



Rough Order Magnitude (ROM) Request

Change Reference Number: **(5444)**

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

Section A: Change Details	
Change Title	Introduction of Entry Capacity Assignments
Will the Change impact the UNC (YES / NO)	YES
MOD Reference (if raised)	0779 - Introduction of Entry Capacity Assignments 0779A - Introduction of Entry Capacity Assignments with defined end date
Contact Details of Person Requesting the ROM	
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<i>(Xoserve CIO Office will add)</i>	
ROM Received Date	27/10/21
ROM Response date	12/11/21
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Rough Order Magnitude (ROM) Response

Type of ROM Evaluation
<p><i>ROM for Code-Modification with alternative</i></p> <p>0779 - Introduction of Entry Capacity Assignments</p> <p>0779A - Introduction of Entry Capacity Assignments with defined end date</p> <p><i>Details of the Modification proposal:</i></p> <p>The National Grid modification (UNC0779) proposes to introduce Assignments to the Entry side of the GB market. The aim is to replicate the functionality to be available on the Exit side, following the enhancements which were raised and approved under UNC 0755S.</p> <p>In brief, Entry Users will be able to assign long term capacity bookings (Quarterly or Monthly booked on entry as opposed to annual and enduring on Exit), in full or in partial volumes, but always for the full period booked.</p> <p>As with Exit Assignments, the current period could be assigned from the first available date to the end of the period, creating a form of partial period assignment, but this is only where assignment occurs within period and cannot be scheduled for a future mid period date. The intent is that future capacity can only be assigned for the 1st of a month or a quarter, as applicable to the capacity being assigned.</p> <p>Neither Proposal would prevent assignment of Capacity labelled as Existing Contract Capacity, however both modifications specify that Existing Contract Capacity assigned would forfeit price protections and be charged at the prevailing, floating price.</p> <p>The option to assign capacity will be made available at all Entry points, but with a restriction on Bundled Capacity at Interconnectors.</p> <p>Both proposals would like to explore the potential for speeding up the current Assignment time scales to enable faster confirmation and completion of assignment requests.</p> <p><i>Details of the Alternate proposal:</i></p> <p>The Alternate proposal adds in some additional flexibility on top of the base modification. In addition to Quarterly and Monthly capacity, the alternate would also include the ability to assign the new weekly capacity auction in the same way. Neither modification allow the assignment of daily/within day capacity auctions.</p> <p>The alternate modification would also enable users to specify any start and end date of the assignment (rather than being limited to the auction type which the capacity was purchased in). It would allow future assignments to be planned with specific start and end dates other than the just the 1st and last day of a month or quarter. Hence the alternative allows for a defined period to be assigned as long as it is wholly within a User's capacity holding. The assignment period may therefore end before the end of a contract. There would be no minimum assignment period.</p>

The alternative modification also seeks to reduce the notice period for entry capacity assignments so that it is shorter than the current notice required for exit capacity assignments which is the fifth Business Day prior to the first Day of the Assignment Period. The notice period may be determined on a cost benefit basis, and therefore the ROM should include an assessment of the alternative with a notice period of 1, 3 or 5 days, or any other notice period in between that is caused by a relevant systems constraint at any particular time horizon that may result in an optimal cost/benefit outcome.

The Proposed Change

(Xoserve' s understanding of the Modification)

UNC Modification 0779/0779A proposes the introduction of an Assignment process for Entry Capacity. This will enable a user to assign all or part of their Entry Capacity holdings to another user at the same entry point. The entitlement and obligation moves as part of the Assignment.

