

Planning for Phase II Implementation of the EU Network Codes



Where are we today

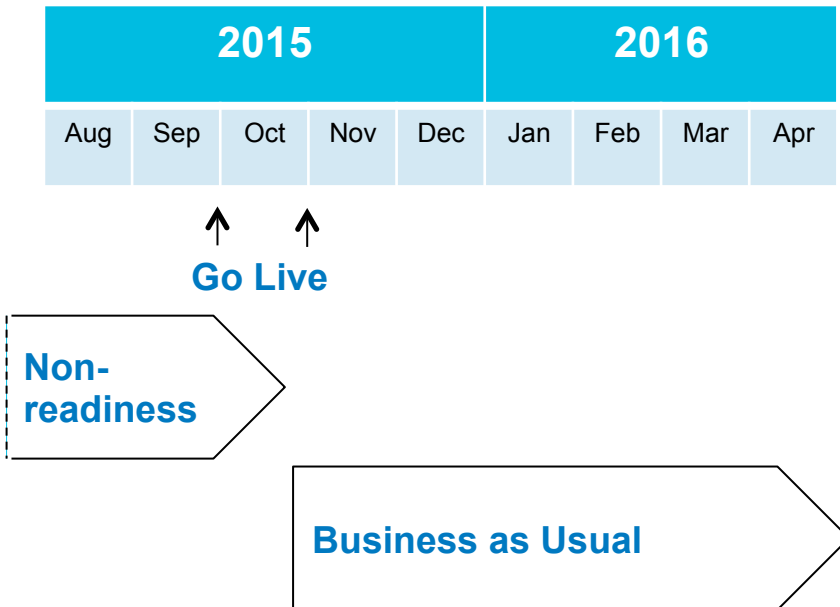
- National Grid (NG) has been working on its obligation to implement phase II of the EU Network Codes for a number of years
- The work has required close collaboration with stakeholders throughout the GB regime, as well as adjacent TSO's and regulators
- By 1st October 2015, GB and adjacent transmission systems aim to begin “go live” with changes which will ensure compliance with the BAL, CAM and INT EU Codes
- Full phase II implementation will require a number of items, from a wide range of stakeholders, to come together successfully
- NG as a prudent operator is leading the industry's contingency planning, to ensure that the ‘operability’ of the regime is maintained

Why develop contingency arrangements?

- Together, the GB industry and its adjacent stakeholders are aiming to deliver:
 - Changes to processes & procedures
 - Changes to IT systems
 - New / amended contracts
- Plans should be in place in case that one or multiple parties may be unable to deliver some or all of the above by 1 October
- Post 1st October, measures should also be in place to handle any potential issues which may arise
- Stakeholder readiness (both GB & adjacent jurisdictions) will play a crucial role in overall GB readiness

Two 'Categories' of Contingency

Non Readiness & Business as Usual



- GB stakeholder readiness manifests itself in a wide range of areas:
 - TSO/TSO Agreements
 - Framework Mods to Codes
 - IT systems delivery
 - Procedures
- Post 'go live', each TSO will have its own Business As Usual contingencies for:
 - IT systems issues
 - Procedural failure or error

National Grid is supporting industry readiness

- Activities we are supporting:
 - Engagement via Transmission Workgroup
ONGOING
 - Supporting industry queries via email “dot boxes”
ONGOING
 - EU Code Implementation Workshop
COMPLETE
 - Ops Forum up-dates
ONGOING
 - Shipper trials
PLANNED

The deliverables are extensive

- Contracts

- Inter TSO arrangements

GB/RoI/NI tripartites,
Interconnection Agreement

GB/IUK & GB/BBL
Interconnection Agreements

Connection Agreements

RoI/NI Transportation
Agreements

- Codes

- UNC Mods to implement EU Codes, as well as enabling Mods
 - Mods in other jurisdictions

- Systems

- NGG, GNI(UK), GNI, PTL, IUK, BBL, DNO, Edig@s and Prisma systems

- Processes

- NGG, GNI, GNI(UK), PTL, IUK and BBL processes

iGMS & Gemini systems readiness

- Both iGMS (integrated Gas Management System) and Gemini are implementing together in readiness for 1st October 2015
- Robust integrated testing and deployment regime:
 - Prior to August - system testing, system integration testing & user acceptance testing
 - During August - several 'dress rehearsals' to confirm implementation plans and minimise the risk of faults
 - 6th September - Main code drop planned
 - 13th & 20th September - Contingency dates in the event of faults during 6th Sept implementation
 - "go live" for 1st October

Moffat Potential Contingency

	Changes Required	Pre 1st Oct Contingency Arrangement	Key Dates
Contracts	<ul style="list-style-type: none">• Amended Interconnection Agreements (IA) and tripartites including consultation	<ul style="list-style-type: none">• If no agreed IA, NGG could:<ul style="list-style-type: none">• Continue without IA• Put in place Memorandum of Understanding• Seek “letter of comfort” from Ofgem	<ul style="list-style-type: none">• Consultation July• Ofgem approval in Sept
Gemini and iGMS	<ul style="list-style-type: none">• Various changes to iGMS and Gemini• Need to work closely with GNI, GNI (UK) & PTL to align systems integration testing	<ul style="list-style-type: none">• As mentioned previously – significant contingency code drop dates built into timeline• Moffat agent activities continue• Manual processes for matching	<ul style="list-style-type: none">• n/a

