









UNC Draft Modification Report	At what stage is this document in the process?
<h1>UNC 0859:</h1> <h2>Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (as introduced by UNC0814)</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>To enable an extension of the temporary arrangements introduced via UNC0814 (which ended on 30 September 2023) which permit BBLC to increase their export capabilities at the Bacton IP on a temporary basis by gaining access to the enhanced pressure service and increasing their Maximum Network Exit Point Offtake Rate (MNEPOR) until 31<sup>st</sup> December 2024.</p>	
<p><b>Next Steps:</b></p> <p>This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this Modification.</p> <p>** Ofgem has rejected the Self-Governance statement, therefore the Modification should be considered a material change and not subject to Self-Governance.</p> <p>The close-out date for responses is <b>15 December 2023</b>, which should be sent to <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>. A response template is available at <a href="http://www.gasgovernance.co.uk/0819">http://www.gasgovernance.co.uk/0819</a>.</p> <p>The Panel will consider the responses and agree on whether or not this Modification should be made.</p>	
<p><b>Impacted Parties:</b></p> <p>High: BBLC, Interconnector Limited (INT), Shippers</p> <p>Low: National Gas Transmission (NGT)</p> <p>None:</p>	
<p><b>Impacted Codes:</b></p> <p>None</p>	

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<b>Modification timetable:</b>		
Pre-Modification Discussed	03 August 2023 & 05 October 2023	
Date Modification Raised	06 October 2023	
New Modification to be considered by Panel	19 October 2023	
Draft Modification Report issued for consultation	19 October 2023	
Consultation Close-out for representations	15 December 2023	
Final Modification Report available for Panel (at short notice)	20 December 2023	
Modification Panel decision	19 January 2024	
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## 1 Summary

### What

Following the implementation of UNC0814<sup>1</sup> on 19<sup>th</sup> July 2023 BBLC gained access to the existing enhanced pressure service at Bacton that NGT has historically provided for INT, allowing them to request export pressures from 55-68 bar which is facilitated by running Kings Lynn Compressor Station. The MNEPOR stated in their Interconnector Agreement (IA) was also increased from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) to reflect their greater export capability if they are able to maintain higher export pressures. Both contractual changes were time limited until 30<sup>th</sup> September 2023.

Since 1<sup>st</sup> October 2023 BBLC's contractual arrangements have reverted to their original position prior to UNC0814 being implemented. Therefore, they are no longer be able to request enhanced export pressures and their MNEPOR has reverted back to 184,780,632 kWh/d (7,699,193kWh/h).

### Why

Due to unforeseen delays in the implementation of UNC0814, the window of opportunity where BBLC would have been able to utilise the interim arrangements was significantly reduced. The Modification was implemented on 19<sup>th</sup> July 2023 but the solution was not utilised due to the prevailing market conditions and gas price differential between the NBP and TTF markets that has not encourage Shippers to increase export from GB to Europe during the UNC0814 trial period. Therefore, BBLC have not had the opportunity to utilise the time limited arrangements that were approved by the Authority to gather data and understand whether there would be any adverse consequences of their increased export rate.

By extending the timeframe of the 0814 arrangements it will provide BBLC and NGT a greater window of opportunity to gather data and for NGT an opportunity to understand whether the increased flows effect the National Transmission System (NTS).

### How

This Modification proposal seeks to enable the proposed change to the IA between NGT and BBLC (an "enabling Modification") to increase the MNEPOR from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) and allow BBLC to request access to the existing enhanced pressure service. It is proposed both proposed changes would be temporary in nature and would apply from the implementation date of this Modification up to and including the 31<sup>st</sup> December 2024.

This timeframe would provide sufficient time to gather data to contribute towards the longer term thinking and development on whether an enduring solution would be appropriate.

This is an enabling Modification and would simply permit the contractual changes outlined above and allow BBLC to request the pressures which are required for them to flow at the higher rate. NGT operate on a reasonable endeavours basis when reviewing any enhanced pressure service requests and review conditions on the network before making a decision.

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<sup>1</sup> [0814 \(Urgent\) - Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](#)

## 2 Governance

### Outcome from Panel Meeting 16 November 2023:

Ofgem has rejected the self-governance statement so therefore the Modification should be considered a material change and not subject to Self-Governance.

