

Representation

Draft Modification Report

0493 - EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)

Consultation close out date: 06 November 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: National Grid NTS

Representative: Phil Lucas

Date of Representation: 6th November 2014

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

As proposer, National Grid NTS fully supports the implementation of this Modification Proposal. Existing UNC processes for the submission and processing of gas flow nominations and renominations at GB Interconnection Points (IPs) are not compliant with the provisions of the EU Gas Balancing Code¹ (the Balancing Code), EU Capacity Allocation Mechanism Code² (the CAM Code) and those proposed in the draft EU Network Code on Interoperability and Data Exchange Rules³ (the Interoperability Code). Accordingly, this proposal seeks to ensure that prospective UNC arrangements for nominations and renominations in respect of IPs are compliant with the aforementioned Regulations and draft Regulation.

The proposed UNC provisions establish the User to National Grid NTS (and vice versa) obligations in respect of the new nominations and renominations process at IPs. In addition, there are new requirements in the EU Codes for interaction between National Grid NTS and its adjacent Transmission System Operators (TSO) at each IP in order to agree nomination and renomination quantities. These interactions will be governed via Interconnection Agreements between National Grid NTS and the relevant TSO(s).

For the avoidance of doubt, Double Sided Nominations may be utilised against any capacity product (bundled or unbundled). Single Sided Nominations may be utilised against a bundled capacity product or against un-bundled capacity products (at each side of the IP) where the same User holds the capacity.

¹ Commission Regulation (EU) No 312/2014

² Commission Regulation (EU) No 984/2013

³ This Code is approaching the end of the Comitology process (the final meeting is due to take place on 3rd and 4th November 2014) and is not expected to change significantly.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

National Grid NTS believes that implementation of this Modification Proposal would facilitate compliance with European legislative requirements by introducing a new nominations and renominations process at IPs. This new nominations and renominations process incorporates all the relevant rules required by the Balancing Code, the CAM Code and the draft Interoperability Code. In summary these are:

- a joint nomination procedure to enable Users to nominate flows via a single nomination (as required by the CAM Code);
- the timescales for User provision of, and National Grid NTS response to, nominations and renominations (as per the Balancing Code and Interoperability Code); and
- requirements in respect of the physical exchange of nominations and renominations information between Users and National Grid NTS (as per the Interoperability Code).

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

As stated in Modification Proposal 0493, this Modification Proposal is part of a wider suite of UNC changes proposed to achieve compliance with the European Network Codes that need to be implemented by late 2015. No specific costs have been identified for this Proposal however National Grid NTS has been allocated some funding through the RIIO-T1 price control process for EU market facilitation. National Grid NTS expects to be able to utilise this funding to meet the costs of this EU-related change and where this proves insufficient we anticipate using the mid-point review as the mechanism to address any funding gaps.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

Compliance with the Balancing Code is required by 1st October 2015 and therefore National Grid NTS is seeking to introduce revised nominations and renominations processes effective for gas flows in respect of Gas Flow Day 1st October 2015 onwards. Accordingly we would expect implementation to apply for Gas Flow Day 1st October 2015 and therefore this modification proposal should be implemented by 1st September 2015 to allow, in accordance with the new rules in the UNC, nominations for Gas Flow Day 1st October 2015 to be submitted from 1st September 2015 (i.e. D-30).

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Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

National Grid NTS is satisfied that the legal text delivers the intent of this Modification Proposal. As noted within the Draft Modification Report, implementation of this proposal would establish a new part of the UNC, the European Interconnection Document (EID) which is intended to contain specific rules related to IPs. Principally, the new IP nominations provisions will be contained within Section C of the EID with supporting definitions contained within Section A.

National Grid NTS outlined its rationale for the introduction of the EID⁴ in an email issued to the industry (via the Joint Office of Gas Transporters) on 19th September 2014. In summary, this approach has been adopted in order to avoid complicating the existing TPD rules around System Capacity and Nominations at Aggregate System Entry Points and Connected System Exit Points, and to ring fence the new rules for Interconnection Points.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No

⁴ This information is available at <http://www.gasgovernance.co.uk/EID>