

## EU Balancing Code – Information Provision



Beverley Viney  
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## Content

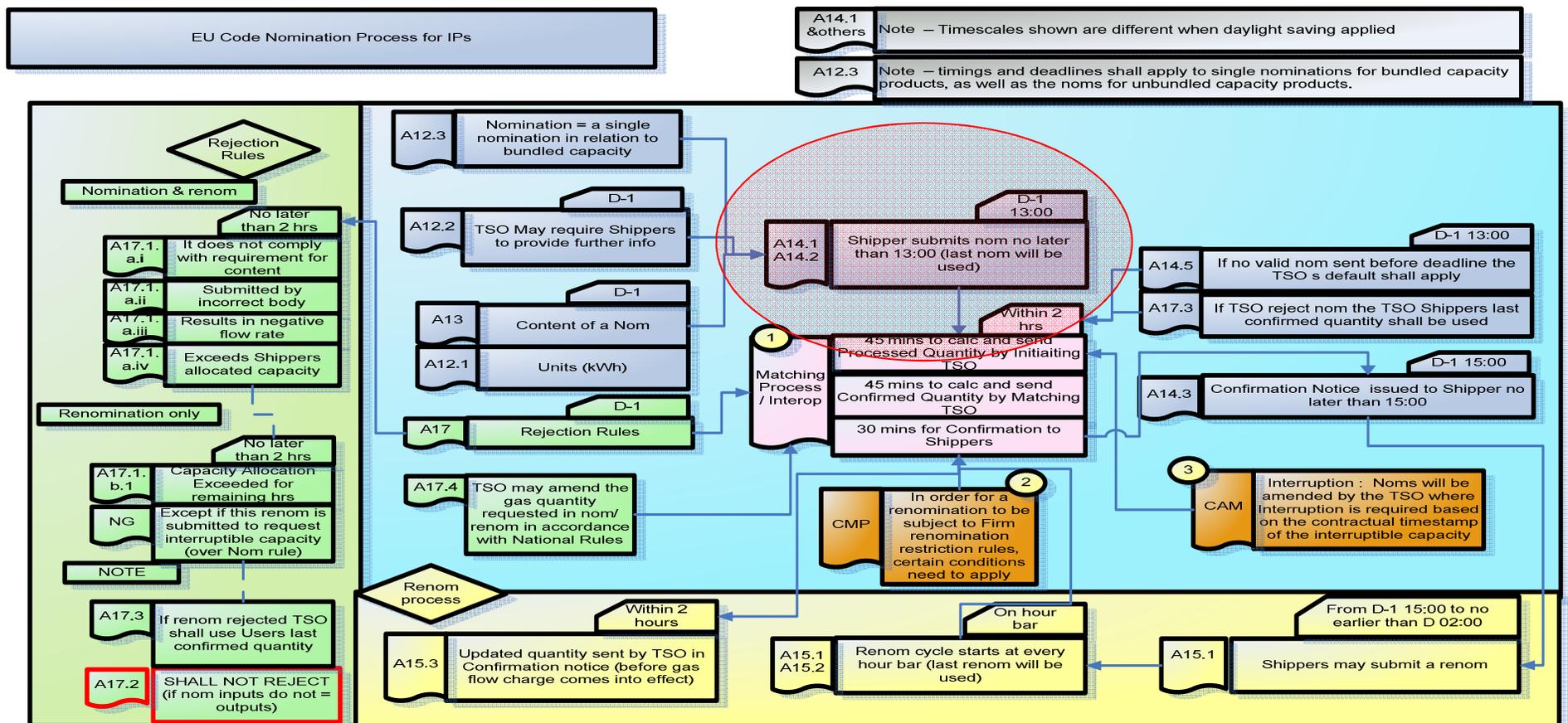
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- EU Gas Balancing Code sets out the information to be provided by TSOs to Network Users and the obligations of the Transmission System Operator (TSO), Distribution System Operator (DSO) & Forecasting party in this area.
- NG view is that GB regime provides information in line with the EU Code & in some areas beyond the requirements. There are however some impacts:
  - 1. Non Daily Metered Allocation (NDMA)
  - 2. NDMA Accuracy report
  - 3. Initial allocation

# 1. NDMA

# New Nomination process at Interconnection Points

- Nomination process starts at 13.00 (D-1) and an NDM forecast is required to inform this process



