

Revision of UNC Post-Emergency Arrangements *Proposed Business Rules*

Prevailing Emergency Claims Arrangements

1.1 UNC Section Q.4.2.6 states;

*“Where a User (the "**claimant**") believes that it will suffer a financial loss by reason of being paid only the relevant price in respect of any gas delivered to the Total System on a Day during a Gas Deficit Emergency (at Stage 2 and higher) (but not in respect of a quantity of gas which exceeds the amount of the claimant's Daily Imbalance if any under paragraph 4.2.2(a)):*”

- The Claimant is required to submit a claim.
- Provide details regarding the basis for the claim.
- Claim is only relevant to gas bought on the GDE day over and above gas daily balance.
- National Grid NTS will appoint a claims reviewer.
- The Claimant will make available information and cooperate with the claims reviewer.
- The duration of the claims process is not defined.
- Ofgem may review the claim and determine whether it should be approved (paid).

Payment to claimant and recovery of costs

- Following consultation with the Authority, and the Claimant, Under Licence Condition A11(18) the Authority may approve the claim, National Grid NTS will pay the Claimant the amount advised by the Claims reviewer.
- National Grid NTS will recover any cost for claims as if it were a **Market Balancing Action Charge** payable to National Grid and then recovers these costs through Balancing Neutrality (ref Q4.2.5). Costs are therefore smeared over shipper physical throughputs on the relevant day (the GDE day).
- National Grid NTS will recover the fees and costs of the claims reviewer through the **Monthly Adjustment Neutrality Costs**.

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Proposed business rules

In order to submit a post-emergency claim to National Grid for payment for those:

- *Shippers that are sourcing additional gas above their demand i.e. through emergency instructions from the NEC to maximise supplies (Stage 1+).*
- *Shippers that wish to place demand-side offers (interruptible or firm DM loads) on the OCM e.g. self-interruption prior to the ECQ process (prior to Stage 3).*

2.0 During a Gas Deficit Emergency (Stages 1 – 4)

2.0.1 A User must place a Market Offer to effect a Physical Market Transaction (to make a Disposing Trade Nomination) on the Trading System during a Gas Deficit Emergency *prior* to a Stage 5 (Restoration) being declared.

2.0.2 Pursuant to 2.0.1, the User;

- a) Shall state the Market Offer Specified Quantity and not the Market Offer Specified Rate;
- b) Shall specify that the Market Offer is not an Option Market Offer (linked offers) and;
- c) May indicate that the Market Offer is capable of partial acceptance.

2.0.3 The Market Offer must remain on the Trading System for the Gas Day(s) declared as a Gas Deficit Emergency unless the Market Offer has been taken as an Acquiring Trade Nomination by an Accepting Participant.

2.0.4 During a Gas Deficit Emergency (Stages 1 to 4) where a Market Offer has been posted in accordance with this Section x.x.x and has been taken by an Accepting Participant;

a) *The payments/charges will be fully cleared by the Trading System Clearer.*

b) The Originating Participant shall;

- i) Submit a Contract Renomination in accordance with UNC Section D.5.2.3.
- ii) Notify* National Grid NTS when a Contract Renomination revises a System Exit Point Nomination (or renomination), indicating it is no longer off-taking gas at that System Exit Point for the remainder of that Gas Day... *[unless the NEC subsequently declares a Gas Deficit Emergency Stage 5 (restoration) on that Gas Day]*

[In accordance with G.1.20 (reduction of offtake at Firm Supply Points) and/or G.6.6.5 & G.6.8.1 (Interruption Notice) – **P70/P71 process**]*

2.0.5 The Trading System Operator will provide the market with a 'real-time' calculation of the weighted average price of all Market Offers (Physical Market offers) during the Gas Deficit Emergency. For the avoidance of doubt, the weighted average price should be updated whenever Market Offers (Physical Market) are placed, updated, withdrawn or, accepted on the Trading System.

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3.0 Post Gas Deficit Emergency

Trading System Operator

3.0.1 The Trading System Operator will notify [National Grid NTS and/or the Transporter Agency] of the details of all Physical Market Offers that were remaining on the Trading System at the close of the Gas Day(s) for the duration of the Gas Deficit Emergency period.

a) These details will include;

- Identity of the Originating Participant;
- [Market Transaction ID];
- Market Offer Date;
- Market Offer Timestamp (Date-Time);
- Market Offer Specified Quantity;
- Market Offer Price;
- Market Transaction Type and;
- Whether the Originating Participant had posted as an Acquiring or a Disposing Market Offer;

b) The Trading System Operator will submit the details of the Physical Market Offers to [National Grid NTS and/or Transporter Agency] by 7am on the Day following the Gas Day for which a Gas Deficit Emergency Stage 2+ had been declared.

Claims validation process

3.0.2 The emergency claim must be submitted to National Grid NTS by [M+14 Days] post Gas Deficit Emergency Period; 'Emergency Claims Closeout Period'.

3.0.3 Any emergency claims received after the 'Emergency Claims Closeout Period' will be rejected.

3.0.4 All submitted post-emergency claims will be subject to a validation process by National Grid NTS prior to payment; *[Need to consider if these rules are incorporated into the main UNC or, a UNC ancillary doc]*

3.0.5 The User must have a surplus Daily Imbalance.

3.0.6 Each emergency claim will be for a specific Gas Day(s) within the Gas Deficit Emergency period.

3.0.7 The quantity of the emergency claim cannot exceed the User's Daily Imbalance surplus.

3.0.8 Where a User submits multiple emergency claims for a specific Gas Day (within a Gas Deficit Emergency period), the aggregate quantity of those claims shall not exceed the User's Daily Imbalance surplus.

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- 3.0.9 The emergency claim (quantity and price) must have been registered as a Market Offer (Physical Market) on the Trading System for the duration of that Gas Day of the Gas Deficit Emergency.
- 3.0.10 The Market Offer must have been registered on the Trading System (Physical Market) prior to a Gas Deficit Emergency Stage 5 (restoration) being declared.
- 3.0.11 With each emergency claim, the User will provide details of;
- a) The Eligible Trading System Point(s) that would have been associated to the Market Offer had it become a Physical Market Transaction.
 - b) For each Eligible Trading System Point provided in (a), the nominated end-of-day quantity for that Gas Day.

4.0 Emergency Claims/Neutrality process:

- 4.0.1 All valid emergency claims will be cleared through the 'Emergency Claims Neutrality' process within [2] Months of the 'Emergency Claims Closeout Period'.
- 4.0.2 The weighted average price of all validated emergency claims ('WAPOEC') will be derived as;

- a) Calculate the total quantity (kWh) of all emergency claims

$$A = \Sigma \text{ all emergency claims quantities (kWh)}$$

- b) Calculate the total cost of all emergency claims

$$B = \Sigma \text{ all emergency claims cost}$$

- c) Calculate the weighted average price of the emergency claims

$$\frac{A / B}{A} = \frac{(\text{£/kWh})}{100} = \text{WAPOEC (p/kWh)}$$

- 4.0.3 A User with a Daily Imbalance deficit will incur an Emergency Claim Neutrality Charge calculated as;

User Daily Imbalance Deficit Quantity multiplied by WAPOEC

- 4.0.4 Any over- or under-recovery of the Emergency Claims Total Costs will be apportioned through the Energy Balancing Neutrality process.

5.0 Information Provision

The publication of post-emergency claims information is to be defined and agreed within the Transmission Workstream.