

Pre Modification Discussion Treatment of Capacity at Combined ASEP's

About the Mod :

Treatment at Combined ASEPs

- This proposed Mod is linked to UNC 0621
- NG shall not formally submit this draft mod until 0621 draft is finalised.
- Delay due to ongoing discussions in 0621 re nature of revenue recovery charge
- In developing this Mod NG is concerned with issues of
 - Fairness
 - Cross-subsidisation
 - Impact on IP flows

About the Mod :

Treatment at Combined ASEPs

- This Mod needs to know how Transmission Services Revenue recovery shall apply to capacity associated with:
 - Existing Contracts
 - Re Art 35 of Tariff Code
 - Interim Contracts
 - Long Term Entry Capacity allocated after 6 April 2017 but before implementation of 0621 (or one of its alternates)
 - Interconnection Points
- Consideration needs to be given if commodity charge used from 2019 but then capacity top-up from [2021]

About the Mod :

Treatment at Combined ASEPs

- Existing and Interim Contracts may be combined to a GB concept of “Historic Contracts”
 - This may impact need for concept of “abandoned” capacity described in previous presentations
- This Mod shall also have to consider how 0621 shall impact capacity associated with storage, in particular if there shall be a distinction between “Historic” storage capacity and new capacity (allocated post 0621 implementation)

Next steps

- Requires clarity on Revenue recovery charge in UNC 0621
 - NG still proposing a commodity based charged but this is contentious
 - Even if commodity is used it may be time-limited until [2021]
 - Issues with capacity top-up charge may only be delayed but at least could buy time for further development
- Take the draft/proposal to workgroup in January 2018(?)
- Analysis around the materiality impact of potential options

European Update



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 Review of EU Code Change Process

- Current tools:
 - **NRA:** responsible for ensuring compliance of TSOs (Art 41 of Directive 2009/73/EC)
 - **ACER:** draft amendments to Codes can be proposed to ACER (Art 7 of EC 715/2009)
 - No obligation for ACER to progress these
 - **FUNC:** Joint ENTSOG/ACER tool for addressing issues (<http://www.gasncfunc.eu/>)
 - Shippers can register to use platform

ENTSOG Review of EU Code Change Process

- ENTSOG exploring role in change process
- Supplementary to FUNC
 - Either as pre-step
 - Or as alternative route to FUNC
- Aimed at facilitating TSO raised issues
- Any issue raised will lead to obligatory internal discussion to examine if sufficiently EU-wide
- Issue could become ENTSOG agreed proposal

Tariff Code: Transparency Requirements

- Publication on ENTSOG Transparency Platform on schedule for **2 December** “Go Live”
- Publication on NG website linked to website refresh project
- Published Template to be populated on rolling basis as relevant during implementation of TAR NC

TAR NC: Monitoring Reports

- The Monitoring Reports (Art 36 of TAR NC) shall include data only from TSOs
 - ACER not participating in its production this year
 - Report shall go beyond Ch VIII Requirements (i.e. data publication)
- Most TSOs have responded but more responses still awaited
 - Delays include requirement for some questions to be clarified
- Final report due in **March 2018**

UNC Mod 0621: Amendments to Gas Transmission Charging Regime

- TAR NC being implemented via UNC 0621
- Details can be found at
 - <https://www.gasgovernance.co.uk/ntscmf>
 - <https://www.gasgovernance.co.uk/0621>
- Next meeting **14 December 2017**