#### Justification for Self-Governance

This Modification is recommended to be Self-Governance because a solution has already been approved by the Authority during UNC0814 but due to unforeseen delays in implementation and then a change in market conditions, BBLC have not been in a position to utilise the service before the time limited solution ended.

The proposed solution is identical to the one that was implemented for UNC0814 and this enabling Modification will simply extend the trial period to allow BBLC and NGT to gather data and understand the impacts on the NTS.

Due to this being an “enabling Modification” it will permit a change to the IA and does not explicitly give BBLC the right to flow at the higher rate or guarantee export pressures between 55 – 68 bar. BBCL’s ability to achieve higher export flows is intrinsically linked to them being able to maintain higher pressures above the assured pressures of 45 – 55 bar. When considering requests for enhanced pressures, NGT operate on a reasonable endeavours basis and consider the conditions on the NTS prior to approving any request.

If implemented, this Modification would promote competition at Bacton Exit IP and help to create a level-playing field between the interconnector operators at Bacton as stated by Ofgem in their decision letter for UNC0814.

#### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- proceed to Consultation.

The proposed solution was developed and discussed as part of the UNC0814 and was approved by Ofgem on 6<sup>th</sup> March 2023. However, due to the current market conditions and unforeseen implementation delays BBLC have not been able to utilise the temporary arrangements. Therefore, NGT consider it to be appropriate to proceed directly to consultation without a working group because the only part of UNC0814s solution that is being amended is the date in which the solution is valid until and therefore the Proposal is fully developed and ready for consultation.

Engagement with INT and BBLC has taken place prior to the Modification proposal being raised and discussed at Transmission Work Group to explain the benefits and risk management processes that are in place.

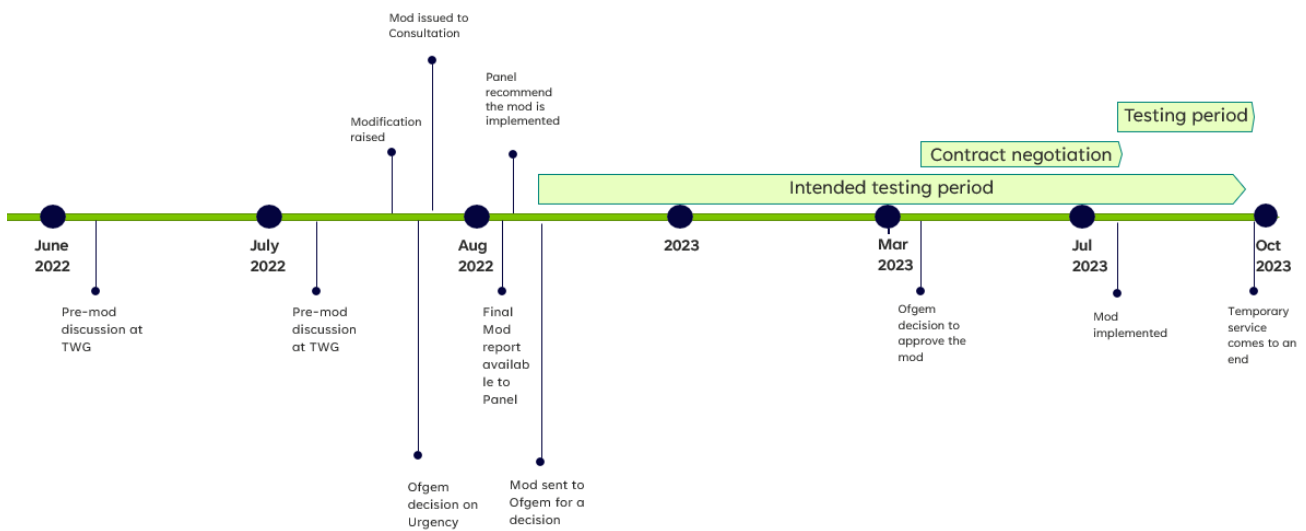
## 3 Why Change?

The IA between NGT and BBLC at Bacton IP takes effect as both a Network Entry Agreement and a Network Exit Agreement. The existing agreement has a time limited aspect specifically for an increased MNEPOR and gaining access to the enhanced pressure service which was introduced following the implementation of

UNC0814. The time limited amendment which saw the MNEPOR increase from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) gave BBLC the ability to request export pressures from 55 – 68 bar expired on 30<sup>th</sup> September 2023.

