probability of interruption)	<u>Link to the information of the TSO individual website!</u>	
		<u>Link 2</u>	
		<u>Link 3</u>	

Template for Information published nationalgrid before the tariff period

TAR NC	Description	Link	Further information
Information to be published before the tariff period			
Art. 30 (1)(a)	Information on parameters used in the applied reference price methodology related to the technical characteristics of the transmission system.	<u>Link to the information of the TSO individual website!</u>	
		<u>Link 2</u>	
		<u>Link 3</u>	
Art. 30 (1)(b)(i)	Information on the allowed and/or target revenue.	<u>Link to the information of the TSO individual website!</u>	
		<u>Link 2</u>	
		<u>Link 3</u>	
Art. 30 (1)(b)(ii)	Information related to changes in the revenue.	<u>Link to the information of the TSO individual website!</u>	
		<u>Link 2</u>	
		<u>Link 3</u>	

Future Topics

Future Topics

Topic Area	Provisional Date
Tariffs Code	Monthly updates
Transparency requirements	Monthly updates
CAM Amendment	Monthly updates

Modification 0616s - Capacity Conversion

7 September 17

Changes to modification since Aug WG

- Rules on the treatment of revenues added – in line with discussions last month
- Reduction of NG response time for conversion requests from 3 business days to 2 business days (48hrs). See diagram below



AOB



Gas Demand Side Response

- Consultation closed on 18th August – 4 responses received
- The consultation report was sent to the Authority on 24th August
- All respondents agreed that the Gas DSR Methodology met the principles of National Grid's NTS Transporter Licence Special Condition (SC) 8I — ‘Development and Implementation of a Demand Side Response Methodology for use after a Gas Deficit Warning’
- Next steps are:
 - Discuss the consultation report with the Authority
 - Publish the consultation report on the website
<http://www2.nationalgrid.com/UK/Industry-information/Gas-transmission-system-operations/Balancing/Gas-DSR/>
- For further information please contact Debbie Brace on 01926 653233 or by email deborah.brace@nationalgrid.com

Industrial Emissions Directive



Stakeholder Engagement Proposals 2017/18

Background

- Environmental legislation will have a significant impact on our ability to run many of the larger compressor units on our network from 2023 onwards
- In 2014 and 2015 we ran a series of events to explain the impact that this would have on the network and seek stakeholder views on the best way forward
- Our proposals, developed in conjunction with stakeholders, were to install 10 new compressor units at an approximate cost of £470m, and apply derogations to a further 11 units
- Our proposals were rejected by Ofgem in September 2015

Background

In their decision letter in September 2015, Ofgem said that as part of any re-opener in 2018:

- “We will require NGGT to demonstrate that they have considered the future network requirements and a full range of options;
- These should be supported by comprehensive cost benefit assessment (CBA) as required in RIIO-T1 final proposals;
- CBAs should include clear and robust assumptions; and
- Any decision we make during the 2018 reopener will consider the information (e.g. current or any known future changes to legislation and/or policy) available to NGGT at the time of committing to any investment and will not rely on hindsight.”

Next Steps

- In May 2018 we have an opportunity to re-submit proposals to address the impact of the Industrial Emissions Directive on our compressor fleet
- We will be holding several stakeholder engagement sessions over the coming months to ensure that your views are taken into account in our proposals to Ofgem
- Further background information, including contact details, are available on our talking networks site at <http://talkingnetworkstx.com/ied-welcome.aspx>