**EU regulation 2017/459 and
UNC Mod 0616**

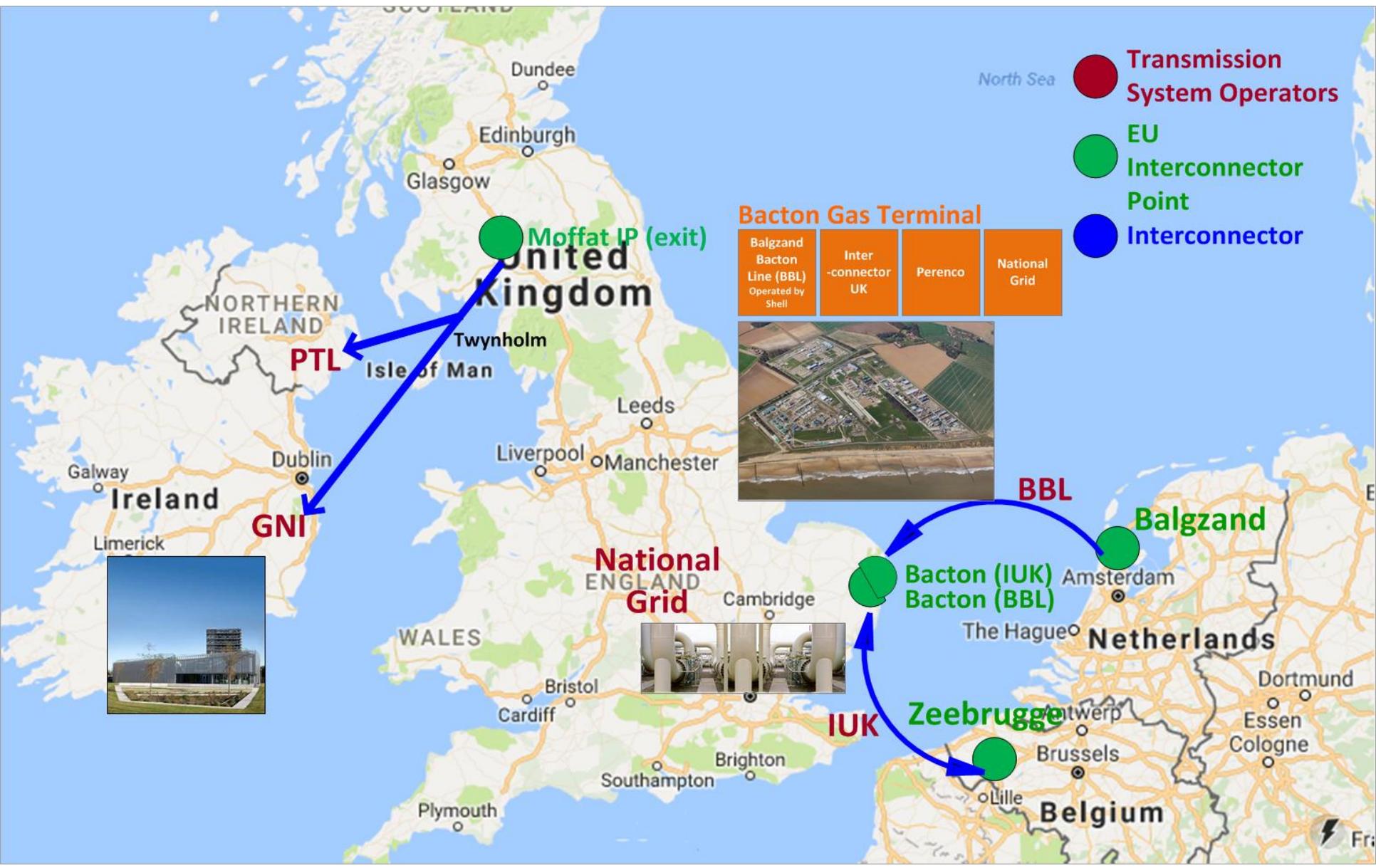
**Capacity Conversion Mechanism for Interconnection
Points**