Due to unforeseen delays in implementing UNC0814 the window of opportunity for BBLC to utilise the new contractual arrangements was limited. Following the implementation of UNC0814 on 19<sup>th</sup> July 2023, BBLC have had the ability to utilise the service, however, the prevailing market conditions have not supported increased exports from GB to continental Europe due to the price differential between NBP and TTF. Therefore, NGT consider that extending the arrangements which were approved by Ofgem until 31<sup>st</sup> December 2024 to be appropriate in order for BBLC and NGT to gather data associated to increased levels of exports and confirm that there is no additional risk of granting BBLC access to these time limited changes. The findings and data obtained from this period will then contribute towards the longer term thinking of how or if an enduring solution can be implemented.

The timeline below highlights the actual testing period which has been available to BBLC compared to the period which was originally intended within UNC0814 for testing.



Additionally, in Ofgem’s decision letter<sup>2</sup> they recognise that the contractual arrangements between BBLC and INT are not equal and by allowing BBLC to gain access to the enhanced pressure service it will “ensure fair and equal treatment of both interconnectors as well as facilitating a level-playing field between them and their users, which will promote competition”. NGT also recognise this and believe this solution will deliver wider benefits for the industry and potentially bring down costs for Consumers.

Enabling BBLC to access the enhanced pressure service and increasing the MNEPOR at the BBLC Interconnection Point is directly relevant to the arrangements between NGT and Users and is therefore a ‘Relevant Interconnection Provision’ as per EID Section A4.1.1(b)(ii). The UNC (EID Section 4.1.3) prescribes that changes to Relevant Interconnection Provisions cannot be made unless (a) approval is obtained from each User holding capacity (‘for the time being’) at the relevant IP, or (b) pursuant to a Code Modification. Given the practical challenges associated with the former option (including the transient nature of Users holding capacity ‘for the time being’) our preferred approach is to seek a Code Modification to obtain this approval.

If this Modification is not approved, it is likely to prevent BBLC from expanding their business operation and competing for the available capacity at the Bacton IP Exit Point. In Ofgem’s decision letter for UNC0814 they

<sup>2</sup> [UNC814 Decision \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/unc0814-decision)

recognise that INT and BBLC had unequal access to the enhanced pressure service: “*The proposed solution will ensure a level-playing field between BBLC and INT by granting BBLC access to an enhanced pressure service that INT already has access to. This will subsequently ensure fair and equal treatment of both interconnectors as well as facilitating a level-playing field between them and their users, which will promote competition*”. Therefore, NGT consider the approval and implementation of this Modification to be an important step in ensuring effective and fair competition for export capacity at Bacton and believe this will bring wider industry and societal benefits for Consumers via reduced energy bills.

## 4 Code Specific Matters

### Reference Documents

UNC0814 - [0814 \(Urgent\) - Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](#)

### Knowledge/Skills

None

## 5 Solution

No changes to the UNC are required or proposed. However, changes to BBLC’s IA will be required, a tracked changes version of BBLC’s IA has been submitted as part of the Modification and outlines the proposed changes. These have been agreed with BBLC in advance of submission of the Modification.

This Modification seeks to enable the proposed change to the IA between NGT and BBLC (an “enabling Modification”) to increase the MNEPOR from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) and allow BBLC to request the enhanced pressure service. Both proposed changes would be temporary in nature and would apply from the implementation date of this Modification up to and including the 31 December 2024.

## 6 Impacts & Other Considerations

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

None

### Consumer Impacts

Positive impact on Consumers – If this Modification is implemented, it will result in increased levels of competition between Shippers and Operators which has potential to reduce costs for consumers.

