Rough Order Magnitude (ROM) Request

Change Reference Number: (5420)

Please send completed form to: mailto:box.xoserve.portfoliooffice@xoserve.com

Section A: Change Details	
Change Title	Aggregation of the two individual Bacton Interconnector exit points
Will the Change impact the UNC (YES / NO)	Yes
MOD Reference (if raised)	Still at pre-mod stage so no reference assigned yet
Contact Details of Person Requesting the ROM	
Contact Name	Malcolm Montgomery
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Section B: Xoserve Acknowledgement and Business Analyst Contact Details *(Xoserve CIO Office will add)*	
ROM Received Date	
ROM Response date	
Business Analyst Name	**Hannah Reddy**
Business Analyst Email	**Hannah.reddy@correla.com**
Business Analyst Phone	**0121 229 2226**

Rough Order Magnitude (ROM) Response

Type of ROM Evaluation
ROM for Code-Modification On 15th July 2021 Ofgem issued a statutory consultation on a proposed change to National Grid Gas's NTS Licence. The proposed change is to combine the two individual interconnector exit points at Bacton (i.e. IUK and BBL) to make a single Bacton exit interconnection point (IP). Pursuant to this Licence change proposal then National Grid is preparing to raise a corresponding UNC modification, to ensure that UNC processes will remain aligned to the Licence. The UNC modification shall clarify whether UNC processes will apply to the new combined point, or whether processes shall continue to apply at the individual point level. For the avoidance of doubt, no new UNC process is being proposed here, it is simply confirming how existing UNC processes will apply to the combined exit point. The system (Gemini) will similarly need to reflect this new point, and processes should be applied at the level of the combined point or individual point as appropriate. The UNC solution is described below. There is precedence for combined IPs, as both Bacton IP ASEP on entry, and the Moffat IP on exit, are combined IPs. We would assume that most if not all of the existing system functionality for how UNC processes are applied to the combined point at Moffat in particular, can be extended to the new Bacton exit IP, however this is what we need to confirm. The UNC will be modified to reflect the following arrangements for the Bacton Exit IP. The Bacton Exit IP is an aggregated exit IP that consists of 2 individual IPs. The Bacton Exit IP comprises: - An individual IP in respect of the BBL system. - An individual IP in respect of the IUK system. Processes shall be in relation to either the aggregated exit IP or the individual IPs as noted below: <u>Capacity</u> Technical capacity and available (i.e. unsold) capacity shall be determined in relation to the aggregated exit IP. Once determined then NTS capacity may be designated as bundled on PRISMA with either IUK or BBL system capacity, in line with the existing rules for bundling at a 1:2 interconnection point. Processes for bundled capacity shall be in relation to the individual IP. These include: - Auctions of bundled capacity - Transfers of bundled capacity - Surrender of bundled capacity - Withdrawals of bundled capacity - Voluntary bundling of capacity

The aggregated exit IP shall be designated as a Binary Interconnection System Point. The bundled auctions may be competing in line with the existing rules (EID B1.7).

Nominations
Nominations and matching shall continue to occur in respect of individual IPs.
Allocations (UDQO) shall continue be made in respect of the individual IPs (notwithstanding that they will be aggregated for the purposes of the overrun calculation).

overrun
For the purposes of the overrun calculation then all capacity, including bundled capacity designated as being held at an individual IP, shall be counted as held at the aggregate Bacton exit IP. An overrun shall only occur if the sum of individual IP allocations (i.e. allocations at the aggregate level) exceeds the capacity held at the aggregate level.

OBA
OBAs shall continue to be arranged in respect of the individual IPs.

Capacity allocated prior to combining the points, but for a gas day after the combining of the points
Any prior bundled capacity held at either the Bacton BBL point or the Bacton IUK point, will continue to be designated as held at the respective point. Any existing unbundled capacity held at either the Bacton BBL point, or the Bacton IUK point will be redesignated as held at the new Bacton exit IP i.e. legacy capacity can now be used to offtake gas into either interconnector. (there are likely options on this last pointas the desired outcome may simply be achieved by performing the overrun calculation at the level of the combined point).

Charging
Capacity will be charged at the prevailing rate for the new point. At the time of implementation then any shorthaul routes where the exit point is one of the individual IPs, shall be redesignated as being to the aggregated Bacton exit IP.

The Proposed Change

(Xoserve' s understanding of the Modification)

The change is such that:

- Exit Capacity auctions at Bacton are to be carried out at an aggregated Exit Point that covers both Bacton BBL and Bacton IUK
- Nominations at Bacton are to continue as is such that shippers nominate against the chosen TSO and the Nominations are then sent to the corresponding TSO for the matching process to complete

Change Impacts

General Impacts to Xoserve and External Parties:

1. The BACTONINT and BACTONBBLINT locations in Gemini Exit to be end dated effective from the regime start date in the Gemini Exit system
2. The New Aggregated NTS Exit Point associating with IUK and BBL TSOs to be created in the Gemini Exit system effective from the regime start date
3. The Gemini Exit system should be able to conduct IP Auctions and Capacity processes using the new aggregated NTS Exit Point
4. The new aggregated NTS Exit Point should be invoiced accordingly in-line with current invoice framework

External Interface Impacts (Changes to Screens, Portals, Files, Permitted Values, etc.)

