
















DRAFT UNC Request		At what stage is this document in the process?
<h1>UNC 0XXX:</h1> <p><i>(Joint Office to insert number)</i></p> <h2>Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) arrangements</h2>		<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 5px;">01 Request</div> <div style="margin-bottom: 5px;">02 Workgroup Report</div> <div style="margin-bottom: 5px;">03 Final Modification Report</div> <div style="margin-bottom: 5px;"> </div> </div>
<p>Purpose of Request:</p> <p>To review the processes and information provision associated with National Grid’s gas security of supply notices and to review the name of the Gas Deficit Warning notice.</p>		
	<p>The Proposer recommends that this request should be assessed by a Workgroup</p> <p>This request will be presented by the Proposer to the Panel on 20 September 2018</p>	
	<p>High Impact:</p>	
	<p>Medium Impact: GB gas market participants, National Grid NTS</p>	
	<p>Low Impact:</p>	

Contents		 Any questions?
1 Request	3	Contact: Joint Office of Gas Transporters
2 Impacts and Costs	4	 enquiries@gasgovernance.co.uk
3 Terms of Reference	8	 0121 288 2107
4 Recommendation	9	Proposer: Phil Hobbins
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This document is a Request, which will be presented by the Proposer to the panel on 20 September 2018.		 01926 653432
The Panel will consider the Proposer's recommendation, and agree whether this Request should be referred to a Workgroup for review.		Transporter: National Grid NTS
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1 Request

Why is the Request being made?

At present, National Grid NTS has two main tools to provide notice to GB gas market participants of a possible imbalance between gas demand and supply:

- Margins Notice (MN) – issued if forecast demand for the day ahead exceeds a pre-defined forecast of supply; and
- Gas Deficit Warning (GDW) – issued if there is a more serious supply and demand imbalance leading to a material risk to the end of day balance on the NTS. The procedures are described in more detail on the National Grid website.¹

The purpose of a GDW is to provide a message to GB market participants to provide more gas or reduce demand. On 1st March 2018, National Grid NTS issued its first ever GDW in response to coincident events involving cold weather, high gas demand, and supply failures. The GDW had its desired effect on this day as the risk of an end-of-day system imbalance was addressed². However, National Grid NTS considers that the term 'Gas Deficit Warning' may not adequately reflect this purpose and could be misinterpreted by the public.

National Grid NTS also considers that the time is right to review these notification arrangements with the industry, share learnings from operational experience on 1st March 2018 and improve the arrangements for the future. Changes in the electricity market have also occurred since the MN/GDW rules were introduced which serve as an additional driver for this review.

Scope

To review the GDW and MN notifications, the GDW name, trigger mechanisms and the information provision that supports these notification processes.

Impacts & Costs

The key impacts of this change are currently considered to be:

- industry contracts that support gas demand side response;
- information provision requirements that support the MN/GDW processes; and
- knock-on impacts in the electricity market.

It is not currently expected that this change will result in any material implementation cost.

Recommendations

The objective of this Request is to improve the timeliness and effectiveness of National Grid NTS' notifications that alert the industry about a potential gas supply / demand imbalance without causing wider, unwarranted alarm.

¹ <https://www.nationalgrid.com/uk/gas/balancing/margins-notices-mn-and-gas-deficit-warnings-gdw>

² The MN has not been used since its introduction in 2012, though it is likely that one would have been issued on 1st March 2018, had National Grid NTS not moved straight into the GDW.

2 Impacts and Costs

Consideration of Wider Industry Impacts

Will the Request be impacted by or have an impact upon wider industry developments? If an impact is identified the Workgroup should justify why the benefit of the modification outweighs the potential impact.

Insert subheading here

Insert text here

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	•
Operational Processes	•

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	•
Development, capital and operating costs	•
Contractual risks	•
Legislative, regulatory and contractual obligations and relationships	•

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	•
Development, capital and operating costs	•
Recovery of costs	•
Price regulation	•
Contractual risks	•
Legislative, regulatory and contractual obligations and relationships	•
Standards of service	•

Impact on Code Administration	
Area of Code Administration	Potential impact

Impact on Code Administration	
Modification Rules	•
UNC Committees	•
General administration	•
DSC Committees	•

Impact on Code	
Code section	Potential impact
	•

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	•
General	Potential Impact
Legal Text Guidance Document	•
UNC Modification Proposals – Guidance for Proposers	•
Self Governance Guidance	•
	•
TPD	Potential Impact
Network Code Operations Reporting Manual (TPD V12)	•
UNC Data Dictionary	•
AQ Validation Rules (TPD V12)	•
AUGE Framework Document	•
Customer Settlement Error Claims Process	•
Demand Estimation Methodology	•
Energy Balancing Credit Rules (TPD X2.1)	•
Energy Settlement Performance Assurance Regime	•
Guidelines to optimise the use of AQ amendment system capacity	•
Guidelines for Sub-Deduct Arrangements	•

Impact on UNC Related Documents and Other Referenced Documents	
(Prime and Sub-deduct Meter Points)	
LDZ Shrinkage Adjustment Methodology	•
Performance Assurance Report Register	•
Shares Supply Meter Points Guide and Procedures	•
Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency	•
Standards of Service Query Management Operational Guidelines	•
Network Code Validation Rules	•
	•
OAD	Potential Impact
Measurement Error Notification Guidelines (TPD V12)	•
	•
EID	Potential Impact
Moffat Designated Arrangements	•
	•
IGTAD	Potential Impact
	•
DSC / CDSP	Potential Impact
Change Management Procedures	•
Contract Management Procedures	•
Credit Policy	•
Credit Rules	•
UK Link Manual	•
	•

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas	•

Impact on Core Industry Documents and other documents	
Safety (Management) Regulations	
Gas Transporter Licence	•

Other Impacts	
Item impacted	Potential impact
Security of Supply	•
Operation of the Total System	•
Industry fragmentation	•
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	•



3 Terms of Reference

Topics for Discussion

- Agree a 'problem statement'
- Agree the objectives of the Request
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the Request
- Assessment of implementation costs of any solution identified during the Request
- Assessment of legal text.

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including a draft modification.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.

4 Recommendation

The Proposer invites the Panel to:

- DETERMINE that Request 0XXX progress to Workgroup for review.