

Gas  
Transmission

# 0761: Arrangements for Interconnectors with additional Storage capability – Workgroup 1

1<sup>st</sup> April 2021

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nationalgrid



# Background

- National Grid has been informed by an Interconnector Operator that it intends to offer a short term storage service in addition to its existing transportation service
- This would enable GB shippers to offtake gas from the NTS, store it in its pipeline and subsequently deliver back to the NTS
- UNC sets out commercial arrangements for **Interconnection Points** and **Storage Connection Points** but does not contemplate these applying in respect of a single physical point

# Why Change?

- Aspects of the Transportation Charging Arrangements differ for Interconnection Points and Storage Connection Points
- Additional commercial arrangements required to enable application of the correct Transportation Charges for Interconnectors able to offer an additional storage service
  - Transmission Services Capacity Reserve Price discount for Storage - currently 50%, 80% from October 2021
  - Exemption from General Non-Transmission Services Charge for Storage flows
  - Necessitates separate identification of:
    - storage and transportation capacity quantities
    - storage and transportation gas allocation quantities

# UNC Developments

- Pre Modification discussion – Transmission Workgroup 4<sup>th</sup> March 2021
- UNC Modification Proposal 0761 raised 10<sup>th</sup> March 2021
- Considered by UNC Modification Panel on 18<sup>th</sup> March 2021. Panel determined:
  - there were no cross code impacts
  - the issue was sufficiently material so as to merit an Ofgem decision on the Proposal (i.e. not self-governance)
  - the Proposal should be issued to a Workgroup for a period of six months (i.e. report back to September 2021 Panel)
- Panel also asked the Workgroup to address a number of questions
- No initial representations received

# Summary of Solution

- UNC modified to:
  - set out the point definition
  - set out *ex-post* determination of daily quantities of National Grid capacity and flow (associated with the storage service)
  - set out any additional rules applicable for capacity
  - set out nominations and scheduling charge arrangements
  - set out allocation arrangements
  - set out the applicable Transportation Charging arrangements

# Workgroup Plan (1)

Meeting Number	Meeting Date	Topics for Discussion
1	1 <sup>st</sup> April 2021	Introduction to topic Draft Workgroup Plan Consider any additional matters to address in Workgroup Plan

Meeting Number	Meeting Date	Topics for Discussion
2	6 <sup>th</sup> May 2021	Panel questions <ul style="list-style-type: none"><li>• consider offering a view and seeking a view from Ofgem on whether licence implications of the Modification Proposal (can both roles be fulfilled at the same time?)</li><li>• consider whether short cycle line-pack can fulfil the role of a storage product and if so its scope where line pack exists elsewhere</li><li>• consider whether there is any quantified evidence of any impact on consumers</li><li>• consider offering a view as to compliance with EU Law</li></ul> Solution – capacity (I)

# Workgroup Plan (2)

Meeting Number	Meeting Date	Topics for Discussion
3	3 <sup>rd</sup> June 2021	<p>Solution – capacity (II)</p> <p>Solution – all other elements</p> <ul style="list-style-type: none"><li>• point definition</li><li>• nominations</li><li>• allocations</li><li>• charging</li></ul>

Meeting Number	Meeting Date	Topics for Discussion
4	1 <sup>st</sup> July 2021	<p>Contingency - outstanding solution questions</p> <p>Finalise majority of solution</p>

# Workgroup Plan (3)

Meeting Number	Meeting Date	Topics for Discussion
5	5 <sup>th</sup> August 2021	Discuss draft legal text and take comments Discuss relevant objectives Discuss draft Workgroup Report

Meeting Number	Meeting Date	Topics for Discussion
6	2 <sup>nd</sup> September 2021	Agree legal text Agree Workgroup Report