UNC Final Modification Report

At what stage is this document in the process?

UNC 0756S:

Changes to Offtake Profile Notice
Submission Requirements

At what stage is this document in the process?

O1 Modification

O2 Workgroup Report

O3 Draft Modification
Report

O4 Final Modification
Report

Purpose of Modification:

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



The Panel determined that this self-governance modification be implemented.



High Impact:

None



Medium Impact:

None



Low Impact:

NTS, GDNs, Shippers

Any Contents questions? **Summary** 3 Contact: 2 3 **Joint Office of Gas** Governance **Transporters** 3 Why Change? 3 4 **Code Specific Matters** 4 enquiries@gasgove 5 **Solution** 4 rnance.co.uk 4 6 **Impacts & Other Considerations** 0121 288 2107 7 **Relevant Objectives** 6 Proposer: **Implementation** 7 **Daniel Hisgett National Grid** 7 **Legal Text** 10 Consultation 7 daniel.hisgett@nati 11 Panel Discussions 8 onalgrid.com 12 Recommendations 8 07971500855 Transporter: Timetable **National Grid** 20 Modification timetable: Pre-Modification at Workgroup 04 February 2021 philip.hobbins@nati onalgrid.com Initial consideration by Workgroup 04 March 2021 15 April 2021 Workgroup Report presented to Panel 07966865623 Draft Modification Report issued for consultation 16 April 2021 Systems Provider: Consultation Close-out for representations 10 May 2021 **Xoserve** Final Modification Report available for Panel 12 May 2021 10

Modification Panel decision

20 May 2021

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<u>om</u>

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 volumetric 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 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 Self-Governance criteria and therefore Self-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 Self-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 additionally in volume 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

The Proposer's view:

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.

Workgroup View

The view was that some end users are likely to positively impacted. There appears to be no detrimental impact of the Modification and as National Grid has received requests to its control room from users submitting OPNs to implement these changes, it appears to be positive to do so.

There appear to be positive impacts on NTS consumers. There are no cost implications of the Modification. For anyone who is not submitting an OPN there will be no change.

Joint Office of Gas Transporters

Cross Code Impacts

Workgroup noted that TPD Section J paragraph 4.5.3 will change as a result of this Modification being implemented and as such there may be an IGT UNC impact. This has been communicated to the IGT UNC by the Joint Office on 30 March 2021.

Workgroup Impact Assessment

Workgroup agreed that some end users are likely to positively impacted. There appears to be no detrimental impact of the Modification and as National Grid has received requests to its control room from users submitting OPNs to implement these changes, it appears to be positive to do so.

There appear to be positive impacts on NTS consumers. There are no cost implications of the Modification. For anyone who is not submitting an OPN there will be no change.

On this basis Workgroup were happy for the Modification to proceed to consultation.

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		
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 Proposer's view:

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.

Workgroup view:

The view was that some end users are likely to positively impacted. There appears to be no detrimental impact of the Modification and as National Grid has received requests to its control room from users submitting OPNs to implement these changes, it appears to positively impact Relevant Objective a).

8 Implementation

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

9 Legal Text

Legal Text has been provided by National Grid and is included below. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

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

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 Consultation

Panel invited representations from interested parties on 15 April 2021. The summaries in the following table are provided for reference on a reasonable endeavours' basis only. It is recommended that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

One representation was received in support of implementation from the Proposer, National Grid NTS.

Representations were received from the following parties:			
Organisation	Response	Relevant Objectives	Key Points
National Grid NTS	Support	a) - positive	 Supports implementation as the Modification is a simple change to the UNC with no negative impacts on any users, no system changes required and no additional costs. Notes that the Modification: provides a positive impact for off-taking parties who wish to use the new, optional functionality this change adds to the Offtake Profile Notice submission process. provides a better service for no additional cost as there are no system changes required and could bring small
			savings to the process for some parties who would no longer be required to convert real time data into an alternative unit before submission. o has no additional impacts or costs associated with
			implementation as systems are already capable of supporting the proposed changes.o may bring implementation cost savings through
			improvements in efficacy of the process.
			Agrees that the Legal Text delivers the intent of the Solution.

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

Discussion

The Panel Chair summarised that Modification 0756S would change the submission requirements for Offtake Profile Notices to allow values to be additionally submitted in volume units, where currently only MW are specified in UNC.

Panel Members considered the single representation made noting that this representation supported implementation. Panel Members felt this was a straightforward matter which was not controversial.

Panel Members agreed with the respondent (who is also the Proposer) that this Modification is a simple change to the UNC, providing parties with a better service, with no negative impacts on any users or consumers, no system changes and no additional costs.

Consideration of the Relevant Objectives

Panel Members considered relevant objective a) Efficient and economic operation of the pipe-line system, agreeing that implementation would have a positive impact because provision of OPNs in the units most

Joint Office of Gas Transporters

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.

Determinations

Panel Members voted unanimously that Modification 0756S does not have an SCR impact.

Panel Members voted unanimously that no new issues were identified as part of consultation.

Panel Members voted unanimously to implement Modification 0756S.

12 Recommendations

Panel Determination

Panel Members agreed that Modification 0756S should be implemented.