**EU Change 2017 –
CAM, Incremental
& Transparency**

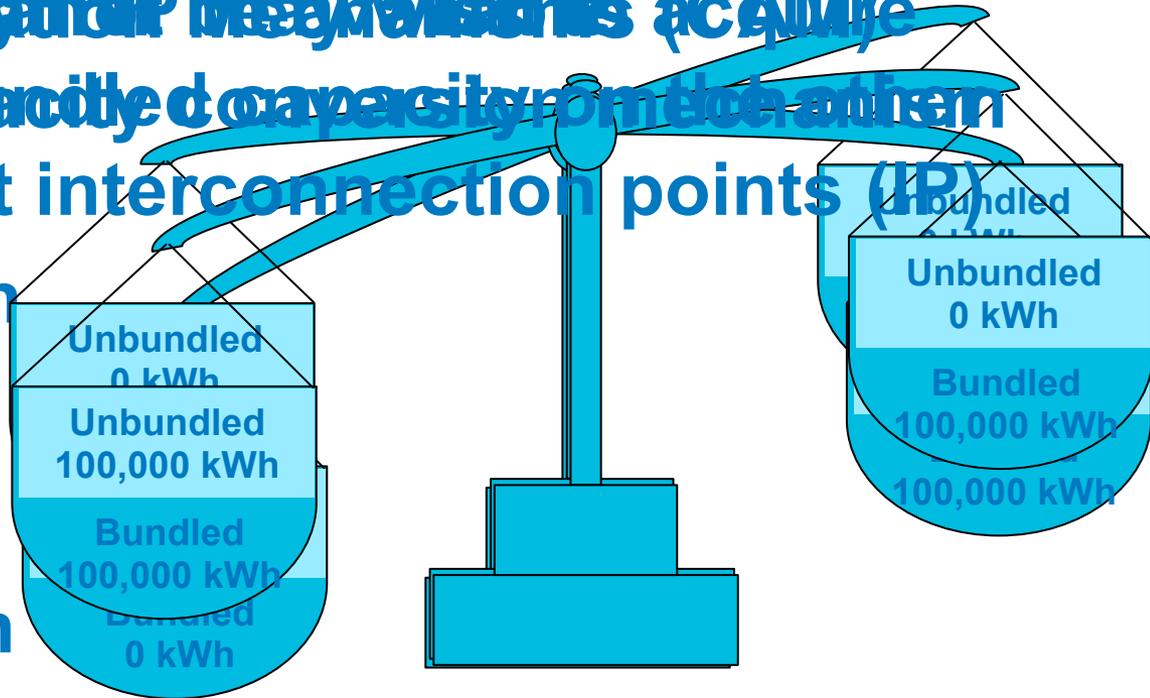
Interconnection Points (IPs)

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Capacity Conversion Mechanism for Interconnection Points

- Nationalgrid Electricity System Operator (ESO) will offer bundled capacity at IP auction only
- Capacity of bundled capacity at interconnection points (IP) matches capacity of capacity from the other side of the IP available



Post IP auction

Capacity user

Purchased

100,000 kWh

Capacity Conversion

Request to convert

capacity

100,000 kWh capacity

- Effective from 01 January 2025

Capacity Conversion Mechanism for Interconnection Points

-
- Following a Long Term bundled IP auction of yearly, quarterly or monthly capacity then Shipper Users may request to convert unbundled capacity.
 - The request must be received by National Grid NTS no later than 17:00 3 business days after the close of an auction.
 - The request must contain at least the following information;
 - a) PRISMA reference number(s) for the bundled auction(s)
 - b) The Interconnection Point
 - c) The direction of flow
 - d) The unbundled capacity amount to be converted
 - e) The capacity duration, and period, for the conversion
 - f) Shipper ID (Gemini BA code)
 - g) Contact details for the shipper
 - Please send requests to capacityauctions@nationalgrid.com entitled 'CAPCON Request'
 - A request can be withdrawn at any time up to the conversion deadline.
 - NG NTS will respond to a request within 2 business days

Capacity Conversion Mechanism for Interconnection Points

- **National Grid will utilise existing functionality (Buyback) in UK Link Gemini to process conversion requests**
- **To avoid impacting neutrality a new Entry Method of Sale and Charge Type will be used. These changes will not impact Shipper User interfaces**

Method of Sale	CCBB	
Charge Type Code	Description	Invoice type
CEC	Capacity Conversion Entry Charge	NTS Entry
CEA	Capacity Conversion Entry Adjustment	Capacity .NTE

- **No change to existing Exit MOS or Charge types**

Method of Sale	EXBB	
Charge Type Code	Description	Invoice type
XBF	Capacity Conversion Exit Charge	NTS Exit Capacity
ABF	Capacity Conversion Exit Adjustment	.NTX

Capacity Conversion Mechanism for Interconnection Points

- **Effective from 1st January 2018**
- **First relevant auction will be the Monthly IP auction on 15th January**
- **Reflected in the February Capacity invoice sent on 6th March**
- **First Quarterly auctions that this applies to will run on 5th February**
- **Reflected in invoices April to September**
- **Annual Yearly auction will run on 2nd July**
- **Reflected in invoices October onwards**

Questions or feedback please contact:



