

# European Update



6th August 2015

# 1. General Update

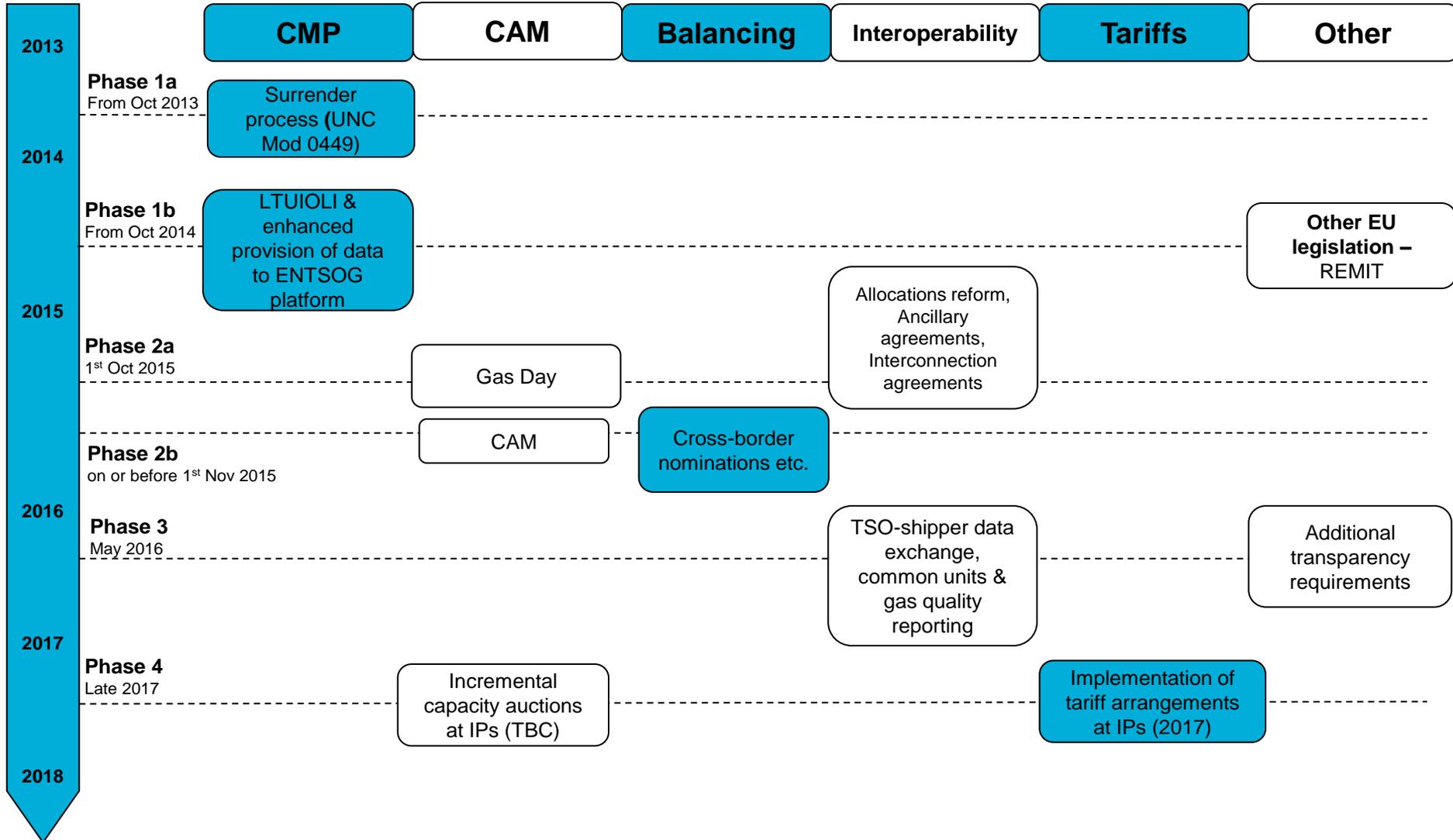
# Code Status Update

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Code	Current Status	Implementation date
Congestion Management (CMP)	Implemented	1 <sup>st</sup> October 2013
Capacity Allocation Mechanism (CAM)	Approved for implementation at EU IPs	1 <sup>st</sup> November 2015
Gas Balancing (BAL)	Approved for implementation 26 <sup>th</sup> March 2014	1 <sup>st</sup> October 2015
Interoperability & Data Exchange (INT)	Code entered EU Law on 30 <sup>th</sup> April now Commission Regulation (EU) No 703/2015	Some deliverables planned for 1 <sup>st</sup> October 2015, others by 1 <sup>st</sup> May 2016
Tariffs (TAR)	Under development	Estimated earliest mid January 2017. Applicable from October 2017
Incremental Capacity	Under development	Applicable from March 2017



