

MODIFICATION PROPOSAL 0658
Interruption Transfer Service

BUSINESS RULES

1 Background

The current administered Interruption business processes may seek to interrupt certain loads when other loads might, in value terms, be capable of satisfying the interruption requirement. The market might determine this outcome provided that it is afforded, as far as is possible, with the opportunity to maintain supplies to sites that place a higher value such gas-supply being maintained.

Under severe conditions it may be essential that some interruptible gas supplied CCGTs would want to burn on gas given the benefits of gas utilisation and particularly the higher levels of output achievable using gas when compared with alternative fuels.

The existing interruptible arrangements provide for:

- ❑ Shipper election to transfer "Transco interruption" requirement between interruptible sites within its portfolio
- ❑ "buddying", where a shipper can link a firm and interruptible site so that firm demand side management can be taken to satisfy a Transco interruption requirement.

These "principles" afford an opportunity to develop incremental services that might deliver a better "market solution" in respect of the determination of which sites might satisfy interruption requirements.

2 Proposal

The aim of the proposal is to extend the above arrangements to facilitate greater freedom for Shipper-to-Shipper trading of interruption.

The new service would afford an extension of the current arrangements whereby shippers could elect to nominate "alternate" sites (either firm or interruptible) for interruption that could potentially come from another shipper's portfolio

3 Concepts/Definitions

Interruption Notification - A notice issued by Transco that requests a volume of interruption and includes a list of proposed Supply Points that equate to the volume of interruption requested, and a list of suitable alternative Supply Points.

Interruption Confirmation Notification - A notice, issued by a Shipper, which confirms the Supply Points that are to be interrupted in response to an interruption notification.

Primary Shipper - A Shipper receiving an interruption notice and contracting to transfer the resulting interruption obligations to an Alternate Shipper.

Alternate Interruption Notification - A notice issued by Transco that identifies a volume of interruption that has been transferred by other Shippers and may include a list of suitable Supply Points.

Revised Alternate Interruption Notification - A notice issued by Transco that identifies a volume of interruption that has been transferred by other Shippers and includes a list of Shipper nominated Supply Points.

Alternate Interruption Confirmation Notification - A notice, issued by a Shipper, which confirms the Supply Points that are to be interrupted in response to the transfer of interruption from other Shippers.

Alternate Shipper - A Shipper named as providing an interruption transfer service to a Primary Shipper on an Interruption Confirmation Notice (Primary Shipper).

Transfer Quantity - A volume of interruption to be passed to a specified alternative Shipper. [kWh]

4 Interruption Confirmation Notification

- 4.1 A Primary Shipper may transfer all or a proportion of the volume of interruption included on its interruption notification.
- 4.2 A Primary Shipper may nominate between 1 and [X] alternate Shippers to which interruption should be transferred.
- 4.3 A Primary Shipper must specify the names of the Shippers to which it is transferring interruption.
- 4.4 A Primary Shipper wishing to transfer interruption to one or more alternate Shipper must specify the volume that they are transferring to each alternate Shipper; the Transfer Quantity.
- 4.5 The sum of the Transferred Quantities must be greater than or equal to the interruption requirement that the Primary Shipper will not be satisfying within its own portfolio.

5 Alternate Interruption & Revised Alternate Interruption Notices

- 5.1 Transco will issue an interruption notice to an alternate Shipper (Alternate Interruption Notice) when notification to transfer interruption to that Shipper has been included on an interruption confirmation notice from a primary Shipper.
- 5.2 The Alternate Interruption Notice will identify the volume of interruption transferred and, on a reasonable endeavours basis, a number of suggested sites that equate to the volume of interruption transferred.
- 5.3 The Revised Alternate Interruption Notice will identify the volume of interruption transferred and a number of sites that equate to the volume of interruption transferred.

6 Alternate Interruption Confirmation Notification

- 6.1 An Alternate Shipper must issue a separate Alternate Interruption Confirmation Notification for each Primary Shipper from which it is accepting the transfer of interruption.
- 6.2 An alternate Shipper must identify the name of any Shipper on the interruption confirmation notification from which it is accepting the transfer of interruption.
- 6.3 An alternate Shipper must identify on the Alternate Interruption Confirmation Notification the Supply Point meters that are to be interrupted.
- 6.4 Transco has the right not to accept an Alternate Interruption Confirmation Notice if the Shipper name or volumes of interruption identified are not consistent with an Interruption Confirmation Notice received from a Primary Shipper.
- 6.5 In the event that Shipper names and/or volumes are not accepted, or are insufficient to meet the requirement then Transco will designate the sites from the Primary Shippers portfolio that will be interrupted to satisfy the interruption requirement.
- 6.6 Transco will issue a Revised Alternate Interruption Notice that will identify and confirm the Supply Points to be interrupted, once finalised, that will in aggregate equate to the volume of interruption transferred.

