

European Update



1. General Update

Code Status Update

Code	Current Status	Implementation date
Tariffs (TAR)	Entered into Force 6 April 2017, Mods now being raised (e.g. UNC 0621 + combined ASEP Mod)	Applicable from 6 April 2017, 1 October 2017, 31 May 2019
Transparency (TRA)	Entered into Force 6 April 2017	Applicable from 01 October 2017, First publication end 2017 Monitoring reports March 2018

2. EU Code Updates

Tariff Code Update

TAR NC: Publication Status

- Tariff data currently published on TSOs/NRA websites
- **National Grid data can be found here:**
- IP Tariff data on ENTSOG Transparency Platform
 - <https://transparency.entsog.eu/>
- EU TAR NC publication requirements (Art 29) on own website
 - <https://www.nationalgrid.com/uk/about-grid/how-we-are-regulated/transparency-and-etr/gas-transparency-requirements>

ACER Workshop on TSO Revenue Determination

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- ACER required to produce revenue report (Art 34 of TAR NC)
 - Aims to:
 - Provide overview of current methodologies
 - Provide insight and analysis into setting revenues
 - ACER aims to harmonise terminology
 - ACER Workshop was held on 8 February
 - Presentation materials can be found here:
 - <https://www.acer.europa.eu/Events/Stakeholder-event-on-ACER-report-on-methodologies-and-parameters-to-determine-gas-TSO-revenues/default.aspx>

EU Network Codes “Clean up”

- EC has suggested to ACER and ENTSOG that there was an opportunity to consider changes to Network Codes
- ACER are developing list of potential changes such as improvements to definitions and improved cross references.
- ENTSOG has asked TSOs to suggest changes
- **Scope of changes not clear at present**

EU Network Codes “Clean up”

- **Potential timeline:**
- **Feb-Mar 2018:** ENTSOG & ACER to come up with list of potential changes
- **Summer 2018 (July?):** Informal Member State meeting
- **September 2018:** Formal Member State meeting

UNC Mod 0621: Amendments to Gas Transmission Charging Regime

- TAR NC being implemented via UNC 0621
- Details can be found at
 - <https://www.gasgovernance.co.uk/ntscmf>
 - <https://www.gasgovernance.co.uk/0621>
 - Includes amended version of 0621 (published 19 February) plus alternates 0621A - 0621F

Future Topics

Future Topics

Topic Area	Provisional Date
Tariffs Code	Monthly updates
Transparency requirements	Monthly updates
CAM Amendment	Monthly updates
Potential EU Code Amendments	Monthly updates

Modification 0628S

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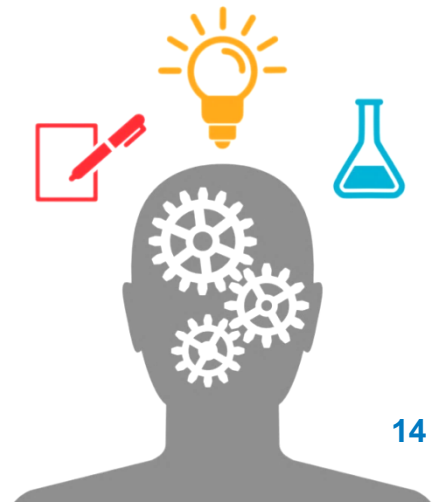
Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLOCC)
– MOD 0628S DEVELOPMENT**

**Nicola Lond
Commercial Lead**

TWG February 2018



Mod 0628s – PARCA Fees

- Fee update - following the Activity Based Costing analysis the Fee structure which will be consulted upon for update to the Connection Charging Statement is estimated to be as follows
 - PARCA – simple – Green/Amber : £53k
 - PARCA – complex – Red: £121k
 - PARCA – Top Up fee: £68k
- Propose that all PARCA fees are reconciled and reviewed after 12 months
- Propose that this will apply to all applications – Capacity indicator either via portal to 57.3gwh or via NG for above

Mod 0628s – PARCA Fees

- Charging Connection Statement
 - Consultation to take place for CLoCC changes in summer following UNC mod for implementation effective for CLoCC go live – 30th October 2018.
 - Earlier update (for April) to restructure some existing fees/ review charges as applicable (Not CLoCC)

