

UNC Workgroup Report	At what stage is this document in the process?
<h1>UNC 0675S:</h1> <h2>Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>UNC Modification to enable changes to be made to the BBL Interconnection Agreement to facilitate physical reverse flow and amendment to reference temperature conditions.</p>	
	<p>The Workgroup recommends that this modification should be:</p> <ul style="list-style-type: none"> returned to Workgroup for further assessment <p>The Panel will consider this Workgroup Report on 21 March 2019. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact:</p> <p>BBL</p>
	<p>Medium Impact:</p> <p>National Grid NTS, BBL shippers</p>
	<p>Low Impact:</p> <p>None</p>

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Timetable			Systems Provider: Xoserve
Modification timetable:			 UKLink@xoserve.com
Initial consideration by Workgroup	08 January 2019		
Amended Modification considered by Workgroup	04 April 2019		
Workgroup Report presented to Panel	18 April 2019		
Draft Modification Report issued for consultation	18 April 2019		
Consultation Close-out for representations (reduced consultation)	10 May 2019		
Final Modification Report available for Panel (at short notice)	13 May 2019		
Modification Panel decision	16 May 2019		

1 Summary

What

The purpose of this modification is to enable amendments to be made to the Interconnection Agreement between National Grid Gas Plc and BBL Company VOF, which provide for gas to be physically offtaken from the NTS at the BBL Interconnection Point at Bacton. These amendments will facilitate physical reverse flow (GB to the Netherlands) and be mainly made to the Network Exit Provisions in respect of Maintenance, Pressure, Flow Profiles, Notice Periods for Rate Changes and Gas Quality. There will also be updates required to other areas of the agreement to make clauses bi-directional where applicable, including updates to the Local Operating Procedures.

Whilst amending the Interconnection Agreement, National Grid NTS and BBL also propose to update certain provisions associated with reference conditions to reflect operational reality.

Why

BBL have made an application to National Grid NTS for physical reverse flow (GB to the Netherlands) at the BBL Interconnection Point at the Bacton terminal with a start date of 01/10/2019. The current Interconnection Agreement between National Grid Gas Plc and BBL Company VOF includes provision for physical NTS entry flows and commercial reverse flow. Therefore, amendments to the Interconnection Agreement are required to specify provisions for physical reverse flow.

How

As specified in the UNC EID Section A - General, paragraph 4.1.3 "National Grid NTS will not agree with the Adjacent TSO to amend the Relevant Interconnection Provisions in relation to an Interconnection Point except:

- (a) with the approval of each User which for the time being holds Available Interconnection Point Capacity at the Interconnection Point, or
- (b) pursuant to a Code Modification which authorises such agreement; or
- (c) as may (in the reasonable opinion of National Grid NTS) be required to enable National Grid NTS or the Adjacent TSO to comply with any Legal Requirement."

National Grid NTS proposes to use the route specified in (b) above in this case.

2 Governance

Justification for Self-Governance

Panel determined the Modification is unlikely to have a material effect on competition as it is a facilitating Modification and requires no amendments to the Uniform Network Code (UNC).

Modification 0675S will therefore follow self-governance procedures.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance
- be returned to Workgroup for further assessment

3 Why Change?

Physical Reverse Flow

The BBL interconnector is a 235-kilometer pipeline which connects Europe's largest trading hubs, TTF and the NBP. The BBL interconnector currently transports gas from Julianadorp in the Netherlands to Bacton in Great Britain. BBL Company VOF has made a connection application to National Grid NTS to enable physical reverse flow on the BBL interconnector (Bacton to Julianadorp) with a start date of 01/10/2019. A full connection offer was accepted by BBL in November 2018.

The BBL Interconnection Agreement needs to be amended to facilitate physical reverse flow. The amendments will mainly be to the Network Exit Provisions in respect of Maintenance, Pressure, Flow Profiles, Notice Periods for Rate Changes and Gas Quality. There will also be updates required to other areas of the agreement to make clauses bi-directional where applicable, including updates to the Local Operating Procedures.

Common Units

In recognition of the requirements set out in the EU Interoperability Network Code in relation to Common Units¹, National Grid NTS and BBL agreed in 2015 to measure gas flows and quality at the BBL Interconnection Point using normal reference conditions of 0°C for volume and 25°C for calorific value (hereafter referred to in this modification as "0/25"). Neither party was ready to make this operational change when originally envisaged in the agreement. The parties have since agreed that BBL will provide measurements using both standard and normal conditions and therefore the Interconnection Agreement requires updating to reflect this.

4 Code Specific Matters

Reference Documents

None.

Knowledge/Skills

5 Solution

Amend the National Grid NTS and BBL Interconnection Agreement to remove the commercial reverse flow rules in the Network Exit Provisions and introduce new rules to facilitate physical reverse flow in the areas of Maintenance, Pressure, Flow Profiles, Notice Periods for Rate Changes, and Gas Quality.

Amend additional areas of the Interconnection Agreement to make clauses suitable for the physical bidirectional nature of the BBL Interconnector, including Local Operating Procedures.

Insert the relevant provisions to reflect that BBL now send gas flow and quality measurements to National Grid NTS in normal units as well as standard units.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R0703&from=EN>, chapter III, Units

This is an enabling modification; therefore, no changes to UNC text are required.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

Consumer Impacts

None.

Consumer Impact Assessment <i>(Workgroup assessment of proposer initial view or subsequent information)</i>	
Criteria	Extent of Impact
Which Consumer groups are affected?	GB consumers are not likely to see an impact from this modification proposal.
What costs or benefits will pass through to them?	n/a
When will these costs/benefits impact upon consumers?	<i>Unless this is 'immediately on implementation', please explain any deferred impact.</i> Insert text here
Are there any other Consumer Impacts?	<i>Prompts:</i> <i>Are there any impacts on switching?</i> <i>Is the provision of information affected?</i> <i>Are Product Classes affected?</i> Insert text here

Cross Code Impacts

None.

EU Code Impacts

Article 5 of the revised Gas Security of Supply Regulation (EU 2017/1938) states that “The transmission system operators shall enable permanent physical capacity to transport gas in both directions ('bi-directional capacity') on all interconnections between Member States except:...(b) where an exemption from that obligation has been granted, after detailed assessment and after consulting other Member States and with the Commission in accordance with Annex III”. Annex III goes onto specify that submission for exemption shall take place no later than 1 December 2018. These derogations are for a maximum period of four years.

Therefore, once physical reverse flow of the BBL interconnector is achieved, the current derogation can be terminated.

Central Systems Impacts

None.

Workgroup Impact Assessment

Workgroup noted that there already exists provision for commercial reverse flow (e.g. nominations and allocations) so from that point of view no change is required.

Dates question from Panel:

BBL requested change to interconnection agreement for 01 October 2019. Is this likely to come forward based on BBL press release and based on ongoing physical works, commissioning dates?

Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

Cost estimate from CDSP where the Modification relates to a change to a CDSP Service Document

CDSP to check metering setup in Gemini already.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	Positive

The Workgroup believes that the Relevant Objectives are furthered, as follows:

- d) Workgroup participants agreed the Modification proposal gives more options available to Shippers in terms of export, providing more flexibility in terms of destination and quantity. This further competition for Shippers.
- g) Workgroup agreed with the Proposer that this Modification furthers compliance with the Revised EU Security of Supply Regulation² in that it enables physical reverse flow as required by that revised Regulation.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Text Commentary

Not required, as there are no UNC changes proposed.

Text

Not required, as there are no UNC changes proposed.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should be returned for further assessment.

² https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.280.01.0001.01.ENG&toc=OJ:L:2017:280:TOC