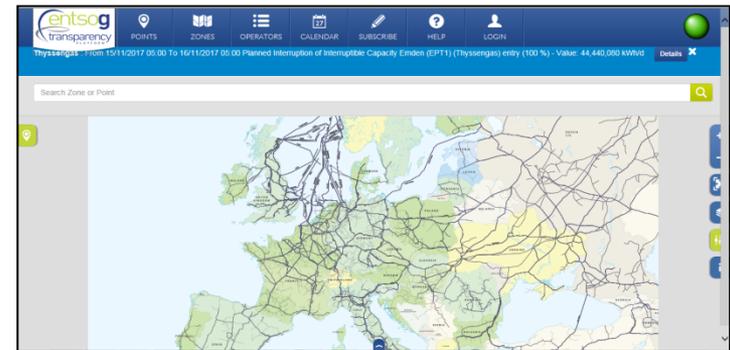
01926 654057



capacityauctions@nationalgrid.com

Transparency changes – now live

- Additional data now published on **ENTSOG Transparency Platform**
 - Publication of Reserve Prices for KWh/day for each IP
 - Publication of charge for what it costs to flow 1 GWh/day/year for each IP
- Information before the tariff period on the **NG Webpage**
- **Detailed Guidance** circulated to shipper community via email on 30th November



The screenshot shows a detailed view of tariff data for Bacton (UK). The interface includes a navigation menu and a search bar. Below the search bar, there are tabs for 'Points', 'Transport data', 'CMP data', 'Tariff data', 'Point information', and 'Export wizard'. The 'Tariff data' tab is active, displaying a table with the following columns: Tariff Period, Point Name, Direction, Operator, Capacity, Product Type, Applicable tariff in common with partner, Applicable tariff in common with partner, Start time of validity, and End time of validity. The table contains two rows of data for Bacton (UK).

Tariff Period	Point Name	Direction	Operator	Capacity	Product Type	Applicable tariff in common with partner	Applicable tariff in common with partner	Start time of validity	End time of validity
01/10/2017 06:00 01/10/2019 06:00	Bacton (UK)	exit	National Grid Gas	Firm	Yearly	0.00000007	€/kWh/day	01/10/2017 06:00	01/10/2019 06:00
01/10/2017 06:00	Bacton (UK)	exit	National	Firm	Quantity	0.00000007	€/kWh/day	01/07/2016	01/10/2018

Future Topics

Future Topics

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

Modification 0628S Action 1101

Routes to NTS Capacity - Summary

ENTRY CAPACITY	Y-2 to Y-16	Y to Y-1	M-1	D-1	D
Firm	Quarterly (QSEC)	Monthly (AMSEC)	Monthly (RMTnTSEC)	Daily (DADSEC)	Daily (WDDSEC)
Interruptible				Daily (DISEC)	
EXIT CAPACITY	Y-4 to Y-6	Y-1 to Y-3		D-1	D
Firm	Enduring (EAFLEC)	Annual (AFLEC)		Daily (DADNEX)	Daily (WDDNEX)
Off-peak				Daily (DONEX)	

PARCA – Allows for Reservation of QSEC or Enduring Capacity and release of discretionary ‘non-obligated’ incremental Capacity.

- Note for IPs there is an additional EU Auction calendar

Ref: [Gas Transmission Capacity Guidelines](#)

https://www.nationalgrid.com/sites/default/files/documents/457/Capacity%20Guidance%20Doc_v1_0-140616.pdf

Entry Capacity

FIRM			
	Product period	Auction allocation times	Price info
Quarterly System Entry Capacity (QSEC)	Y-2 to y-16 quarterly	Allocation in May	Demand driven
Annual Monthly System Entry Capacity (AMSEC)	Apr Y+1 to Sep Y+2	Allocation in evening of each quarter	Pay as bid
Rolling Monthly Trade & Transfer System Entry Capacity (RMTnTSEC)	M-1	Three business days before the last business day of the month preceding the transaction month	Same as MSEC
Day-Ahead Daily System Entry Capacity (DADSEC)	D-1	2pm, 5pm, 1am	Pay as bid
Within-Day Daily System Entry Capacity (WDDSEC)	D	Hourly between 7am-2am	Zero reserve price
INTERRUPTIBLE			
Daily Interruptible System Entry Capacity (DISEC)	D-1	Any time between 1:01am D-1 and 3pm D-1	Zero reserve price