Mod Timetable – Next Steps/Planning

ITEM	0628s		
Initial consideration by Panel	2 November 2017		
Modification considered by Workgroup	November 2017 – May 2018		
Workgroup Report presented to Panel	17 May 2018		
Draft Modification Report issued for consultation	17 May 2018	WORKGROUP	Suggested Items for Discussion
Consultation Close-out for representations	8 June 2018	November	Initial Discussion – Process proposed
Final Modification Report available for Panel	11 June 2018	December	Process discussion
Modification Panel decision	21 June 2018	January	Fee discussion
		February	Business Rules/ Solution proposed
		March	Legal Text proposed
		April	Legal Text (<u>WebEx</u> if required)
		May	Workgroup Report Finalisation

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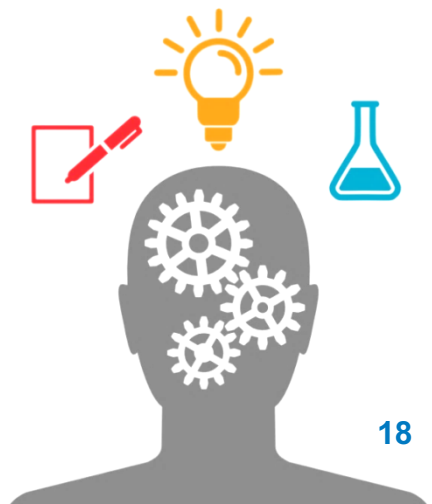
Customer Low Cost Connections

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Modification 0629S

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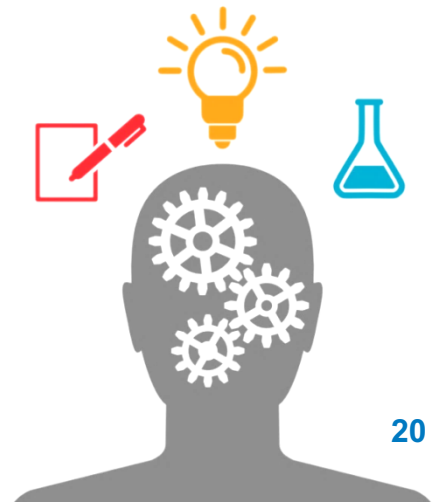
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NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLOCC)
– MOD 0629S DEVELOPMENT**

**Nicola Lond
Commercial Lead**

TWG February 2018



Mod 0629s – Standard Design Connections: A20

- Fee update - following the Activity Based Costing analysis the Fee structure which will be consulted upon for CLoCC update to the Connection Charging Statement is estimated to be as follows:
 - Standard Design- Full Connection Offer: £12k
 - Feasibility Study: £14k
- These are the estimations which are currently being refined through the online portal testing/Pilot learning
- Propose that SD FCO is fixed and the feasibility study fee is reconciled

Mod 0629s – Standard Design Connections: A20

- Charging Connection Statement
 - Consultation to take place for CLoCC changes in summer following UNC mod for implementation effective for CLoCC go live – 30th October 2018
 - Earlier update (for April) to restructure some existing fees/ review charges as applicable (Not CLoCC)

Mod Timetable – Next Steps/Planning

ITEM	0629s		
Initial consideration by Panel	2 November 2017		
Modification considered by Workgroup	November 2017 – May 2018		
Workgroup Report presented to Panel	17 May 2018	WORKGROUP	Suggested Items for Discussion
Draft Modification Report issued for consultation	17 May 2018	November	Initial Discussion
Consultation Close-out for representations	8 June 2018	December	Section V - process
Final Modification Report available for Panel	11 June 2018	January	Section Y - charging
Modification Panel decision	21 June 2018	February	Business Rules/Solution proposed
		March	Legal Text proposed
		April	Legal Text cont. (<u>Webex if required</u>)
		May	Workgroup Report Finalisation

Can use Webex for additional meetings to progress if appropriate/ required.