Key aspects of MOD0779 are:

- Only long term capacity bookings (quarterly or monthly) can be assigned
- A user can assign all or part of their holdings however it will be for the full quarter or month depending on the original subtransaction period
- An assignment can be from the first available date in the current period and will run until the end of the current period however a future assignment can only be for the full quarter or month depending on the original subtransaction period
- Any capacity labelled as Existing Contract Capacity can be assigned however it would forfeit price protections and be charged at the prevailing, floating price if assigned
- Assignments will be permitted at all Entry points however Bundled Capacity at Interconnectors is excluded

Key aspects of MOD0779A are:

- In addition to long term capacity bookings any capacity purchased via the new Weekly Entry Capacity Auction can also be assigned
- A user can assign all or part of their holdings
- The Assignment period can have any start date and any end date
 - The start date isn't tied to the start of a month or the start of an auction transaction/sub transaction period
 - Similarly the end date isn't tied to the end of a month or the end of an auction transaction/sub transaction period
- There is no minimum duration for the Assignment period
- Any capacity labelled as Existing Contract Capacity can be assigned however it would forfeit price protections and be charged at the prevailing, floating price if assigned
- Assignments will be permitted at all Entry points however there will be a restriction on Bundled Capacity at Interconnectors

Assignment processes already exist for Exit Capacity. The current lead time for submitting an Assignment request is 5 days. This is to accommodate various activities including:

- Acceptance of the Assignment by the Assignee
- Validation by National Grid
- Processing of the approved Assignment to move the capacity holdings

Both Mod0779 and Mod0779A seek to reduce the minimum notice period is possible.

Commented [HD1]: Do these activities have individual timescales that mean the process can't be accelerated? Would the new automated batch job mentioned below speed up processing?

Change Impacts

General Impacts to Xoserve and External Parties:

1. New Assignment Registration functionality in Gemini similar to that in Gemini-Exit
 - a. Flexibility for the shippers to register the capacity in full or part for the defined auction types i.e. Monthly and Quarterly
 - b. Process the assignments based on the capacity registered for Assignor and Assignee
2. Modification to the existing Capacity Charge calculation to include the assignments accordingly for Assignor and Assignee
3. Modification to the existing NTS Entry Capacity Charge calculation to include the partial/full assignments

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

1. New Assignment Registration functionality to allow the shippers to register the capacity in full or parts
2. New tables may have to be flown to GCS Talend
3. New file may be needed to the MIPI system to send the assignment data in line with that for Gemini Exit

Impacts to Gemini System:

1. Assignment Parameters

- a. New functionality to facilitate the National Grid NTS user to upload/modify the parameters for the Assignment process.
 - i. Assignment Cut-Off Date (Business Days)
 - ii. Max Time for Acceptance by Assignee (Gas Days)
 - iii. Max Time for Approval/Rejection by National Grid (Business Days)
 - iv. Parameter Start Date
 - v. Parameter End Date
- b. New Automated batch job to accept/reject the assignments based on the above parameters setup in the system

2. Assignment Registration

New External and Internal facing screen to be introduced to facilitate the below

- a. Add/Modify Functionality
 - i. The System should have the flexibility for the External User (Assignor) to add/modify the Assignment details in the system
 - ii. The External user should be able to assign the capacity in Full/Partial
 1. Type of Assignment – Full/Partial
 2. Class of Assignment – Monthly/Quarterly
 - iii. Only unbundled capacity is allowed to be assigned at Interconnector points
 - iv. Assignment should exclude the Trade, Buybacks, GB and IP Surrenders and Long Term Use IT or Lose It already in place and accepted by National Grid NTS
- b. The Assignment should have one of the following statuses at any given point in time in line with Gemini Exit functionality
 - i. DRAFT
 - ii. REGISTERED
 - iii. WITHDRAWN
 - iv. ACCEPTED
 - v. REJECTED
 - vi. ON HOLD
 - vii. TIMED OUT
 - viii. APPROVED
- c. Query, View and Audit functionalities for the assignment details

3. Assignment Batch process

- a. If the Assignee fails to accept the 'REGISTERED' Assignment submitted by the Assignor within the 'Max Time for Acceptance by Assignee' then the assignment should be timed out automatically in the system by a batch process
- b. If the National Grid NTS User fails to 'Approve' or 'Reject' the Assignment within the Max Time for Approval/Rejection by National Grid' then the assignment should be approved automatically in the system by a batch process

4. Recall Capacity

- a. The Gemini System should have flexibility to recall the partial/full assignments.