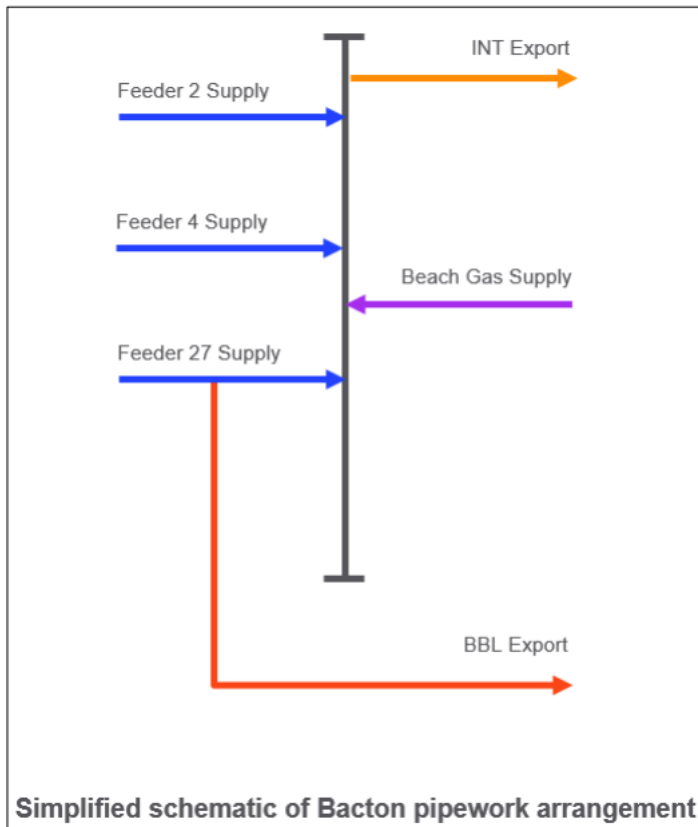
### Integrity Considerations:

During the consultation for UNC0814, one party submitted representations suggesting that if BBLC were to increase their export capability it may have a detrimental impact on them due to the perceived increased risk of dust / solid material being present within the pipeline system and being delivered to their infrastructure. NGT

recognise and acknowledge that there is dust within the NTS, as there is in all pipeline systems and dust management is part of the normal business-as-usual (BAU) operation of the Gas System Operator (GSO).

Within the IA, there is a Velocity Control Protocol which NGT and INT follow to mitigate and manage the risks associated to dust deliveries. Due to the physical footprint of the National Transmission System INT predominately receives gas from feeders 2 and 4 as well as from the adjacent Bacton beach terminals. Whereas BBLC predominately receive gas from feeder 27.

During 2022 an in-line-inspection (ILI) was conducted on feeder 4 and it was subsequently cleaned. This cleaning process removed a quantity of dust prior to the feeder coming back into live operation. The schematic below highlights the configuration at Bacton.



Due to this configuration and the fact that BBLC’s export flows are facilitated via Feeder 27, NGT do not consider that there is an additional integrity risk for INT of permitting BBLC to increase their export capability via gaining access to the enhanced pressure service. Additionally, BBLC have recently conducted a pipeline inspection in September 2023 which did not identify any material, dust or liquids in the BBLC pipeline.

To support the Modification, a supplementary piece of velocity analysis has been provided below to describe type of velocities which may be experienced in different configurations:

**Velocity Analysis:**

Several factors affect velocity within feeders 2, 4 and 27 which make up the entirety of the gas supplied for BBLC and INT from the NTS in the majority of cases. These included:

- Bacton configuration
- Prevailing pressure
- Bacton UKCS supplies
- Export flows

Pipeline velocities have been outlined below assuming low Bacton UKCS supplies (15mcm/d 5<sup>th</sup> percentile historic) to show worst case scenarios.

Feeders 2, 4 and 27 separated	Kings Lynn at typical discharge pressure 63bar	Interconnector and BBLC at MNEPOR (61mcm/d and 23mcm/d)	Feeder 2/4 velocity (m/s)	6.6
			Feeder 27 velocity (m/s)	3.5
		Interconnector at MNEPOR, BBLC lower (61mcm/d and 16 mcm/d)	Feeder 2/4 velocity (m/s)	6.6
			Feeder 27 velocity(m/s)	2.4
	Kings Lynn at max discharge pressure 69bar	Interconnector and BBLC at MNEPOR (61mcm/d and 23mcm/d)	Feeder 2/4 velocity (m/s)	6
			Feeder 27 velocity (m/s)	3.2
		Interconnector at MNEPOR, BBLC lower (61mcm/d and 16 mcm/d)	Feeder 2/4 velocity (m/s)	6
			Feeder 27 velocity (m/s)	2.2



