

Capacity Methodology Statements: Consultation for PARCA updates



Transmission Workgroup: 4th December 2014

Background

- The NTS Gas Transporter Licence sets obligations on National Grid to produce statements setting out various capacity methodologies.
- Four of these statements have been updated to align to Modification [0452V/0465V] and the associated licence changes:
 - ExCR: Exit Capacity Release
 - ECR: Entry Capacity Release
 - ExCS: Exit Capacity Substitution and Exit Baseline Revision
 - ECS: Entry Capacity Substitution
- The relevant methodology statements have now been updated Informal Consultation held September 2013
- The formal consultation has now been published

ExCR – Availability of Daily NTS Exit (Flat) Capacity

- ECR includes wording on withholding short-term capacity during constraints
- Example: Commissioning of Tirley PRI – July 2012
- Occurs only when NG believes that releasing additional capacity into a constraint would lead to a higher volume of buy-backs and significant increased cost to industry
- This is in line with NG’s obligations to manage the system in an efficient, economic manner
- Proposing to add equivalent wording to ExCR for transparency:
 - *“Where, in respect of any given Gas Flow Day, circumstances arise in which National Grid foresees a capacity constraint occurring at an NTS Exit Point, National Grid may withhold capacity from sale for that NTS Exit Point in the Daily (Day-ahead and within Day) auctions. The quantity withheld will be limited to that which National Grid considers necessary to avoid the constraint or to avoid increasing the extent of the constraint, and hence to avoid, or limit, the cost of any actions needed to manage the constraint.”*

Recent updates

- Licence updates:
 - Lead times: NG must deliver incremental capacity 24 months after the capacity has been allocated to the user
 - Reservation Notice: NG must publish a notice providing details where it intends to reserve Entry/Exit Capacity
- Minor updates to reflect implementation of Modification 0449 and approval of Generic Revenue Driver Methodology Statement
- Removal of changes introduced for Modification 0454.

Consultation Timings

- Timings:
 - Consultation Start: Wednesday [3rd] December 2014
 - Consultation End: Friday 2nd January 2015
 - Proposed Methodologies to be submitted to the Authority for approval: 16th January 2015

- The methodology statements and consultation documents can be found on the National Grid Website:
 - <http://www2.nationalgrid.com/uk/industry-information/gas-capacity-methodologies/>

- Responses / queries to be sent to National Grid by **2nd January 2015**, via email to:
 - box.transmissioncapacityandcharging@nationalgrid.com

Capacity Methodology Statements: Informal Consultation for EU updates



Transmission Workgroup: 4th December 2014

Background

- Each of the methodology statements are currently being drafted to align to Modifications 0500 and 0501/0501A/0501B/0501C:
 - ExCR: Exit Capacity Release
 - ECR: Entry Capacity Release
 - ExCS: Exit Capacity Substitution and Exit Baseline Revision
 - ECS: Entry Capacity Substitution
 - T&T: Entry Capacity Transfer and Entry Capacity Trade

- Informal consultation to be published [15th] December 2014

- Formal consultation anticipated to be Summer 2015

Entry & Exit Capacity Release

- Addition of a chapter to cover new UNC processes being introduced by Modification 0500.
- Minor changes elsewhere to reflect where existing processes only apply at non-Interconnection Points (Modification 0500)
- ECR: Noted any transitional changes to UNC processes at Bacton ASEP as well as the proposed Bacton UKCS ASEP and Bacton IP ASEP (Modification 0501/0501A)
- ExCR: Transitional arrangements for Enduring Annual NTS Exit (Flat) Capacity at IPs
- New Terminology & References (Modification 0500)
- Note: There can be no Incremental Obligated Entry Capacity release at Interconnection Points until the Incremental element of CAM is developed and implemented.