5. Long Term Capacity Charge Calculation

- a. The Gemini System should have the flexibility to calculate charges for the partial/full assignments as below
 - i. Include the assigned capacity in the assignee's invoice
 - ii. Exclude the assigned capacity from the assignor's invoice
- b. Existing LTC Charge type to be reused to invoice the assignments and will be issued within the existing NTE invoice
- c. File format changes may be required to accommodate the charges relating to assigned capacity

6. Revenue Recovery Charges

- a. The charge quantity calculation should include the partial/full assignments to generate the charges

7. Overrun Charges

- a. The net entitlement should include the partial/full assignments to generate the charges

8. NTS Optional Capacity Charge Calculation

- a. The Eligible Quantity calculation should include the partial/full assignments
- b. Primary/Adjustment Transmission Service Charge calculation to consider the partial/full assignments

9. Reporting

- a. The below reports are impacted
 - i. Entitlement Report
 - ii. Capacity and Revenue by Bid Report
 - iii. Entitlement vs Allocation Report
 - iv. Live Capacity vs Nomination Report
 - v. Operation Total for Net Capacity
 - vi. Utilisation Monitoring Report
 - vii. Changes required in the Dashboard and Breach icon functionalities to include the assignments
 - viii. Ofgem Reports

10. APIs

- a. The below APIs may have impacts, to include the assignments
 - i. Revised Entitlements API
 - ii. IP Entry Entitlement API

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 **£435,000** but probably not more than **£560,000** to implement.

This **cost range** is applicable to Mod0779 and Mod0779A

Change Costs (on-going):

Commented [HD2]: The suggestion is that both modifications will be approximately equal in cost. Is this correct or are both included in this range with one towards the top and the other towards the bottom?

<p>The change is not expected to increase ongoing running costs.</p> <p>This is applicable to Mod0779 and Mod0779A</p>
<p>Timescales:</p> <p>This change would need to be prioritised through the Change Management Committee alongside other changes within Xoserve's planned Gemini programme.</p> <p>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.</p> <p>The high-level estimate to develop and deliver this change is approximately 28 to 30 weeks for Analysis through to Post Implementation Support.</p> <p>The estimated timescale is applicable to Mod0779 and Mod0779A</p>
<p>Assumptions:</p> <ol style="list-style-type: none"> 1. QH level processing is not required for partial assignments. 2. There is no impact to the Neutrality charge calculation. 3. PIS is considered for 8 weeks in order to cover the first usage of both Primary and Adjustment charge calculations. 4. The SOP's and LWI's will be updated by the relevant business. 5. E-Training updates are not required 6. There will be joint testing between National Grid and Correla. 7. This ROM assumes the solution will be delivered as a standalone project. 8. This ROM is based on the Gemini functionality currently in Production and does not consider any functional changes being introduced by inflight projects. 9. Change can be delivered using environments from the existing Gemini test estate. 10. Costs are high level, based on high level analysis and assumed requirements.
<p>Dependencies:</p> <ul style="list-style-type: none"> • Availability of National Grid business resources to support delivery. • Implementation of the change is dependent on timely approval of the associated UNC modification.
<p>Constraints:</p> <p>None identified</p>
<p>Observations:</p> <ul style="list-style-type: none"> • Mod0779A – it was clarified during the November Transmission Workgroup that the Assignments process is to include capacity obtained via the new Weekly Entry Capacity Auction. The functionality to support the new Weekly Entry Capacity Auction process is not yet live and the system design for that functionality is not yet available for review however it is anticipated that the Assignments solution considered by this ROM can accommodate the new Weekly Entry Capacity Auction.

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