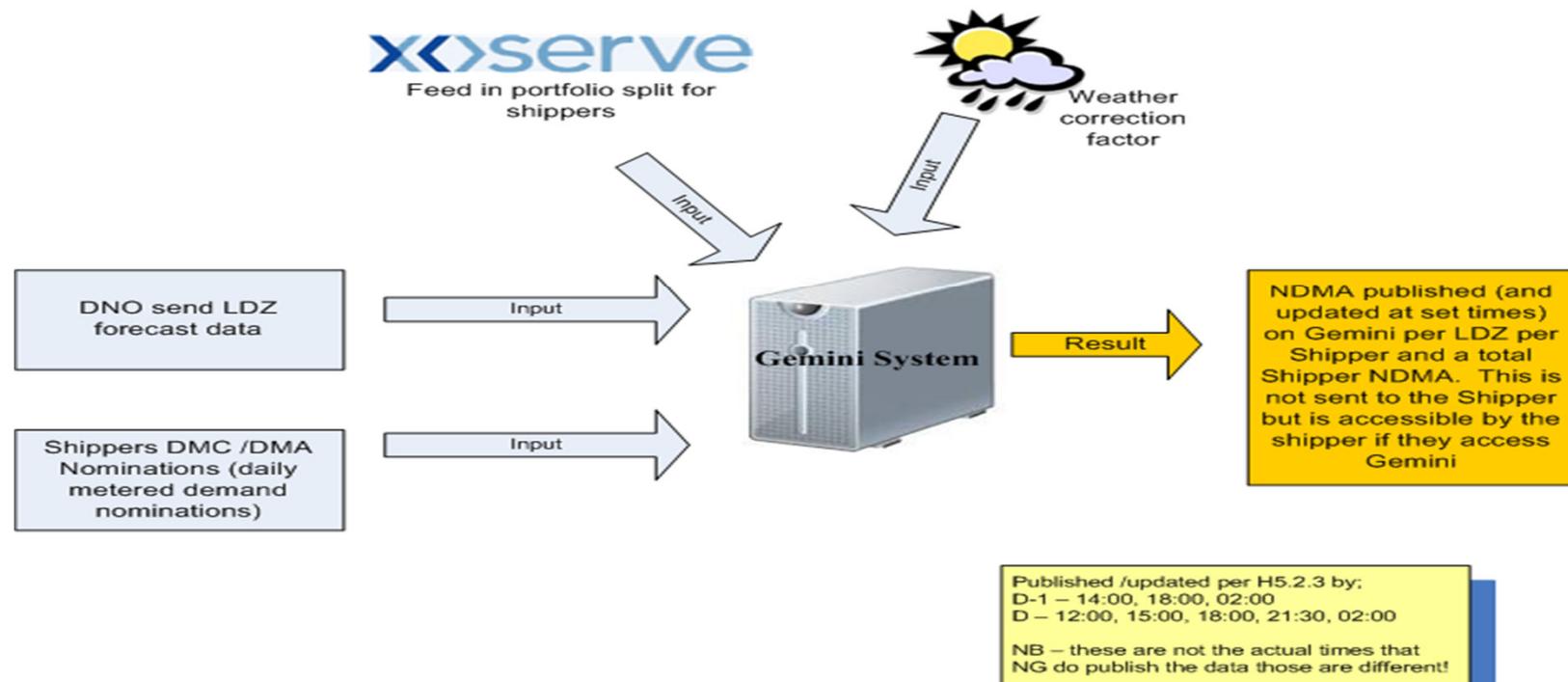
## NDM forecast requirement

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- 36.1 (a) – “ On gas day D-1, the transmission system operator shall provide the shippers with a non daily metered derived forecast for gas day D **no later than 12:00UTC** or, when daylight saving time is applied, 11:00UTC.”
- 36.1 (b) – “ On gas day D, the transmission system operator shall provide the shippers with a minimum of two updates of the forecast of their non daily metered off-takes
- 36.2 The first update shall be provided no later than 13:00 UTC (winter time) or 12:00 UTC (daylight saving).
- 36.3 The time of the **second update provision shall be defined upon approval by the national regulatory authority and published by the transmission system operator.....**

# Current UNC NDMA Inputs

## NDMA Process (H5.2.3)



- Note: Proposed Nexus changes aim to increase accuracy in the process but the timings of the NDMA are not being changed
- go-live coincides with Nexus go-live, Nexus changes the way that the NDM nomination run is put together

## NDMA Process

### ■ Non-Daily Metered Allocation Process (NDMA)

- Gemini calculates the NDMA using LDZ demand forecasts and weather forecasts

UNC (Required by time)	NG NTS Run Time	EU Balancing Code	Compliant
*D-1: 14:00	D-1: 13:05	D-1: 12:00	
D-1: 18:00	D-1: 16:00		
D-1: 02:00	D-1: 00:00		
D: 12:00	D: 10:00	D: 13:00 (latest)	
D: 15:00	D: 13:00	2 <sup>nd</sup> to be agreed with NRA	
D: 18:00	D: 16:00		
D: 21:30	D: 20:45		
D: 02:00	D: 00:00		

