

## Interconnection Agreement Consultations



2<sup>nd</sup> July 2015

## Welcome

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- Today we are aiming to provide you with an overview of the changes to the Interconnection Agreements (IA) that affect shippers at Bacton
  - 11:00 IUK
  - 13:00 BBL
- TSOs have been collaborating to agree the new arrangements & requisite changes to the IAs
- TSOs are inviting you to provide feedback on the proposed amendments
- NGG will be presenting the Moffat IA on 14<sup>th</sup> July 2015 at Energy UK
  - Spaces are limited
  - Contact [deborah.brace@nationalgrid.com](mailto:deborah.brace@nationalgrid.com) or 01926 653233

## Agenda

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- Background
- Consultation Process
- Changes on the IA on which we are consulting:
  - Network Entry & Exit Provisions, Measurement
  - Capacity
  - Nominations & Matching
  - Allocation Rules & Operational Balancing Account (OBA)
  - Communications in Exceptional Events
- Q & A
- Lunch

## Background

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- Main drivers for change to the IAs:
  - EU Regulations – CAM, BAL & INT Codes
  - EU Codes impact arrangements at Interconnection Points (IPs)
  - For instance:
    - CAM – capacity booking via PRISMA, Gas Day change
    - BAL – introduces a new nominations regime
    - INT – brings in changes to the matching process & new allocation rules

## INT Code

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- Article 4 'Information Obligation: TSOs to consult on changes to the following provisions:
  - Matching (Art 8), Allocation (Art 9) & Communications in Exceptional Events (Art 10)
- Relevant Interconnection Provisions (RIPs) created under Mod 525 include the above
- Changes to RIPs are also governed by UNC mod process:
  - Mod 525 applies a retrospective approval to proceed with consultation before a mod decision
- Consultation is open for 4 weeks
- New IA is scheduled to be effective from 1<sup>st</sup> October 2015
  - CAM provisions will come into effect on 1 November 2015

## Background - UNC Modifications

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- UNC modifications relevant to the IA are:
  - 493 – Nominations & matching (Ofgem approved)
  - 500 – Capacity arrangements (Ofgem approved)
  - 510 – Allocations (Mod process ongoing – on track)
  - 519 – Common Units (Awaiting Ofgem approval – on track)
  - 525 – IA related changes (Mod consultation open – on track)

## IA Consultation Process

Interconnection Agreement Consultation Timeline				
	Jul	Aug	Sep	Oct
IA Consultation issued for comment				
IA Consultation engagement meeting				
NG & IUK review consultation responses				
Consultation Report				
IUK submission of IA to Ofgem				
Ofgem determination of IA				
IA implemented				

- Consultation has been published at :
  - [www2.nationalgrid.com/UK/Industry-information/Europe/Consultations/](http://www2.nationalgrid.com/UK/Industry-information/Europe/Consultations/)
  - [www.interconnector.com/about-us/what-we-have-to-say/consultations/](http://www.interconnector.com/about-us/what-we-have-to-say/consultations/)
  
- Please send your comments to :
  - [Box.gas.market.development@nationalgrid.com](mailto:Box.gas.market.development@nationalgrid.com); and
  - [consultation@interconnector.com](mailto:consultation@interconnector.com)
  
- Deadline for responses is Wednesday 29<sup>th</sup> July 2015

## Network Entry & Exit Provisions, Measurement



## Network Entry & Exit Provisions, Measurement

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- Network Entry Provisions
  - Minor updates to reflect re-structured agreement
  - No change to technical specifications
- Network Exit Provisions
  - Minor updates to reflect UNC Exit Reform
  - Some additional operational flexibility on maximum flow rates & rate changes subject to NGG agreement at the time of request
  - No change to technical specifications
- Measurement Provisions
  - Updates to reflect the introduction & operation of an Operational Balancing Account & Normal reference conditions
  - Additional technical information to be included for INT compliance

## Capacity



## Capacity

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- New annex to IA
- Introduced primarily to implement CAM, including:
  - Making capacity available on PRISMA for bundled capacity auctions
  - Voluntary bundling of capacity
  - Capacity optimisation process/analysis
- Previously subject of joint NGG-IUK consultation in April 2014 & UNC Mod 0500

## Nominations & Matching



## Current & New Regime: Gas Day 1<sup>st</sup> October 2015

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Current Arrangements	New Arrangements
One type of Nomination / Re-nomination	<b>'Single Sided (SSN)'</b> and <b>'Double Sided (DSN)'</b> Nominations / Re-nominations
<b>No NG NTS interaction</b> with IUK at Bacton IP	<b>NG NTS interaction</b> with IUK at Bacton IP to undertake Nomination <b>'matching'</b> process Specification of an <b>Initiating &amp; Matching</b> Transporter roles
Bacton Agent acting on behalf of NGG Shippers	No agent