- Note for IPs there is an additional EU Auction calendar

Exit Capacity

FIRM			
	Product period	Allocation times	Price info
Enduring (EAFLEC)	Y4-Y6	Application window is July. Allocated by Sept	Fixed
Annual (AFLEC)	Y1-Y3	Application window is July. Allocated by +10 business days	Fixed
Ad Hoc Increase (AIEFLEC)	M+6 to October Y+4	Ad-hoc application Oct to June	Fixed
Ad Hoc Decrease (ADEFLEC)	From the first day of any month	Ad hoc	N/A
Day Ahead Daily (DADNEX)	D-1	D-1 at 3pm	Pay-as-bid reserve price = firm price
Within Day Daily (WDDNEX)	D	D at 8am, 2pm, 6pm, 10pm and 1am	Pay-as-bid reserve price = firm price
OFF PEAK			
Daily (DONEX)	D-1	D-1 at 3pm	Pay-as-bid - zero reserve price

- Note for IPs there is an additional EU Auction calendar

Modification 0628S

Project CLoCC

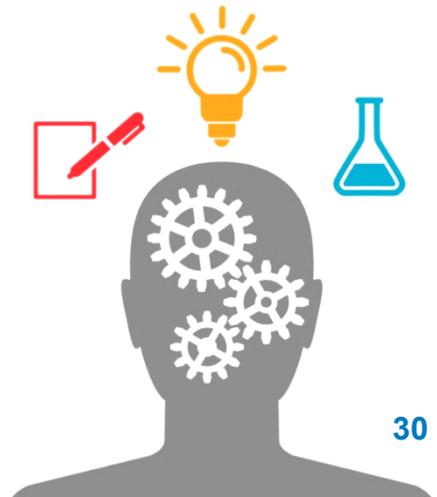
Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLOCC)
– MOD 0628S DEVELOPMENT**