# Road Map



## 2. EU Code Updates

## EU Changes to the UNC Data Dictionary

Tx Workgroup 6<sup>th</sup> August 2015  
Justin Goonesinghe



## Why Change?

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- The UNC Data Dictionary is a reference document for Users detailing the numerous data items published on the National Grid website
- Changes are required to the published data items in order to comply with the requirements of the European Network Codes (CMP, CAM, BAL and INT)
  - Some items need amending (e.g. to reflect the new gas day time)
  - Others are new data items required for EU compliance (e.g. IP Capacity Auctions under CAM)
- The UNC Data Dictionary needs updating to reflect these new, or changed data items

# Summary of Changes

Data Topic	Changes Required?
Balancing	Some changes required due to gas day
Capacity Auction	No change
Capacity Entry	New items due to CMP and CAM
Capacity Exit	New items due to CMP and CAM
CV	No change
Demand	No change
Gas Trading	No change
Interruption	N/A
Linepack	Some changes due to gas day
LNG	Some changes due to gas day
Storage	Some changes due to gas day
Prices	No change
Shrinkage	No change
Supply	Some changes due to gas day
Throughput	No change
Weather	No change
Transitional	No change

## Next Steps

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- Industry to review the proposed changes to the UNC Data Dictionary (draft papers published on JO website Tx WG August 2015)
- Any comments to be sent to:  
[box.gas.market.devel@nationalgrid.com](mailto:box.gas.market.devel@nationalgrid.com) by 12/08/15
- If there are no material suggested amendments, the proposed changes will be taken to the August 2015 UNC Committee for approval

# BBL Common Units Issue: Update



## Reminder of the Issue

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- At last month's NGG-BBL IA session, National Grid NTS explained that there will be a temporary lack of alignment between the TSOs on reference conditions at the BBL IP between 1<sup>st</sup> October 2015 and April 2016
- National Grid NTS presented analysis of the potential shipper impact and undertook to do some further thinking on this issue
- Our conclusion is that the costs associated with the 'under-allocation' for BBL shippers will be returned to all shippers via SO commodity charges

## BBL Units Issue – Consequential Effects

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- NTS shippers delivering gas through BBL will be ‘under-allocated’ at 0/25 instead of 15/15
- Other things being equal, shippers will have to slightly reduce their output(s) or will see an energy imbalance
- Physically the gas will have been delivered so there would be a slight increase in linepack (if shippers UK position is balanced)
- The aggregate amount of under-allocation will appear to National Grid NTS as an NTS energy imbalance and thus be captured in shrinkage
- Under-allocation reduces the prevailing quantity of shrinkage gas that National Grid NTS as Shrinkage Provider is managing
- This creates a requirement for the Shrinkage Provider to buy less gas (equal to the amount of the under-allocation)
- Ultimately, such reduction in the shrinkage requirement would feed back to shippers via reduced NTS SO commodity charges

## Summary

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- This is a temporary issue until Mod 0519 can be implemented into Gemini in April 2016
- National Grid NTS expects some redistribution of costs among GB shippers as a result
- National Grid NTS does not propose to raise a UNC Modification in respect of this issue but will work with any party who wishes to explore it further

# EU Tariffs Code Update

August 2015

## EU Tariffs Code Expected Timeline

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- **16<sup>th</sup> July:** ENTSOG Board approved TAR NC
- **17<sup>th</sup>-31<sup>st</sup> July:** Approval of TAR NC by ENTSOG General Assembly via written procedure
- **3<sup>rd</sup> August:** ENTSOG to re-submit TAR NC to ACER
- **Mid-September:** ACER recommendation on TAR NC to EC
- **Mid-September:** Informal Member State Meeting (pre-comitology meeting)

