UNC Modification

At what stage is this document in the process?

UNC 0756<u>S</u>:

Changes to Offtake Profile Notice Submission Requirements



Purpose of Modification:

To change the submission requirements for Offtake Profile Notices to allow values to be additionally submitted in appropriate, agreed units, where currently only MW are specified in UNC.



The Proposer recommends that this Modification should be:

- subject to Sself-Ggovernance
- assessed by a Workgroup

This Modification will be presented by the Proposer to the Panel on 18 February 2021. The Panel will consider the Proposer's recommendation and determine the appropriate route.



High Impact:

None



Medium Impact:

None



Low Impact:

NTS, GDNs, Shippers

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1 Summary

What

The UNC currently provides for submission of Offtake Profile Notices (OPNs) to Transporters in only one format, an instantaneous offtake rate value provided in Megawatts (MW). The intent of this Modification is to amend the text of UNC TPD Section J, Para 4.5.3, to enable future submissions to also be provided in appropriate and agreed units.

Why

Some sites that are directly connected to the NTS have requested the ability to provide details of their offtake profile in volume values rather than in Megawatts. National Grid NTS is already in a position to accept OPNs in a volume format but considers that a change to the UNC should be made to clarify this option.

How

Text will be inserted into UNC TPD Section J which enables rates of offtake contained in OPNs to additionally be submitted in volume or other appropriate units. National Grid NTS systems already allow for this so there are no system changes required for National Grid NTS, just an update to UNC text to enable a process that is already available for future use.

2 Governance

Justification for Self-Governance

Implementation of this Modification is unlikely to have a material effect on any of the <u>S</u>self-<u>G</u>governance criteria and therefore <u>S</u>self-<u>G</u>governance is the appropriate governance route.

There is no cost to National Grid associated with the proposed changes and so no cost to be passed on to Users or sites.

The enhanced level of flexibility proposed by the Modification would not remove any existing functionality for Users or sites providing OPNs to National Grid and so there would be no requirement for Users or sites to make any system changes unless they chose to.

Requested Next Steps

This Modification should:

- be subject to <u>S</u>elf-<u>G</u>governance
- be assessed by a Workgroup.

3 Why Change?

The UNC currently provides that where an Offtake Profile Notice (OPN) is submitted to a Transporter, the values contained therein shall be an instantaneous offtake rate in MW, but some parties that have sites directly connected to the NTS would prefer the unit of measurement to be the volume of gas to be taken from the NTS as a consequence of their sites being set up to record and monitor their gas consumption in volume.

Joint Office of Gas Transporters

In such cases, conversion of volumes to be off-taken is required. Conversion back to volume for the purposes of Network balancing is calculated by National Grid using a telemetered Calorific Value (CV) but if the initial submission was carried out using an averaged or approximate CV, the variation could lead to slight differences. The ability to select the more appropriate units, dependent on usage and the systems set-up at individual sites, could therefore give a more accurate picture when Offtake Profile Notices are submitted.

4 Code Specific Matters

Reference Documents

UNC Section J

5 Solution

The Modification will amend UNC TPD Section J, Para 4.5.3 to expand on the current requirement to provide the "rate of offtake" in MW in OPNs by allowing submission in appropriate, alternative units.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

There is no expected impact on any other industry change projects or the Significant Code Review.

Consumer Impacts

Directly connected NTS consumers will benefit from greater flexibility in how they submit their OPNs to National Grid NTS.

Initial discussion with GDNs has focused on the notices they send to National Grid, however, UNC TPD Section J 1.3.1 (c) defines "the Transporter" as the operator of the *upstream system* which in turn is defined in 1.3.1 (a) as the NTS or (as the case may) the LDZ from which gas flows at such Inter-System Offtake.

This definition could encompass GDNs, meaning that they may be in receipt of OPNs from industrial and commercial sites connected to their networks which currently would only be in Megawatts and should this modification be approved, future OPNs could be submitted to GDNs in volumes. It is appropriate to give GDNs and other stakeholders the opportunity to discuss and input to the final wording of any changes to the legal text via workgroups to ensure the changes do not impact systems and processes where this may be unnecessary and prevent any associated costs of implementation of the changes to GDN systems being passed on to consumers.

Cross Code Impacts

There are no Cross-Code impacts.

EU Code Impacts

There are no EU Code impacts.

Central Systems Impacts

There are no impacts on central systems or National Grid operational control systems. The Gas Control Suite (GCS) application is already capable of performing any conversions in relation to OPN data. There may be system impacts for GDNs' operational control systems if they are currently unable to accommodate receipt of OPNs from DN connected sites in volume units, however the intent is to structure the Modification to avoid this if any such costs would not be outweighed by benefits.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
b) Coordinated, efficient and economic operation of	None
(i) the combined pipe-line system, and/ or	
(ii) the pipe-line system of one or more other relevant gas transporters.	
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition:	None
(i) between relevant shippers;	
(ii) between relevant suppliers; and/or	
(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The proposed change affords flexibility allowing each site to choose the best option for them for the submission of valid OPNs. Providing OPNs in the units most relevant to the use of the gas at the offtake avoids the need for conversions to be performed manually which would be beneficial for the economic and efficient operation of the pipe-line system.

The Modification could also improve the accuracy of OPNs without having any negative impact on National Grid as the Gas National Control Centre (GNCC) is already set up to process these in multiple formats.

Improved accuracy makes control room decisions on any actions required to balance the network more informed, improving the efficiency with which the NTS is run which in turn would feed through to the LDZs.

8 Implementation

Self-governance procedures are proposed; therefore, implementation could be effective from the sixteenth business day following Panel direction to implement.

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Text Commentary

There are two ways in which GDNs can be impacted: first, in instances where NG is the upstream transporter and the GDN needs to provide us with an OPN; and second, in instances where the GDN is the upstream transporter and the industrial / commercial sites connected to their network need to provide the GDN with an OPN. There is no requirement for GDNs or any other user to provide OPNs in any new format, they will be able to continue using the same format as they currently use and so only the second scenario is of concern. The text proposed should put GDN concerns at ease as the new text only applies in the first instance described.

It is worth noting OAD M1.1.2(a) provides the Offtake Communications Document (in which the OPN template sits) and "sets out or summarises or otherwise refers to the requirements for certain flows of information between Parties". By explicitly referencing the measurement units mentioned in OAD I 2.1.3 (b) so it is aligned (but not exclusively aligned) with this provision and provided the necessary information does flow and in an acceptable form, we do not need to be prescriptive about the measurement units in the OPN template. Consequently, the legal text proposed leaves no reason to amend the template OPN as we would potentially accept other units of measurement too.

The suggested legal text leaves open the option to agree any measurement unit in the OPN so the GNCC should be comfortable with this. If we agree to accept measurement units in OPNs that are not MW, MCM, GWh, we will need to agree such units in the Network Exit Provisions in the relevant NExA.

Text

We will amend TPD J4.5.3 as set out below. Amend paragraph TPD J4.5.3 as set out below:

4.5.3 For the purposes of this paragraph 4, "rate of offtake" means the instantaneous rate (expressed in MW or, in the case of notifications to National Grid NTS only, expressed in MW, MCM, GWh or such other units of rate of offtake as set out in the Network Exit Provisions) of offtake of gas from a System at a relevant System Exit Point (and references to the rate of offtake include a rate of zero where gas is not offtaken, and references to a change in rate of offtake shall be construed accordingly).

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Seelf-Geovernance procedures should apply
- Refer this proposal to a Workgroup for assessment.