**Nicola Lond
Commercial Lead**

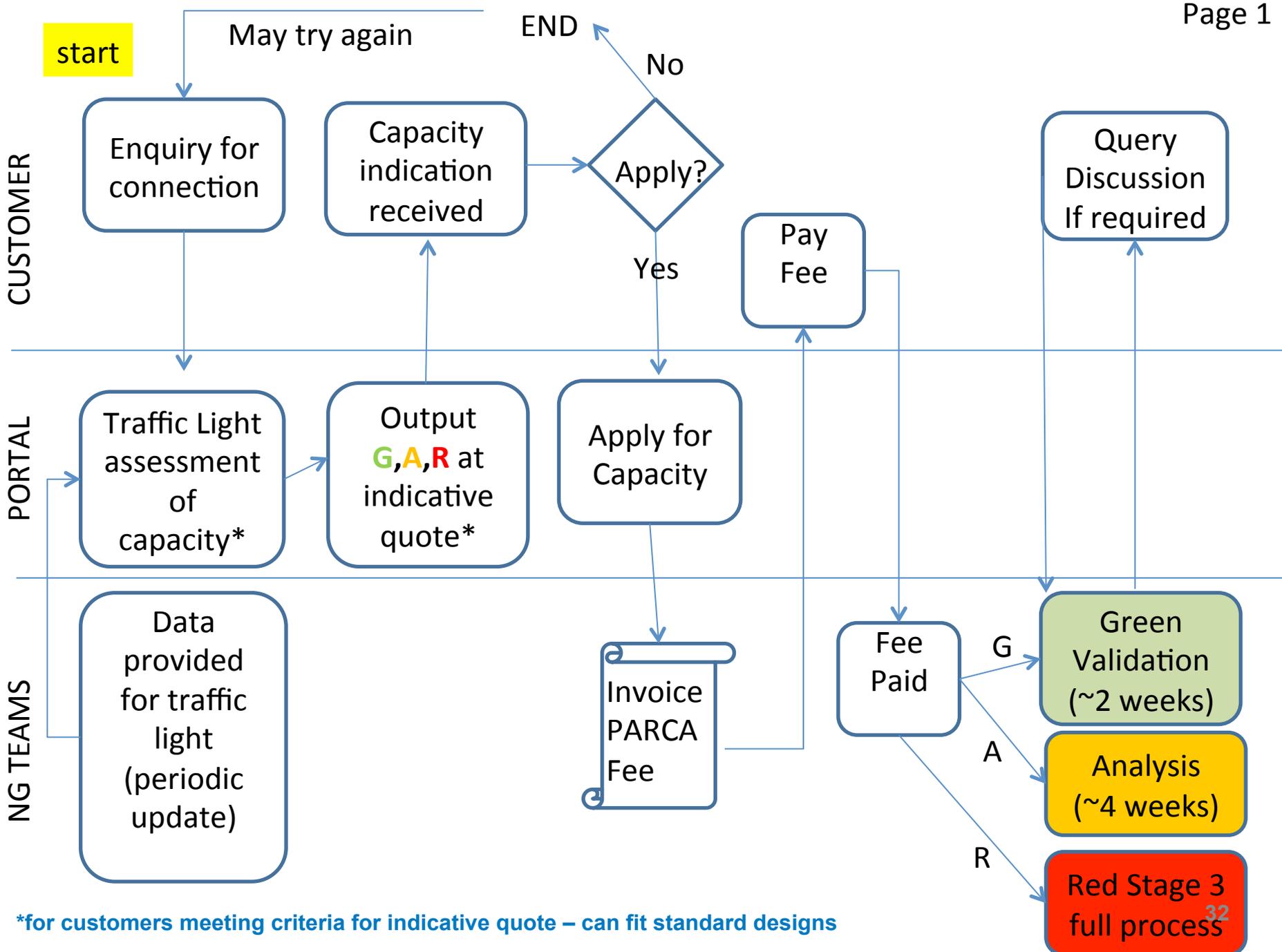
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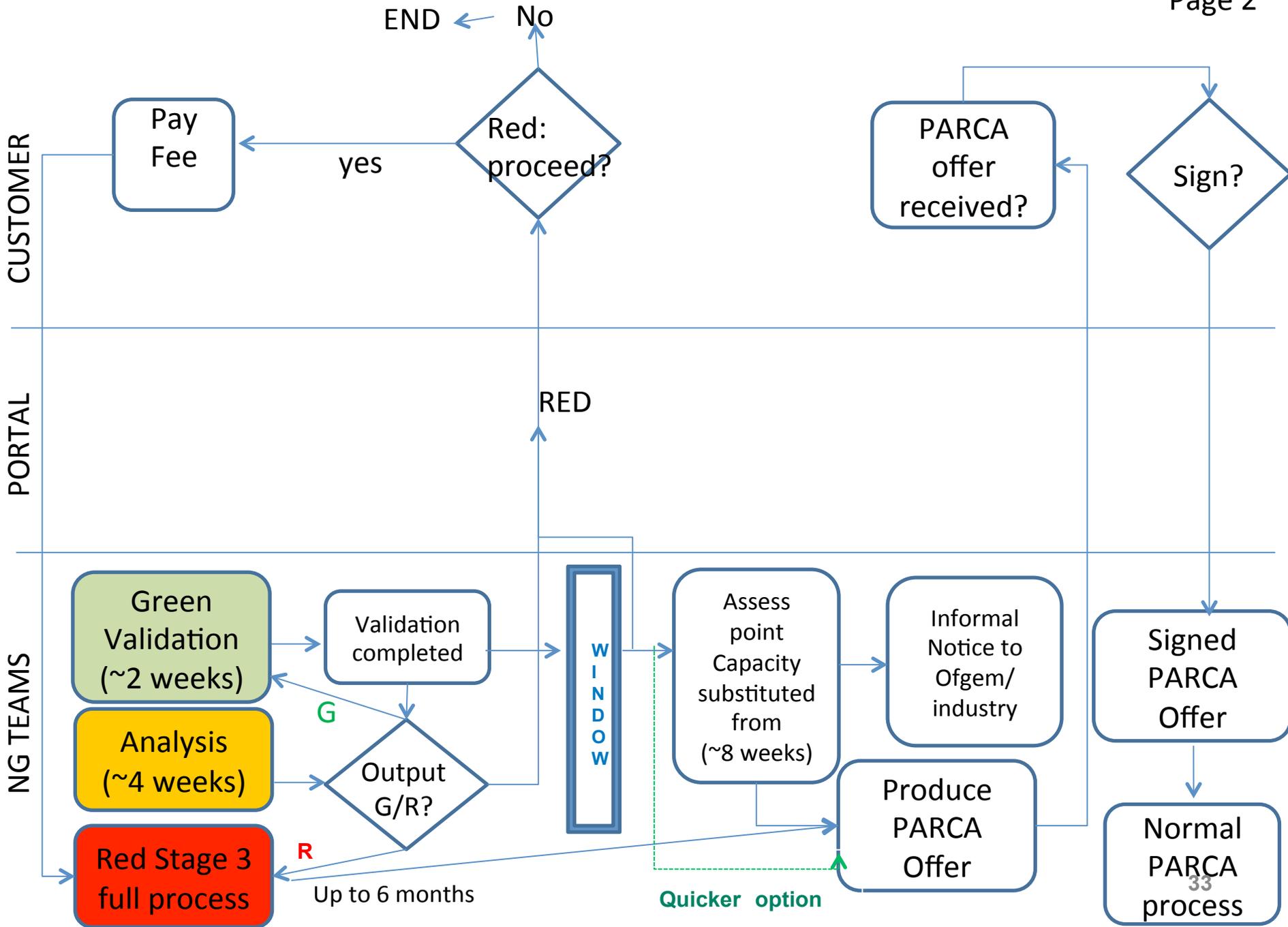
Mod 0628s – Standard Design Connections:

PARCA process

- Principles of Mod:
 - Accelerated route through the PARCA Phase 1 process for a capacity quantity consistent with a Standard Design and where National Grid has identified that capacity is currently available
 - For a standard design this would be via Connections online portal capacity indicator
 - A appropriate fee can be charged to reflect the reduced time required for an accelerated route



*for customers meeting criteria for indicative quote – can fit standard designs



UNC – for review

- TPD B 1. 15 The PARCA Application Process

- TPD B 1. 16 The PARCA Window
 - 20 -40 days

- TPD B 1. 17 Phase 1 PARCA Works
 - within 6 months

Mod Timetable – Next Steps/Planning

ITEM	0628s		
Initial consideration by Panel	2 November 2017		
Modification considered by Workgroup	November 2017 – May 2018		
Workgroup Report presented to Panel	17 May 2018		
Draft Modification Report issued for consultation	17 May 2018	WORKGROUP	Suggested Items for Discussion
Consultation Close-out for representations	8 June 2018	November	Initial Discussion – Process proposed
Final Modification Report available for Panel	11 June 2018	December	Process discussion
Modification Panel decision	21 June 2018	January	Fee discussion
		February	Business Rules
		March	Legal Text proposed
		April	Legal Text
		May	Workgroup Report Finalisation

Project CLoCC

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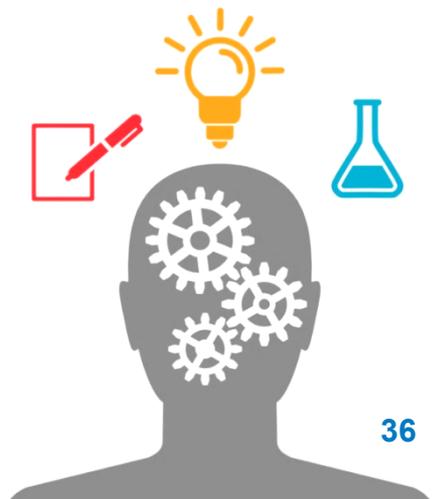
Customer Low Cost Connections

www.projectclocc.com

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Modification 0629S

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Customer Low Cost Connections

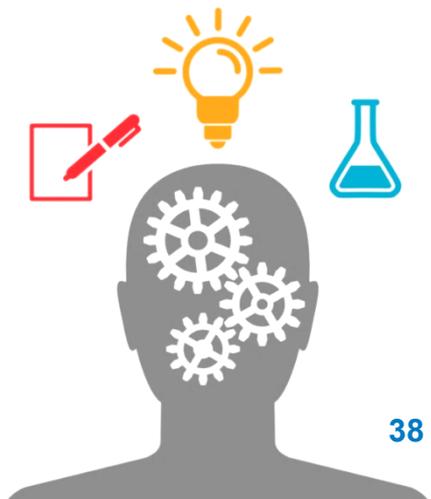
NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLoCC)
– MOD 0629S DEVELOPMENT**