## Current & New Regime: Gas Day 1<sup>st</sup> October 2015

Current Arrangements	New Arrangements
Nomination submission deadline: <u>NGG Shippers</u> 13:00 D-1 (output) 14:30 D-1 (input) <u>IUK Shippers</u> 13:00 D-1	<u>NGG Shippers</u> 13:00 D-1 (either direction).  <u>IUK Shippers</u> No change
Re-nomination submission period: <u>NGG Shippers</u> 15:00 D-1 to 03:00 D <u>IUK Shippers</u> Anytime after nomination to 03:00 D	<u>NGG Shippers</u> 15:00 D-1 to 02:00 D <u>IUK Shippers</u> Anytime after nomination to 02:00 D

## Current & New Regime: Gas Day 1st October 2015

Current Arrangements	New Arrangements
<p><u>NGG Shippers</u></p> <p>See matching status instantaneously on IBAS</p> <p><u>IUK Shippers</u></p> <p>See matching status instantaneously on ISIS</p>	<p><u>NGG Shippers</u></p> <p>Will see updated matching status on Gemini after every nomination cycle completed (once per hour)</p> <p><u>IUK Shippers</u></p> <p>No change, but NGG Shipper data (including IUK Shipper data if via SSN) only processed once per hour</p>
<p>TSO-TSO communications as per UK Link Manual / Gemini</p>	<p>TSO-TSO communications as per Edig@s file formats or equivalent data format developed by ENTSOG</p>

## Terms

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- **Nominations - two methods to notify TSOs of intention to flow at an IP**
  - ‘Single sided’ only one nomination is submitted (to the *Initiating TSO*) by a User who is both a NGG User and IUK User, & which acts as a nomination on each side of the IP; and
  - ‘Double Sided’ a nomination is submitted by Users on each side of the IP to respective TSO
- **Initiating TSO & Matching TSOs**
  - ‘Initiating TSO’ receives SSNs, sends a copy to *Matching TSO* & initiates the *Matching Process* by sending its *Processed Quantity* for SSNs and DSNs to the *Matching TSO*; and
  - ‘Matching TSO’ compares the two *Processed Quantities* & resolves any difference by applying the *Matching Rule* to determine a single consistent *Confirmed Quantity*
- **Processed Quantity (PQ) & Confirmed Quantity (CQ)**
  - PQ is the value each TSO determines as acceptable in response to a User’s nomination pursuant to application of the relevant transportation arrangements. As this value may be different for each TSO, the CQ is a single consistent value derived following application of the *Matching Rule*
- **Matching Process**
  - Comparison of two *PQs* & derivation of a single consistent *CQ* using the *Matching Rule*
- **Exceptional Events**
  - Equivalent to ‘Transportation Constraint’ as defined separately in UNC & IUK’s transportation arrangements

## Framework

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### ■ **Matching Rule:**

- IUK nomination prevails; except
- In a Exceptional Event or Emergency - the “lesser of” rule shall prevail

### ■ **Default Nomination Rule:**

- User does not submit a Nomination –
  - NGG - deemed to have submitted a Nomination of zero, and data not processed for matching
  - IUK – no Nomination Quantity recorded