# EU Incremental Amendment Update

## Incremental Amendment

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- ACER launched consultation on revisions to CAM NC
- Consultation runs from **17<sup>th</sup> July to 31<sup>st</sup> August**
- ACER seeks views on:
  - Changes to CAM NC re Incremental Capacity release
  - Changes to default auction calendar
  - Technical changes to CAM NC – e.g. auction algorithms, bundling of existing capacity, allocation of interruptible services.....
- [http://www.acer.europa.eu/Official\\_documents/Public\\_consultations/Pages/PC\\_2015\\_G\\_05.aspx](http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2015_G_05.aspx)

## 3. UNC Modification Plans

# Phase 2 UNC Modifications

## Potential Timescales

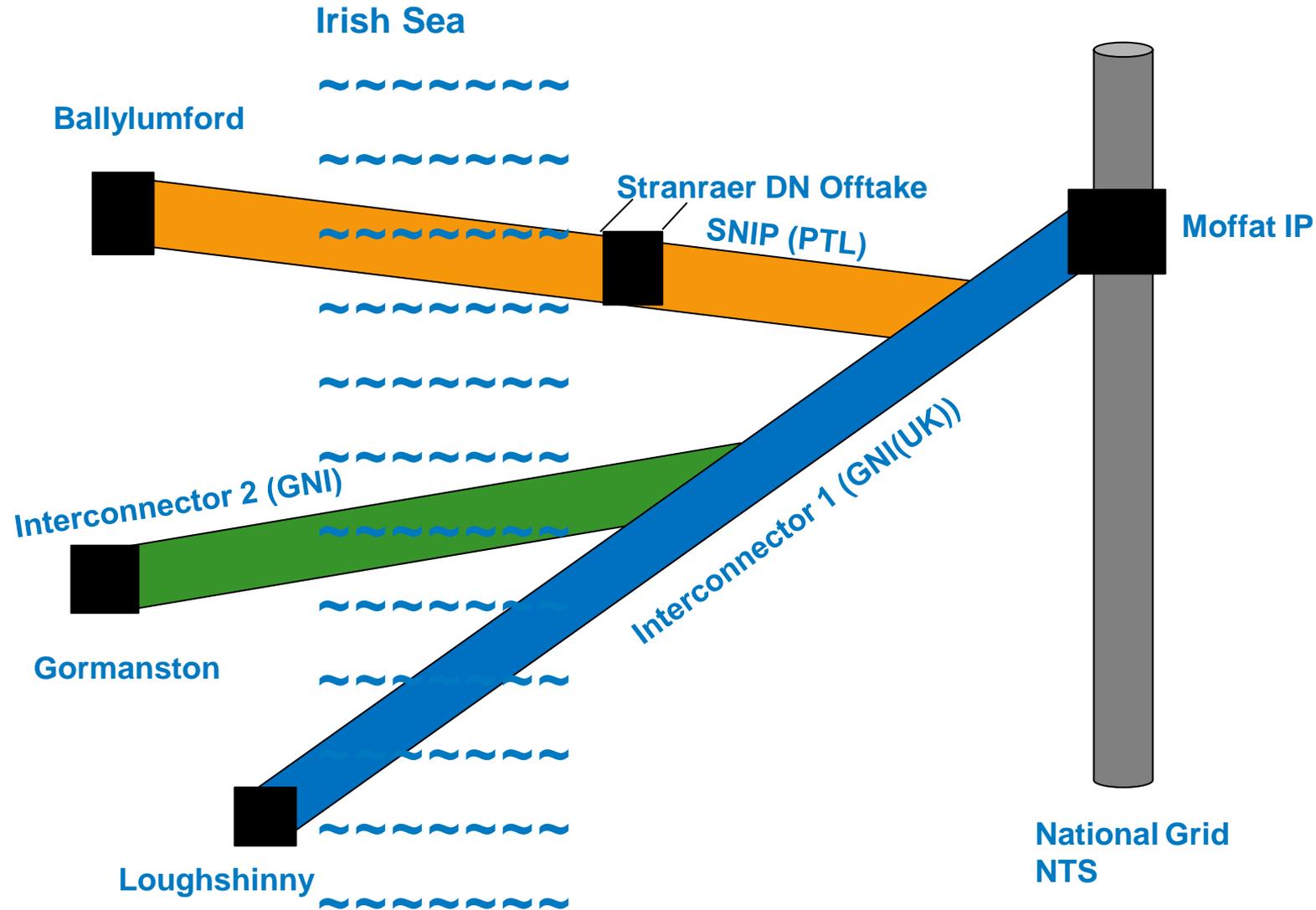
EU Network Code	Area of change	Status	Next Steps	UNC Consultation
Gas Balancing (BAL)	Information Provision (489)	Ofgem approved	Implementation	Complete
"	Nomination Process at IPs (493)	Ofgem Approved	Implementation	Complete
"	SMP Buy & Sell (494)	Ofgem approved	Implementation	Complete
Capacity Allocation Mechanism (CAM)	Gas Day change (461)	Ofgem approved	Implementation	Complete
"	CAM / CMP Compliant Capacity Auctions (500)	Ofgem approved	Implementation	Complete
"	Bacton split (501V / 501AV / 501BV / 501CV)	Ofgem approved 501V	Implementation	Complete
Interoperability & Data Exchange (INT)	Reform of Allocations (0510) withdrawn – variation now 510V	Re - Consultation	Final Mod Report to August Panel	Closes 6 <sup>th</sup> August
"	Harmonisation of Reference Conditions (0519)	Ofgem Approved	Implementation	Complete
"	Enabling EU Compliant Interconnection Agreements (0525)	With Ofgem	Ofgem decision	Complete