**Nicola Lond
Commercial Lead**

TWG December 2017



Mod 0629s – Standard Design Connections: A2O connection process

- Principles of Mod:
 - More efficient offer process for a Standard Design connection
 - Standard Designs are Pre-approved and Pre-appraised
 - Connection Online Portal provides automation of Conceptual Design Study (CDS) – engineering study for Full Connection offer (FCO)
 - A appropriate fee can be charged to reflect the reduced time required for a Standard Design Connection
 - Ability to offer Enhancements to Minimum Offtake Connection (MOC) for filtration and Metering – under consideration

UNC – For Review

- TPD V.13 – NTS Connections
 - 13.2 Connection Application Fees
 - FCO actual cost
 - 13.5 Connection Offer timings
 - ICO 2 months
 - FCO 6 – 9 months
 - Following notification of Competent Connection App.
 - Feasibility Study requirement (13.5.6)
- CLoCC Considerations....
 - Concept of Standard Design FCO needed
 - Standard Design Fixed fee?
 - Standard Design timeframe for Offer

Mod Timetable – Next Steps/Planning

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Final Modification Report available for Panel	11 June 2018	December	Section V - process
Modification Panel decision	21 June 2018	January	Section Y - charging
		February	Business Rules proposed/ Enhancements
		March	Legal Text proposed
		April	Legal Text
		May	Workgroup Report Finalisation

We can use Webex for additional meetings to progress if appropriate/ required.

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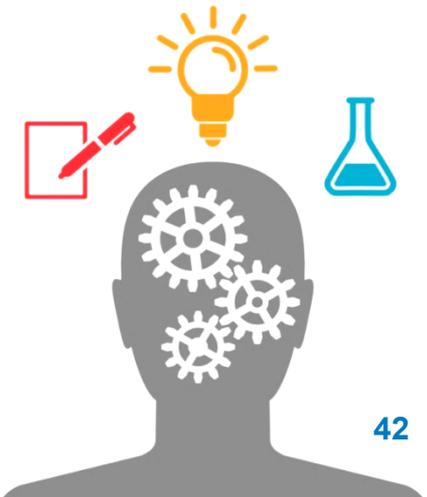
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AOB



National Grid Gas Quality Consultation

Update to Transmission Workgroup
December 2017

Gas Quality Consultation Update

- We recently sought industry views on a number of issues pertaining to NTS gas quality arrangements
 - Future demand to deviate from the Gas Ten Year Statement specification
 - Process for amending parameter values for existing NTS entry connections
 - Process for agreeing parameter values for new NTS entry connections
 - How we should allocate scarce flexibility on limit values
 - Potential new services

Gas Quality Consultation Update

- We received 13 responses from a range of customers and stakeholders
 - 7 non-confidential
 - 6 confidential
- Non-confidential responses have been published on our Talking Networks website
<http://www.talkingnetworkstx.com/shaping-the-future-of-the-gas-transmission-network.aspx>
- We will discuss the feedback received and next steps at the January Transmission Workgroup prior to publishing the consultation report

Industrial Emissions Directive



Stakeholder Engagement Proposals 2017/18

Background

- 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 asked customers and stakeholders how they wish to be engaged on our proposals
- The consistent message we have received is that we do not need to repeat the detailed engagement we undertook in 2014/15, but should undertake targeted engagement through existing fora where possible

Next steps

- We will be presenting short webinars at 2pm on 11th and 13th December to recap the background to the legislation and what has changed in our approach
- Register via ntsinvestment@nationalgrid.com
- We would like to follow this with a short item at January's Transmission Workgroup to present draft proposals for one or more of the sites affected
- This could be followed by further short presentations to discuss the remaining sites
- Views requested today or to Jon Dutton via jon.dutton@nationalgrid.com

Updated End to End Balancing Guide

End to end balancing guide

- The End to end balancing guide has been given a brand new look
- There is a new section on gas supply emergency based on customer requests
- Available on the website <https://www.nationalgrid.com/uk/gas/balancing>
- Contact Debbie Brace deborah.brace@nationalgrid.com or on 01926 653233 for a paper version

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End-to-end balancing guide

An overview of the commercial elements of GB gas balancing activity