### ■ **TSO Role:**

- NG is the Initiating TSO (receives SSNs) & IUK is the Matching TSO

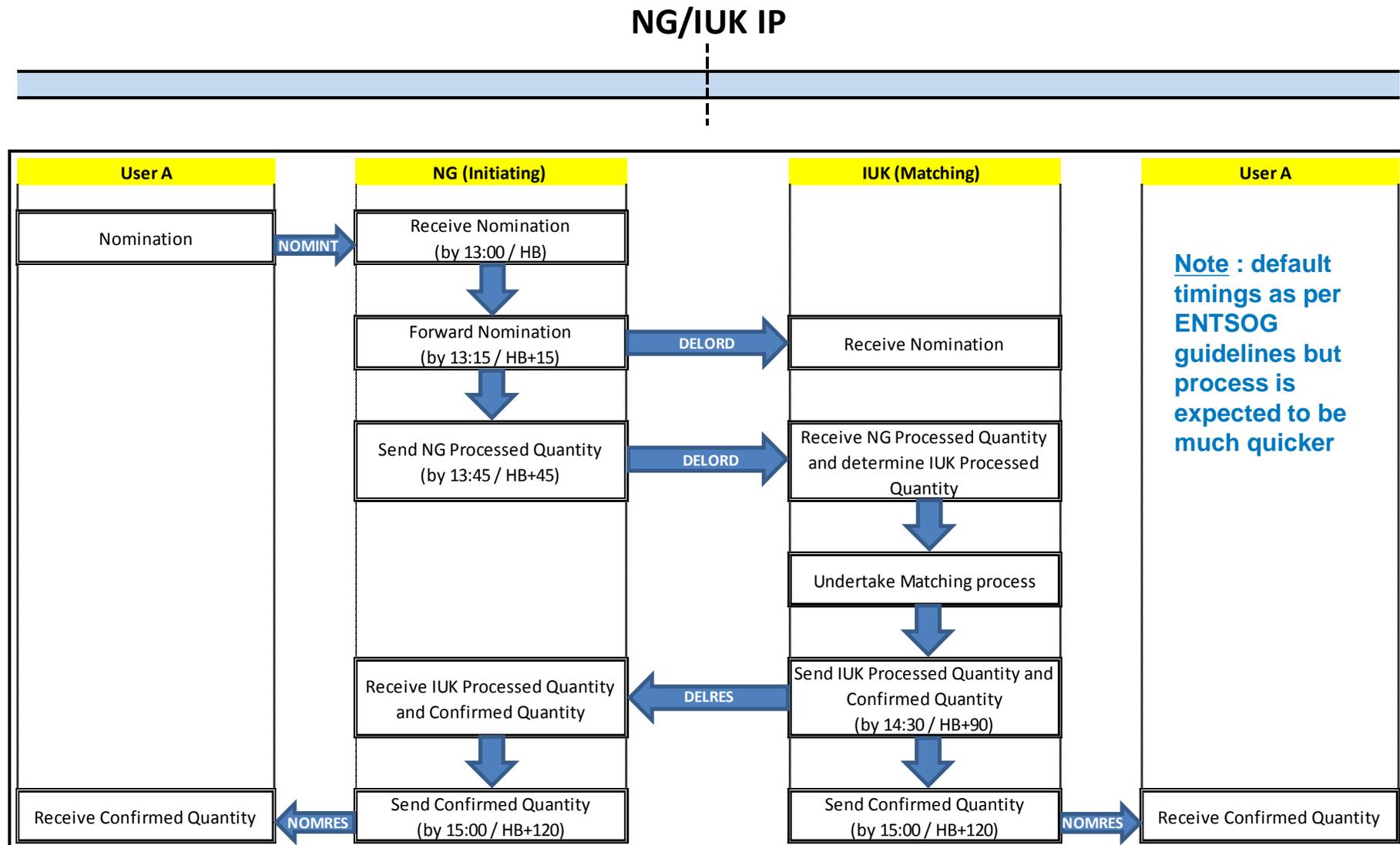
### ■ **Matching Hourly & Daily:**

- IUK calculates an equivalent hourly PQ from NG daily PQ & matches hourly values
- IUK aggregates the hourly CQ & creates a Daily Confirmed Quantity (DCQ), notifies NGG for NGG Users