## 4. AOB

## Moffat Designated Arrangements

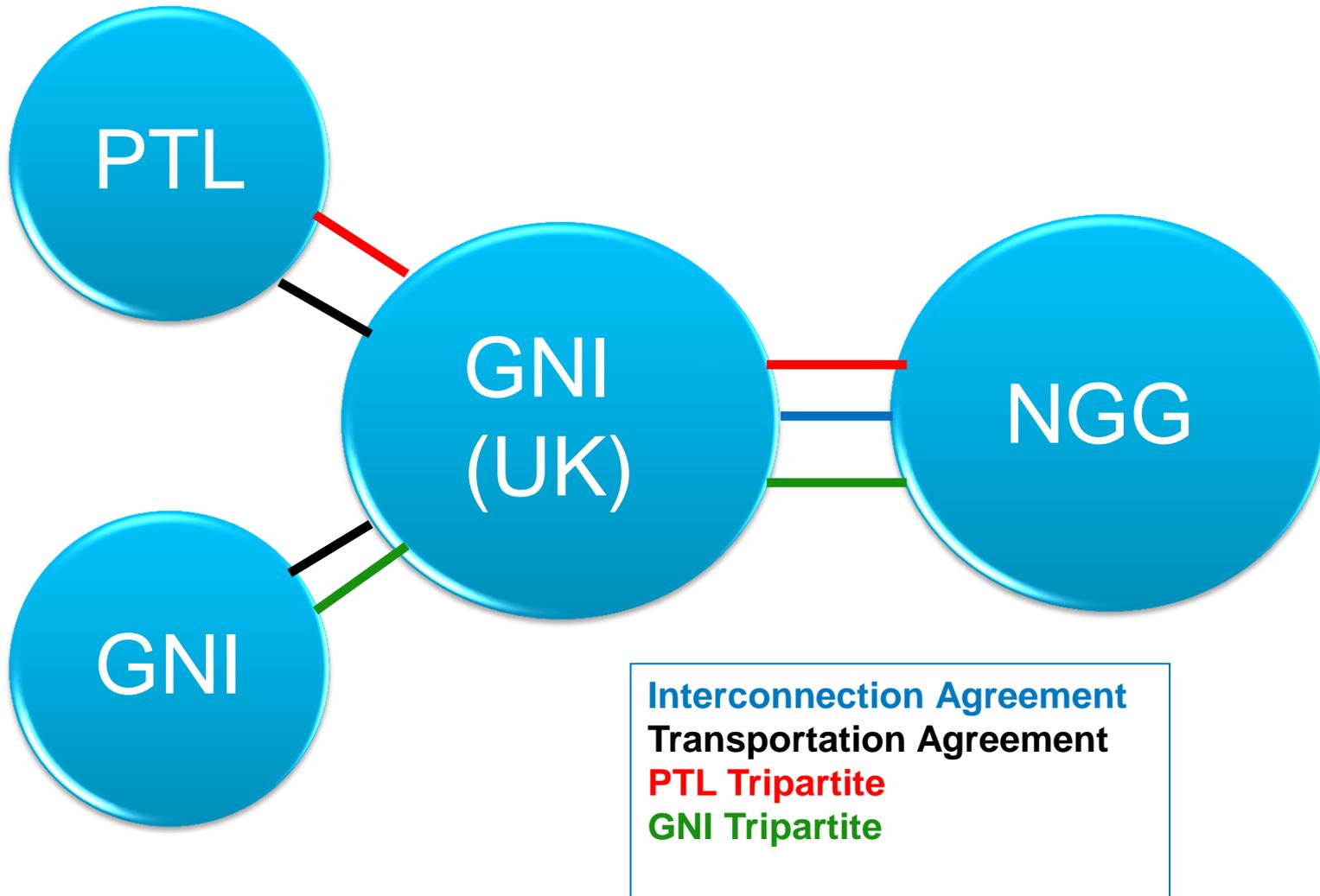


# Recap of Moffat Physical Arrangements



## Recap of the Contractual Model

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## Moffat Designated Arrangements - Summary

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- NGG is proposing to introduce a 'Moffat Designated Arrangements' document into UNC
- A draft was discussed during the development phase of Mod 0525
- The purpose is to describe how the arrangements for the Moffat Interconnection Point (IP) will work within UNC
- It describes the Moffat IP arrangements for capacity and Stranraer Offtake, including references to GNI & PTL
- National Grid NTS is carrying out the consultation in line with licence condition A11 (18) and UNC GTC condition 2.8
  - Consult with Shippers for 15-days; followed by
  - Seeking approval of the Moffat Designated Arrangements by Ofgem

## Purpose

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- Describes the new arrangements for Moffat for inclusion within UNC as a single document
- Commercial provisions:
  - Interconnection Agreement between National Grid NTS and GNI (UK)
  - Tripartite Agreements – captures the arrangements with GNI and PTL and their relationships with Shippers in RoI and NI
    - GNI (UK) – GNI – National Grid NTS; and
    - GNI (UK) – PTL – National Grid NTS
- Addresses two separate physical interconnectors at the Moffat IP
- Explains the Primary and Subsidiary IP premise included within EID sections of Code
- Arrangements for the supply of gas to the Stranraer Offtake

## Process

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- Moffat Designated Arrangements (MDA) document will be issued for consultation 7<sup>th</sup> August 2015