1. MIPI interfaces

The following files will contain the new aggregated NTS Exit Point:

DFC, DOC, SRD, AAD, WPA, APS, RIX, LTP, ALX, MTP, MCP

Impacts to Gemini System:

1. Capacity Impacts

i. Create a new Aggregated Bacton NTS Exit Point as an Interconnector with a new Location EIC code effective from the regime start date
   a. Associate the new Aggregated NTS Exit Point with IUK and BBL TSOs EICs
ii. Product Level Data
   a. Associate the Firm and Interruptible product to the new Aggregated Bacton NTS Exit Point
   b. One-time Data fix for the ST and LT product level data starting from the regime start date (Aggregate the product data from BACTONINT and BACTONBBLINT)
iii. Short Term Method of Sale
   a. Modify and Approve the Day ahead, with-in day, interruptible Method of Sales (IPDADNEX, IPDONEX, IPWDDNEX) open in the production from the regime start date
      a. Remove BACTONINT and BACTONBBLINT locations
      b. Add new Aggregated Bacton NTS Exit Point
iv. PRISMA Setup
   a. Create New Node for Aggregated Bacton NTS Exit Point
   b. Create the bundling with IUK and BBL TSOs
v. Off peak capacity release functionality
   a. At new aggregated BACTON NTS Exit Point will combine the allocations of BICO and BBLS
   b. Restrict the capacity calculations at BACTONINT and BACTONBBLINT locations

2. Balancing Impacts

i. Unique Site Meter Setup
   a. Create a new dummy site for overrun purposes
   b. Associate the new dummy site to the new Aggregated BACTON NTS Exit Point

3. Invoicing Impacts

i. Load Actual Prices for new Aggregated BACTON NTS Exit Point for Long Term IP Auctions
ii. Overrun charges
   a. At new aggregated BACTON NTS Exit Point the new dummy site will combine the allocations of BICO and BBLS
   b. Restrict the overrun charge calculations at BACTONINT and BACTONBBLINT locations
iii. NTS Optional Charges
   a. At new aggregated BACTON NTS Exit Point the new dummy site will combine the allocations of BICO and BBLS for the below
      a. EQ Calculation
      b. Rate Calculation

4. Reporting Impacts

i. Utilisation Monitoring Report

ii. Entitlement Vs Energy Allocation Report

Impacts UKL Manual Appendix 5b:

Appendix B of the UK LINK Communications Document UKLCD1 Code Communications Reference – updates may be needed.

DSC Service Areas Impacted:

Service Area 14: Gemini Services

Note: DSC Change Committee will resolve any difference between the funding split implied by the above and the benefit split of the proposed change.

Costs and Timescales

Change Costs (implementation):

An enduring solution will cost at least **£275,000**, but probably not more than **£375,000** to implement.

Change Costs (on-going):

The change is not expected to increase ongoing running costs.

Timescales:

This change would need to be prioritised through the Change Management Committee alongside other changes within Xoserve's planned Gemini programme.

Please note a lead time of 3 months for startup/sanction/mobilisation should be considered though there is the potential for this to be shortened subject to the delivery mechanism and availability of resources.

The high-level estimate to develop and deliver this change is approximately 24 to 26 weeks for Analysis through to Post Implementation Support.

Assumptions:

1. National Grid will use the new aggregated BACTON NTS Exit Point for the capacity purposes from the regime start date
2. The following capacity processes are not impacted
    a. Surrenders
    b. Long Term Use It or Lose it
    c. Transfers
    d. Assignments
    e. Voluntary bundling
    f. IP Constraints/Restoration
    g. Recall Capacity
    h. IP PARCA
3. There is no impact to Revenue Recovery charges
4. The actual prices for the new aggregated NTS Exit Point will be loaded by Correla invoicing users

5. The Nomination Matching process at Interconnectors continues as is hence regression testing is required
6. There are no configuration changes needed on the Gemini B2B system
7. There will be joint testing between National Grid and Correla
8. Connected testing with NGIT systems is not required, the files will be shared during the ST and UAT phases
9. Connected testing with the adjacent TSOs is required
10. An allowance of 8 weeks for Post Implementation Support has been included in the estimated timescales in order to cover first usage including the corresponding invoicing processes
11. The SOP's and LWI's will be updated by the relevant business
12. This ROM assumes the solution will be delivered as a standalone project.
13. This ROM is based on the Gemini functionality currently in Production and does not consider any functional changes being introduced by inflight projects.
14. Change can be delivered using environments from the existing Gemini test estate.
15. Costs are high level, based on high level analysis and assumed requirements

Dependencies:

- Availability of National Grid business resources to support delivery
- Implementation of the change is dependent on timely approval of the associated UNC modification
- Availability of IUK and BBL TSOs for connectivity testing
- Availability of a PRISMA test environment for User Acceptance Testing

Constraints:

None identified

Observations:

None identified

Document Version History

Version	Status	Date	Author(s)	Summary of Changes

Template Version History

Version	Status	Date	Author(s)	Summary of Changes
2.0	Approved	22/05/18	Steve Ganney	Minor changes implemented