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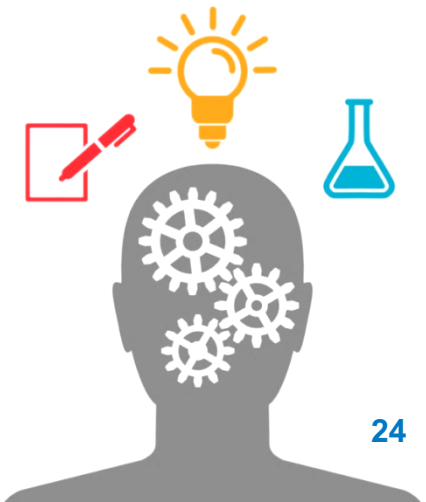
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AOB



Gas Quality Consultation Update

Action 0102: 1 in 20 Peak Day Increase

Transmission Workgroup Action 0102

1st March 2018

Introduction

- A workgroup issue was raised that the forecast 1 in 20 peak day demand had been decreasing in recent years but then increased markedly from 2016/17 to 2017/18
- This could affect customers via transportation charges and because it impacts on NG's off-peak capacity release obligation (trigger of 80% of peak day demand)
- The increase was not explained in the Winter Outlook Report
- National Grid clarified to the Workgroup that the increase had been driven largely by NTS power generation being forecast to use more gas and less coal
- Further explanation was requested to understand the drivers for this and NG's forecasting processes
- Julie Cox, Phil Hobbins and members of National Grid's Demand Forecasting team discussed the issue in mid-February

1 in 20 Peak Day Increase

- The power generation pricing forecast for FES is done in Jan-Feb for modelling in April / May feeding into the FES release each summer
- In 2017, we re-ran the power dispatch model to produce a new gas demand for power generation forecast (different from that forecast as part of the FES process) ahead of the publication of the 2017/18 Winter Outlook Report
 - This is now built into our forecasting processes and mitigates the risk of out of date data being used for next winter's 1 in 20 forecast
- We believe that we didn't do this in 2016 and based on some initial reviews and analysis, suspect that our 2016/17 1 in 20 peak forecast would have been higher had we done so, meaning that the increase to the 2017/18 forecast would not have been so marked

1 in 20 Peak Day Increase - Actions

- We agreed the following:
 - NG should be more mindful of how customers could be affected if the 1 in 20 forecast changes materially from year to year
 - To provide more explanation in the Winter Outlook Report where this is the case
 - Consider alerting parties earlier if a material change is foreseen
 - NG could look to widen the internal conversation about the Winter Outlook narrative to try to identify other areas of change that might impact on stakeholders
- We don't believe it would be appropriate to include an 'initial view' of 1 in 20 peak demand prior to stakeholder engagement in the Winter Outlook Consultation

Action: 0202 EU Gas Network Codes Functionality Platform

Gas Network Codes Functionality Platform

- The purpose of the platform is to provide a way for interested parties to raise an issue concerning an EU Gas Network Code and Guidelines
- The platform, is co-managed by ENTSOG and ACER, with support from the Commission
- Live issues can be seen on the website
- Issues raised are assessed by a joint ENTSOG/ACER body, and will be:
 - Validated – is matter within scope of Codes/Guidelines
 - Categorised – National, Cross-border, Regional, pan-European
 - Prioritised – deemed importance + urgency

Gas Network Codes Functionality Platform (2)

- ACER and ENTSOG co-ordinate to develop a solution(s)
- Stakeholders will be involved in the discussion via either stakeholder workshop and/or consultations
- Recommended solutions will be approved by ENTSOG and ACER, before publishing
- Further details on the process, including how to raise an issue, can be found on the platform website:
<http://www.gasncfunc.eu>

FUNC Issue: EU Data Exchange

- One of the issues raised on the platform relates to EU data exchange
- It is reported that Market Area Managers and storage operators in Germany are making changes to the AS2 protocol and require shippers to adapt their systems accordingly
- The Interoperability Code establishes the AS4 protocol and some shippers have implemented this
- These shippers want the MAMs and storage operators to comply with AS4 at virtual trading points and storage sites
- ENTSOG and ACER have assessed the issue as within scope of the functionality process (i.e. an EU wide issue not national)

FUNC Issue: EU Data Exchange

- One potential solution is to amend the Interoperability Code to extend the scope of the Common Data Exchange Solutions (CDES) that TSOs currently have to offer at IPs only to include
 - Trade notifications submitted by shippers to TSOs
 - Shipper nominations to storage operators
- This could impact on GB storage operators as well as National Grid
- No GB shipper has opted to use the CDES instead of IX at the GB IPs since it was implemented in May 2016
- We therefore propose to monitor the issue and keep the Workgroup informed