- Closing date for responses is 27<sup>th</sup> August 2015
- Send your response to [deborah.brace@nationalgrid.com](mailto:deborah.brace@nationalgrid.com)
- Final document to be completed by 4<sup>th</sup> September 2015
- Notice of intention to designate MDA by 4<sup>th</sup> September 2015
- Not less than 10 business days later along with approval from Ofgem National Grid NTS will designate the MDA and provide notice of that decision

# Data Exchange



## Data Exchange

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- The Interoperability Code requires TSOs to implement common solutions for EU Code related data exchange
  - 'TSO to TSO' Edig@s solution for matching nominations at IPs is being delivered for 1<sup>st</sup> October 2015
  - 'TSO to shipper' solution for nominations is required by 1<sup>st</sup> May 2016
- National Grid NTS has been considering how to discharge this obligation and will present its intended approach at the UK Link Committee meeting on Thursday 13<sup>th</sup> August
- Interoperability Code also provides for existing solutions to continue subject to consultation and regulatory approval
  - This would enable GB shippers to continue to submit nominations and receive confirmed quantities via the Gemini IX link post 1<sup>st</sup> May 2016
- National Grid NTS intends to progress this during Sep / Oct 2015

## Future Topics



# Future Topics

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Topic Area	Provisional Date
Tariffs Code	Monthly updates whilst progressing through comitology
Incremental Code	Monthly updates whilst progressing through comitology