Bacton Potential Contingency (1 of 2)

	Changes Required	Pre 1st Oct Contingency Arrangement	Key Dates
Interconnection Agreements	<ul style="list-style-type: none"> Amendment and restatement of Interconnection Agreements (IA) including mandatory consultation 	<ul style="list-style-type: none"> If no agreed IA, NG could: <ul style="list-style-type: none"> Continue with existing IA Put in place Memorandum of Understanding Seek “letter of comfort” from Ofgem 	<ul style="list-style-type: none"> Consultation July Ofgem approval in Sept
Ancillary Agreements for Removal of Agent	<ul style="list-style-type: none"> Mod 525 facilitates removal of Bacton Agent in favour of TSO/ TSO processes Need Ofgem approval prior to 1st October 	<ul style="list-style-type: none"> Given known timescales, NG have worked closely with all parties throughout development to ensure a positive Ofgem decision Alternative arrangements post 1st October 	<ul style="list-style-type: none"> n/a
Gemini and iGMS	<ul style="list-style-type: none"> Various changes to iGMS and Gemini Need to work closely with IUK & BBL to align systems integration testing 	<ul style="list-style-type: none"> As mentioned previously – significant contingency code drop dates built into timeline 	<ul style="list-style-type: none"> n/a

Bacton Potential Contingency (2 of 2)

	Changes Required	Pre 1st Oct Contingency Arrangement	Key Dates
Mod 493	<ul style="list-style-type: none"> Ofgem approval required to enable compliance with BAL, INT & CAM codes 	<ul style="list-style-type: none"> Ofgem decision expected imminently 	<ul style="list-style-type: none"> Mod 493 decision - May
Mod 500	<ul style="list-style-type: none"> Ofgem approval required to enable compliance with CAM code 	<ul style="list-style-type: none"> Ofgem decision expected imminently 	<ul style="list-style-type: none"> Mod 500 decision - May
Mod 501V's	<ul style="list-style-type: none"> Ofgem approval of one Mod required to facilitate compliance with CAM code 	<ul style="list-style-type: none"> If 501CV approved, a manual process will be required from 1 Nov 	<ul style="list-style-type: none"> Decision needed by 21 July
Mod 510	<ul style="list-style-type: none"> Ofgem approval required to implement "allocate as nominate" 	<ul style="list-style-type: none"> Retain "allocate as measured" arrangements Could delay to May 2016 in line with Code requirement 	<ul style="list-style-type: none"> tbc
Mod 525	<ul style="list-style-type: none"> Ofgem approval required to enable compliant IA's from 1st Oct 2015 	<ul style="list-style-type: none"> Given known timescales, NGG have worked closely with all parties throughout development to ensure a positive Ofgem decision 	<ul style="list-style-type: none"> n/a

Gas Day Potential Contingency

	Changes Required	Pre 1st Oct Contingency Arrangement	Key Dates
UNC Mod 0461	<ul style="list-style-type: none"> • Gemini and non-Gemini system changes • Other system and process changes (Transporters, Shippers, Traders, Market Operator, End Users, Storage, LNG etc...) 	<ul style="list-style-type: none"> • Not applicable <ul style="list-style-type: none"> • Xoserve progressing with delivery of industry system changes for 1st October • Assumption that all impacted UNC parties will make necessary changes to their processes and systems 	<ul style="list-style-type: none"> • n/a
NTS-DN Interface	<ul style="list-style-type: none"> • Numerous system interfaces and file transfers between NTS and the RDNs e.g. SCADA systems 	<ul style="list-style-type: none"> • Temporary manual contingencies being developed should they be required 	<ul style="list-style-type: none"> • n/a
Network Entry A'ments (NEAs)	<ul style="list-style-type: none"> • NEAs to be renegotiated for sub-terminals to provide NG with 5-5 DFNs and 5-5 EoD values • 5-5 data also required for the successful operation of the industry solution that manages different upstream / downstream gas days (Option A) 	<ul style="list-style-type: none"> • NG need firm view from sub-terminals whether they will be in position to provide 5-5 data by latest 15th June • If they are unable to, NG will seek to utilise its telemetry to calculate an EoD value for those sub-terminals. An urgent UNC Mod may be required to facilitate this 	<ul style="list-style-type: none"> • tbc

Summary & way forward

- NGG will continue to assess contingency arrangements alongside other relevant stakeholders
- “Business as Usual” (BaU) contingency (post 1 Oct) is effectively limited to IT system failure regarding which NG is engaging its adjacent TSOs
- Contingency arrangements between TSOs retain a reciprocal element, ie one TSO’s contingency requirement may result in the other TSO needing to invoke its own contingency
- To the best of our knowledge, TSOs are on track for systems delivery and are aligned in terms of delivery milestones
- In some areas there may be no feasible contingency
- Resource requirements to be considered for systems failures which result in increased manual processes
- NG would appreciate stakeholders sharing their contingency plans with us in case these need to be actioned

Your feedback is important to us

- You can always contact us to ask questions, provide feedback or tell us how we are doing, particularly in relation the topics discussed today:
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