\* Affected UNC time due to EU Balancing Code

## Options to become EU Compliant

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- 1) Keep existing UNC D-1 14:00 time and add an additional NDMA publication at D-1 12:00 (using existing methodology).
- 2) Move existing UNC D-1 14:00 NDMA publication time 2 hours to 12:00 hours.
- 3) Move all NDMA publication times with the first one starting at D-1 12:00 hours [if this is proposed by Mod 0461 Gas Day – not currently the case]

\* NG preference is option 1.

## Option 1 – pros and cons

Description	Pros	Cons
1) Keep existing UNC D-1 14:00 time and add an additional NDMA publication at D-1 12:00 (using existing methodology).	<ul style="list-style-type: none"><li>• Simplest and potentially the most cost efficient option.</li><li>• Will not inadvertently change linked processes as could happen with option 2 &amp; 3.</li><li>• Ensures compliance with European legislation</li><li>• All other forecasts remain as now</li></ul>	<ul style="list-style-type: none"><li>• Requires earlier run than now – we are of the understanding this run will be facilitated by Nexus</li></ul>

## Option 2

Description	Pros	Cons
2) Move existing UNC D-1 14:00 NDMA publication time to 12:00 hours.	<ul style="list-style-type: none"><li>• Compliant with EU legislation</li><li>• Same forecast used for Non-IPs and IP Nomination process</li></ul>	<ul style="list-style-type: none"><li>• Concerns regarding the impacts on existing linked processes (data may be required earlier than currently being provided) and those being developed by Nexus</li></ul>

## Option 3 -

Description	Pros	Cons
3) Move all NDMA publication times, with the first one starting at D-1 12:00 hours (2 hours earlier)	<ul style="list-style-type: none"><li>• Potential gas day solution (lift and shift all UNC timings due to the Gas Day change)</li><li>• Compliant with EU legislation</li></ul>	<ul style="list-style-type: none"><li>• Concern regarding the links to other processes and the effect moving the NDMA timing may have</li><li>• Likely to be the most costly of options</li><li>• Mod 461 Gas Day workgroup not proposing such an option</li></ul>

## 2. NDMA Accuracy Report

## 2. Methodology

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*Article 42.*

*Information obligations of the forecasting party(-ies)*

**2. The methodology for the forecast of a shipper's non daily metered offtakes** shall be based on a statistical demand model, with each non daily metered off-take assigned with a load profile, consisting of a formula of the variation in gas demand versus variables such as temperature, day of week, customer type and holiday seasons. The methodology shall be subject to consultation before its adoption.

**Note: NG view is that GB Methodology is compliant, but clarification is being sought from Ofgem**

## Accuracy report

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*Article 42.*

*Information obligations of the forecasting party(-ies)*

- **3. A report on the accuracy** of a shipper's non daily metered off-takes shall be published by the forecasting party at least every two years.

**Note: NG believe a modification will be required to introduce a report obligation into the UNC.**

## Accuracy Report - NG initial thoughts

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- Report should be published at a more regular frequency [monthly] rather than every 2 years
- The report should show a daily comparison of NDMA forecasts to the **D+1** (initial) & **D+5** (final) allocations
- It is also suggested that it may be useful to enable comparisons between monthly reports (rolling 12 month basis)
- Proposed that report is published on NG and/or Xoserve website
- This is a key area for development during workgroup discussions

## 3. Initial Allocations

### 3. Initial Allocation

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- EU Code requires that “no later than the end of gas day D+1, the TSO shall provide each shipper with an initial allocation for it’s inputs and off-takes on day D and an initial daily imbalance quantity”
  - UNC mod required to change timing stated in E1.6.2 to provide data before end of 1<sup>st</sup> day after gas day rather than 2<sup>nd</sup> day after gas day as stated in UNC
  - we do not believe that any system changes are required as the info is already provided in line with EU

## 4. Next Steps

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A draft Modification being developed (with a view to raising modification proposal Q1 2014) to;

- Create a new NDM Forecast [option 1] at 12:00
- Create requirement for Xoserve to provide an NDMA Accuracy Report
- Amend UNC Section E regarding timing of Initial allocation
- Happy to receive views  
[Beverley.viney@nationalgrid.com](mailto:Beverley.viney@nationalgrid.com)