

UNC Workgroup 0759S Minutes
Enhancements to NTS Within-Day Firm Entry and Exit Capacity
Allocations
Thursday 01 April 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK (<i>from 11am</i>)
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid (<i>from 11am</i>)
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector
Sarah Cooper	(SC)	IUK (<i>0759 only</i>)
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0759/010421>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 May 2021.

1.0 Outline of Modification

ASt introduced the modification and explained the Capacity regime incentivises Users to align their Capacity bookings to flows. Discussion during Request 0705R – NTS Capacity Access Regime, led to the following limitations within the current NTS within-day Firm products being identified as preventing Users in making more efficient Capacity bookings:

- NTS Exit allocations taking place only 5 times a day. Exit Users would like greater opportunity to purchase within-day Capacity.

- The last bid invitation window closes at 01:00 on Entry and at 00:00 on Exit while the last allocation for both Entry and Exit is at 01:00.
 - This prevents Users from being able to secure Capacity in the final 4 or 5 hours of the Gas Day for NTS Entry and Exit Capacity, respectively.
- Users currently have no formal timescales of when they are to be notified of their NTS Exit Capacity allocation which can create uncertainty over securing Capacity.

Purpose:

This Modification proposal seeks to amend the schedule of allocations for NTS Entry and Exit within-day Firm Capacity in the following ways:

- Introduce hourly allocations for NTS Exit Capacity
- Extend the NTS Entry and Exit Capacity bid invitation windows up until the time of the last allocation
- Allow additional allocation at 02:00
- Introduce a 30-minute Capacity Allocation Period for NTS Exit Capacity

The system solution will also incorporate changes to further automate and improve auction processing functionality.

ASt noted the solution will make the Entry and Exit products more flexible for Users.

ASt explained the reason that this Modification should follow Self-Governance procedures is because there will be no changes to price or quantity available, therefore, there is no material impact on competition.

Review of the Rough Order of Magnitude (ROM)

A lead time of 3 months delivery is indicated for the start-up; sanction and mobilisation.

ASt highlighted that there are further options noted in the ROM that National Grid would like to be considered, they are as follows:

In addition to Option A, ASt explained National Grid want the Gas National Control Centre (GNCC) to be able to assess the incoming bids when there is a constraint on the system enabling them to be able to assess obligated and non-obligated bids.

Option B

- Requirements as per Modification 0759
- National Grid to have the ability to know upfront what quantities are 'waiting' to be released in terms of obligated and non-obligated capacity on both Entry and Exit i.e. National Grid would like Gemini to recognise when an ASEP or Offtake has sold out of obligated baseline then present to the User, prior to allocation, non-obligated requests (in a form of new report or screen) for assessment or release

ASt explained that the GNCC do not currently necessarily see obligated and non obligated bids. The requirement is for an additional report which will provide the amount of obligated and non obligated capacity requested prior to it being allocated, this report is especially important in a constraint situation.

Option C

- Requirements as per Modification 0759
- Automatic release of all obligated/non-obligated bids – an On/Off Switch option a. On = all obligated and non-obligated bids are automatically allocated (unconstrained system) subject to a threshold/parameter which National Grid can set up-front. However, a new Gemini report would be required so that GNCC can visualise non-obligated bids prior to allocation for awareness and logging b. Off = non-obligated bids are held for deeper

assessment, using the new Gemini report, with the user selecting which bids (offtake level or zonal) which can be processed or not (in a forecast or actual constraint scenario). Parameters for 'off' option will need to be determined.

ASt advised that Option C is linked with Option B and looks to make acceptance of bids coming in more efficient, currently this is done on an Offtake basis, individually.

Jenifer Randall (JR) advised this option will help to meet the 30 minute timescale; the allocation timescales will be able to be met much easier.

Option D

- Requirements as per Modification 0759
- Capacity Restrictions - If put in place, these should roll over to the next auction on Exit (as per currently Entry)

Max Lambert (ML) asked if National Grid feel this is integral to deliver the modification, shouldn't this option be proposed as part of Option A. National Grid see this option as an integral part of the solution, if not introduced it would create more risk for the GNCC to process hourly allocations.

ASt added that National Grid would not be able to commit to 30 minute allocations without this option being implemented.

Option E

- Requirements as per Modification 0759
- When bid processing automation is set to 'off' where non-obligated bids were placed; National Grid would still like the obligated bids to be processed (as on Entry) rather than them pausing the auction as currently to be considered.

Hanna Reddy (HR) agreed to provide a full assessment of costs for Workgroup consideration at the next meeting in May 2021 and noted there are 5 different options with several different combinations.

New Action 0401: National Grid and Xoserve to discuss the additional option combinations in order for the next version of the ROM.

Timescale

HR noted that with the addition of any or all of the additional options, this should not add more than 5 weeks to the delivery time.

RHa captured in the Workgroup Report the potential cost and timescale.

Legal Text

It was agreed the Legal Text will be considered at the May 2021 Workgroup.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Consider Consumer benefits of this Modification

ASt confirmed there is a potential cost saving to Shippers which could result in a price reduction to end consumers.

Workgroup completed the Consumer Impact Assessment Table within the Workgroup Report.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0759.

3.0 Next Steps

RHa confirmed the next steps for this Workgroup will be:

- Consideration of revised ROM
- Consideration of Legal Text
- Completion of the Workgroup Report

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Thursday 06 May 2021	Microsoft Teams	<ul style="list-style-type: none"> • Consideration of revised ROM • Consideration of Legal Text • Completion of the Workgroup Report

Action Table (as at 01 April 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	01/04/21	1.0	National Grid and Xoserve to discuss the additional option combinations in order for the next version of the ROM.	National Grid (ASt) Correlá (on behalf of Xoserve) (HR)	Pending