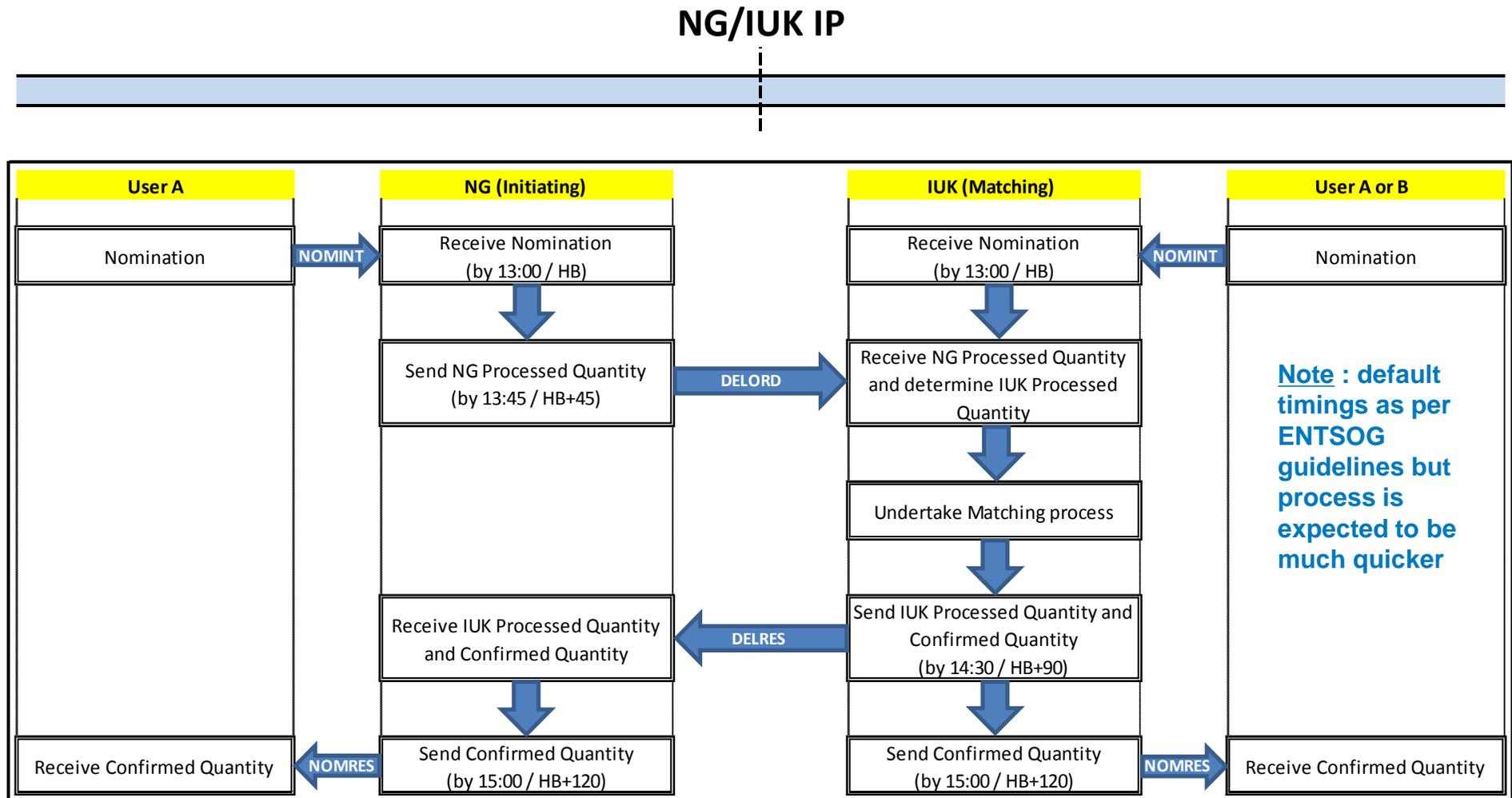
### ■ **TSO revision of Nominations:**

- During Exceptional Events or Emergencies a TSO may revise nominations;
- If a TSO exercises this right the User will receive a revised CQ

# Single Sided Nominations



## Double Sided Nominations



## Allocation Rules & OBA



## Allocation Rules & OBA

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- NGG & IUK will operate an OBA at Bacton
- In normal circumstances Shipper allocations will equal the Confirmed Nomination Quantity
  - Greater certainty for Shippers
  - Any steering differences handled in an account between TSOs
  - Aim is to keep balance in the account as close to zero as possible
  - A Steering Tolerance of 3.25 million kWh proposed
- Proportional Allocation will operate in limited specific circumstances
  - IUK will allocate to IUK Shippers based on Daily Metered Quantity
  - NGG will sub-allocate to NGG Shippers based on IUK's statement
- IUK has been operating an OBA at Zeebrugge with Fluxys since 2003
  - No days of proportional allocation at Zeebrugge have occurred since then

## Communications in Exceptional Events



## Communications in Exceptional Events

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- TSO to TSO communication as set out in LOPs
- TSOs discharge their obligations (INT Art 10) through:
  - NGG will issue Offtake Flow Advice (OFA) or Transportation Flow Advice (TFA) which will specify whether or not the relevant circumstances constitute an Exceptional Event affecting the NGG System
  - IUK will issue a revised Offtake Profile Notice (OPN) or Daily Flow Notice (DFN) as required if flow requirements change
- TSO will issue an anticipated end time & a further advice notice confirming when the Exceptional Event has ended
- Updated to reflect termination of Bacton Agent
- Includes revised times (where applicable) to reflect change to Gas Day

Close



## Close

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- IUK & NGG are recommending the amendments to the IA
- Send your feedback by 29 July to :
  - [Box.gas.market.development@nationalgrid.com](mailto:Box.gas.market.development@nationalgrid.com); and
  - [consultation@interconnector.com](mailto:consultation@interconnector.com)
- Any questions?

## Contacts

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	NGG Contact & Phone No.	IUK Contact & Phone no
<b>Network Entry &amp; Exit Provisions</b>	<b>Carol Spinks 01926 656377</b>	<b>Andrew Blair 020 7092 6592</b>
<b>Measurement</b>	<b>Carol Spinks 01926 656377</b>	
<b>Capacity</b>	<b>Malcolm Montgomery 01926 653991</b>	
<b>Nominations &amp; Matching</b>	<b>Phil Lucas 01926 653546</b>	
<b>OBA &amp; Allocation</b>	<b>Phil Hobbins 01926 653432</b>	
<b>Communications in Exceptional Events</b>	<b>Carol Spinks 01926 656377</b>	