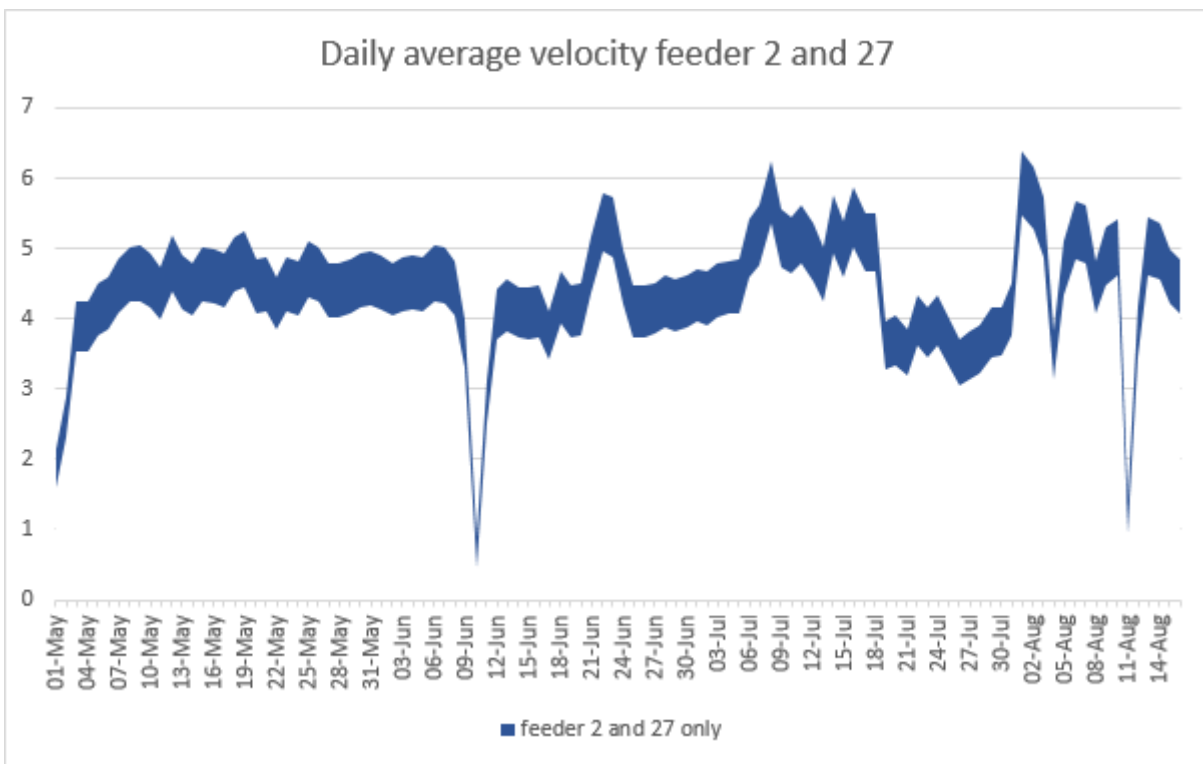
Feeders 2 4 and 27 common	Kings Lynn at typical discharge pressure 63bar	Interconnector and BBLC at MNEPOR (61mcm/d and 23mcm/d)	Feeder 2/4 velocity (m/s)	4.6
			Feeder 27 velocity (m/s)	5.4
		Interconnector at MNEPOR, BBLC lower (61mcm/d and 16 mcm/d)	Feeder 2/4 velocity (m/s)	4.1
			Feeder 27 velocity (m/s)	4.8
	Kings Lynn at max discharge pressure 69bar	Interconnector and BBLC at MNEPOR (61mcm/d and 23mcm/d)	Feeder 2/4 velocity (m/s)	4.2
			Feeder 27 velocity (m/s)	5
		Interconnector at MNEPOR, BBLC lower (61mcm/d and 16 mcm/d)	Feeder 2/4 velocity (m/s)	3.8
			Feeder 27 velocity (m/s)	4.4

In summary:

- Velocities are increased between 10% - 13% with the increased MNEPOR at BBLC

- Increased pressure leads to lower velocities
- Network configurations are available which result in separate feeders supplying BBLC (F27) and INT (F2 and F4) which means the velocities are dependant upon either INT or BBLC’s flow rate as opposed to a Common configuration where the three feeders support exports for both INT and BBLC. However, operating in the separate configuration may result in higher velocities due to the feeders not being fully utilised.
- Expect velocities under these reasonable worst-case conditions are lower than the peaks seen in 2022 due to Feeder 4 outages

Additionally, velocities experienced in 2022 whilst Feeder 4 was isolated for a significant period of time resulted in higher velocities on the remaining supply feeders 2 and 27. Velocities were consistently around 4m/s on feeder 2 and 5m/s on Feeder 27 with peaks of 5.5m/s and 6.3m/s respectively. The below graph demonstrates the daily average velocities on feeder 2 and 27 from May 2022 – August 2022.