7 Failure to Notify

- 7.1 Where the Primary Shipper has not acknowledged receipt of an Interruption Notice or issued a valid Interruption Confirmation Notice within 30 minutes after such notice was given, Transco may not less than 4 hours before the Interruption Start Time notify the requirement for Interruption at each relevant Supply Point directly to the consumer, specifying the Gas Flow Day and Interruption Start Time.
- 7.2 Where an alternate Shipper has not provided a valid Alternate Interruption Confirmation Notice within [30] minutes after the receipt, by Transco, of a relevant Interruption Confirmation Notice from a Primary Shipper referencing the alternate Shipper, Transco may not less than 4 hours before the Interruption Start Time notify the requirement for Interruption at each relevant Primary Shipper Supply Point directly to the consumer, specifying the Gas Flow Day and Interruption Start Time.

8 Failure to Interrupt

8.1 An alternate Shipper will be liable for failure to interrupt charges at any Supply Point when;

- ❑ The Supply Point fails to interrupt (in accordance with network code section G6.9), and
- ❑ The Supply Point has been nominated on an alternate Interruption Confirmation Notice, and
- ❑ The Alternate Interruption Confirmation Notification is consistent with an Interruption Confirmation Notification that is transferring interruption to the relevant Shipper.

8.2 The primary Shipper will be liable for failure to interrupt charges at any Supply Point when;

- ❑ A Supply Point that has been included in an Interruption Confirmation Notice fails to interrupt (in accordance with network code section G6.9), or
- ❑ A Supply Point that has been included in an Interruption Notice, and an alternate has not been included in an Interruption Confirmation Notice or an Alternate Interruption Confirmation Notice, fails to interrupt (in accordance with network code section G6.9)

9 Transfer Scheme Registration Service

The introduction of interruption transfer scheme will increase the complexity of the interruption arrangements and hence there is a risk that it may have an impact on the efficiency and effectiveness of the interruption process. To mitigate these concerns and ensure that Transco can comply with its security of supply licence obligation, a register might be set up for the transfer scheme and only registered Shippers might then be allowed to participate.

- 9.1 Transco will maintain and operate a register of Shippers that may participate in the interruption transfer service.
- 9.2 Only registered Shippers can be included on an interruption confirmation notice as Alternate Shippers.
- 9.3 Only registered Shippers will have the option of transferring interruption to one or a number of alternate Shippers on receipt of an Interruption Notice.
- 9.4 Any Shipper will be able to register to participate in the interruption transfer service.
- 9.5 By registering to provide alternate interruption services a Shipper will confirm that it will accept any associated failure to interrupt liabilities on the issue of an Alternate Interruption Confirmation Notice as defined within Network Code.

10 Scheme Availability

- 10.1 Transco will make the interruption transfer service available whenever system capability allows.
- 10.2 Transco will have the discretion to withdraw the option to utilise the transfer service when the operation the transfer scheme would put at risk the efficiency and effectiveness of the interruption process.
- 10.3 If a Shipper is a registered user of the interruption transfer service it will have the option of utilising the service included on any relevant Interruption Notice that it receives from Transco.

11 Days of Interruption

- 11.1 Recognising Transco's right not to accept an Interruption Confirmation Notice from a Shipper when an alternative Supply Point is identified, on the grounds that sufficient days of interruption must be maintained across appropriate locations to maintain security of supply, two options have been identified for Supply Points identified on Alternate Interruption Confirmation Notices;
 - Option 1 (Permanent Transfer of a day of interruption) - Transco will accept all Alternate Interruption Confirmation Notices, subject to locational constraints on Supply Points and consistency with an Interruption Confirmation Notice from a Primary Shipper. The interruption will count as a day of Transco Interruption for the Primary Shipper recommended Supply Point(s) but not for the physically interrupted Supply Point(s) of the Alternate Shipper. For the avoidance of doubt, the interruption of the physically interrupted Supply Point(s) of the Alternate Shipper will count as Shipper Interruption.
 - Option 2 (Deferral by transfer of a day of interruption) - Transco will retain the right not to accept Alternate Interruption Confirmation Notices on the grounds that sufficient days of interruption must be maintained across appropriate locations to maintain security of supply. The Supply Point interruption will count as a day of Transco Interruption for the physically interrupted Supply Point(s) of the Alternate Shipper but not for the Primary Shipper recommended Supply Point(s).