Entry & Exit Substitution

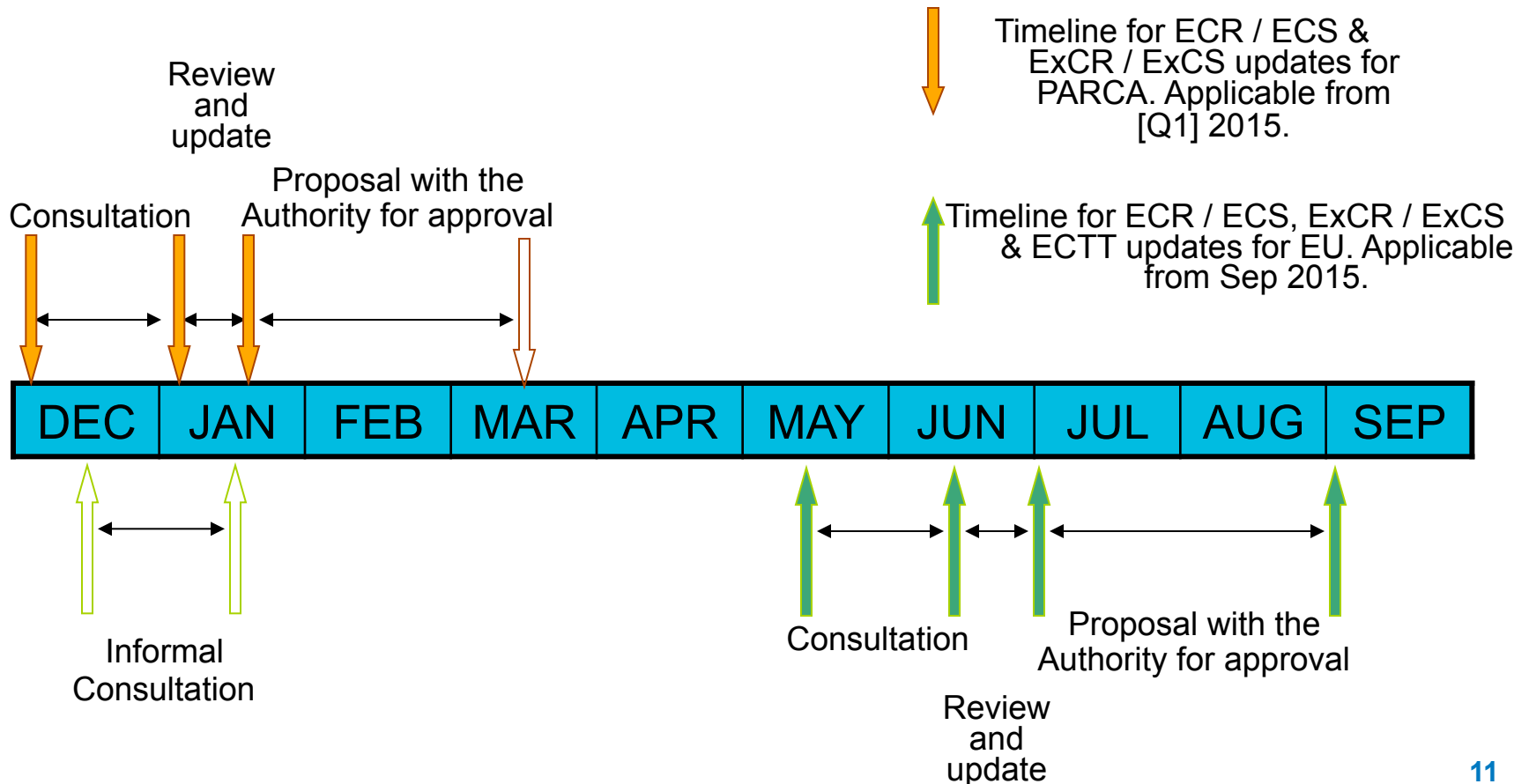
- Inclusion of references to new EU processes (Modification 0500)
- New Terminology & References (Modification 0500)
- ECS: Split of Bacton ASEP in Appendix 1 Entry Capacity Zone table – Modification 0501/0501A
- ECS: Inclusion of refund circumstances for Retainers at Bacton IP
- Note: There can be no Incremental Obligated Entry Capacity release at Interconnection Points until the Incremental element of CAM is developed and implemented, hence currently there is no way to trigger substitution to an IP.
- Note: currently substitution at IPs is treated differently in the ECS and ExCS (ExCS has a limit on substitution of Technical Capacity), we would welcome comments on whether these rules should be aligned and if so what they should be.

Entry Capacity Transfer & Trade

- Minor changes to reflect that the processes described in the ECTT will no longer apply to Interconnection Points
- Note that the September 2015 Transfer & Trade process (covering capacity in October 2015) will be the final process that includes the “Bacton ASEP” (Mod 0501/0501A)

Timetable

- Consultation on the various methodology statements is expected to broadly follow the timetable outlined below.



Informal Consultation Timings

- Timings:
 - Consultation Start: Monday [15th] December 2014
 - Consultation End: Friday [16th] January 2015
 - Proposed Methodologies to be submitted to the Authority for approval

- The methodology statements and consultation documents will be available on the National Grid Website:
 - <http://www2.nationalgrid.com/uk/industry-information/gas-capacity-methodologies/>

- Responses / queries to be sent to National Grid by **[16th] January 2015**, via email to:
 - box.transmissioncapacityandcharging@nationalgrid.com