At this stage, it is important to remind the reader that this is an enabling Modification and its sole purpose is to allow a contractual change within BBLC’s IA and is completely separate from any potential physical or operational risks. Some of the additional information in this section has been provided following feedback from some stakeholders during the pre-Modification discussions and other engagements.

**What is the current consumer experience and what would the new consumer experience be?**

End consumers have no direct involvement with this Modification. However, this Modification seeks to promote competition at the Bacton Exit IP which could drive down prices for the industry and ultimately end consumers.

<b>Impact of the change on Consumer Benefit Areas:</b>	
Area	Identified impact
Improved safety and reliability None	None
Lower bills than would otherwise be the case Increased levels of competition for capacity at the Bacton Exit IP has potential to drive down costs for the industry and consumers	Positive
Reduced environmental damage Slightly negative due to the potential for increased running hours of Kings Lynn Compressor Station which is used to facilitate the enhanced pressure service	Slightly negative
Improved quality of service None	None
Benefits for society as a whole Due to the increased levels of competition it has potential to drive down costs and lower bills for consumers.	Positive

**Cross-Code Impacts**

None

**EU Code Impacts**

None

**Central Systems Impacts**

None

**7 Relevant Objectives**

<b>Impact of the Modification on the Transporters' Relevant Objectives:</b>	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None

<p>d) Securing of effective competition:</p> <ul style="list-style-type: none"> <li>(i) between relevant shippers;</li> <li>(ii) between relevant suppliers; and/or</li> <li>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.</li> </ul>	<p>Positive</p>
<p>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.</p>	<p>None</p>
<p>f) Promotion of efficiency in the implementation and administration of the Code.</p>	<p>None</p>
<p>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.</p>	<p>None</p>

**(d) Securing of effective competition:**

**(i) between relevant shippers;**

Implementation of this Modification would enable greater levels of competition between the active shippers at the Bacton Exit IP who are currently, or who plan to, export gas from GB to continental Europe. Due to Bacton Exit IP having a shared baseline between BBLC and INT, if BBLC were able to increase their export capability via increasing their MNEPOR and gaining renewed access to the existing enhanced pressure service, it is likely that there will also be greater levels of competition for the available capacity at the exit point. The greater levels of competition may drive down costs for consumers.

Increasing the level of competition between BBLC and INT was something specifically highlighted in Ofgem’s decision letter for UNC0814 where they confirmed that permitting BBLC access to the enhanced pressure service will “ensure fair and equal treatment of both interconnectors as well as facilitating a level-playing field between them and their users, which will promote competition”.

As a result of the increased levels of competition between Shippers and BBLC and INT it can be argued that this could result in an improved quality of service for those who export gas via the Bacton Interconnectors to the EU. They will have greater levels of flexibility on the route they export gas due to the increased export capabilities of BBLC via enhanced MNEPOR and being able to request enhanced pressures.

This may improve the overall service quality that is experienced by parties wishing to export gas from GB to EU. Therefore, further contributing towards an effective and efficient market / industry.

## 8 Implementation

As Self-Governance procedures are proposed, implementation should be as soon as possible following a Modification Panel decision to implement, subject to no Appeal being raised.

## 9 Legal Text

### Text Commentary

No changes to UNC text are required.

### Text

This is an 'enabling' Modification, therefore no UNC text is required. However, changes will be required to BBLC's IA which requires Ofgem approval.

A tracked changes version of BBLC's IA will be provided as part of the Modification submission.

## 10 Recommendations

### Panel's Recommendation to Interested Parties

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this Modification.

### Ofgem have requested that the following questions are addressed:

Q1: Provide views/ details on the data/ information collection required from the proposed solution in order to be in a position for a decision on any future enduring solution. UNC0859S is proposed as a temporary Modification. The proposer states "This timeframe would provide sufficient time to gather data towards the longer term thinking and development of whether an enduring solution would be appropriate" [Page 3 of Modification document]. What information would you need to form a view as to whether an enduring solution is appropriate.

Q2: Provide views on the appropriateness of the time period for the enhanced pressure service proposed by the modification, with regards to system safety and GB security of supply. Do you consider Winter 2023/24 to be an appropriate time to implement this Modification? Please explain your reasons. If not, please state when you consider would be an appropriate time and your reasons for this.