



Locational Trades at Interconnector Points

Operational Guidance Material

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nationalgrid

Operational Guidance Material

This document forms part of a suite of documents created to provide operationally focused guidance material; the aim of which is to support Shippers in increasing their understanding of non-routine commercial tools utilised by National Grid so that Shippers can be suitably prepared and ready to participate ahead of an event.

The Operational Guidance Documents detail the optimum way to perform the relevant process based on the current systems available. Where there are alternative ways in which the process could be completed the associated risks and benefits are explored.

These documents are not intended to be used as detailed operating process / procedures; however, they can be used by each Shipper organisation to assist in creating the operational process steps that are right for them.

These documents do not preclude changes or development to commercial tools in collaboration with industry in the future.

Gas Locational Trades Information Overview

This document outlines the circumstances in which Gas Locational Trades can take place and provides more information regarding the Locational Trades at Interconnector Points process. The following topics are covered:

- The objective of Locational Trades
- Circumstances where Locational Trades can occur
- Overview of Locational Trades at Interconnector Points Process
- Shipper / User Actions
- Submitting Locational Trades on GEMINI
- Additional Information

Objective of Locational Trades

Locational Trades allow National Grid to address localised supply / demand imbalances impacting the National Transmission System (NTS). Following a locational trade a change the physical flow is expected, with the aim of managing either NTS Entry & Exit Capacity Constraint risk or NTS Linepack risk.

Locational trades can be done at any single point (entry or exit) on the NTS, this can be at an Interconnector Point (IP) or a non-interconnector point.

Circumstances where Locational Trades Can Occur

National Grid may trade gas at specific NTS entry and exit locations in the following events:

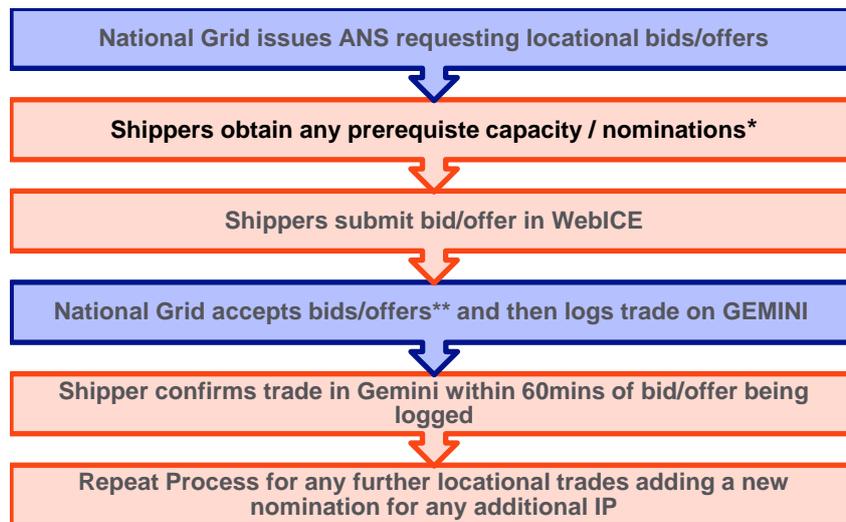
- NTS constraints to increase or reduce the actual flow rate.
- Gas Deficit Warning or Margins Notice to address the Linepack position in the NTS.

This list is not exhaustive and the decision to request locational / physical bids and offers will be based on the exact scenario facing the Gas National Control Centre (GNCC) on any specific day.

Overview of Locational Trades Process at IPs

In an event where National Grid requires locational trades to take place an Active Notification System (ANS) message calling for locational bids/offers will be sent out, the details of which, will be dependent on the current situation. Once the ANS message has been issued locational bids/offers can be submitted in WebICE and then, if accepted, logged on GEMINI.

Figure 1: Process Overview



*Shippers must have the correct capacity rights, and EU nomination if trading at an Interconnection Point, to deliver any bid/offer.

** National Grid will work through the bids/offers in line with the System Management Principle Statement.

The sequence of process steps depicted in Figure 1 and throughout this document is the recommended process to minimise risk to the NTS under the difficult circumstances where locational trades are necessary. The basis for this process is that a Shipper wishing to complete a locational trade at an IP, will have a confirmed EU nomination at the relevant IP prior to the locational trade being accepted. To minimise any risk in holding a EU nomination should the trade be unsuccessful, the Shipper should enter their EU nomination with a lead time which matches that of the locational trade, this will then provide sufficient time to renominate down if required.

Choosing to complete this process in a different sequence i.e. submitting a locational trade in advance of the EU nomination being confirmed poses the following risks:

1) The Shipper may not be able to deliver the traded quantity if the full EU nomination is not confirmed. The consequence to the NTS is that the imbalance or constraint cannot be resolved, prolonging and potentially worsening the issue. Furthermore, if this were to occur, National Grid would have to complete another trade. As the substantial cost associated with locational trades feeds into the capacity neutrality charges, additional trades means increased cost to all Shippers whilst the consequence to the original Shipper is that they incur PRI charges.

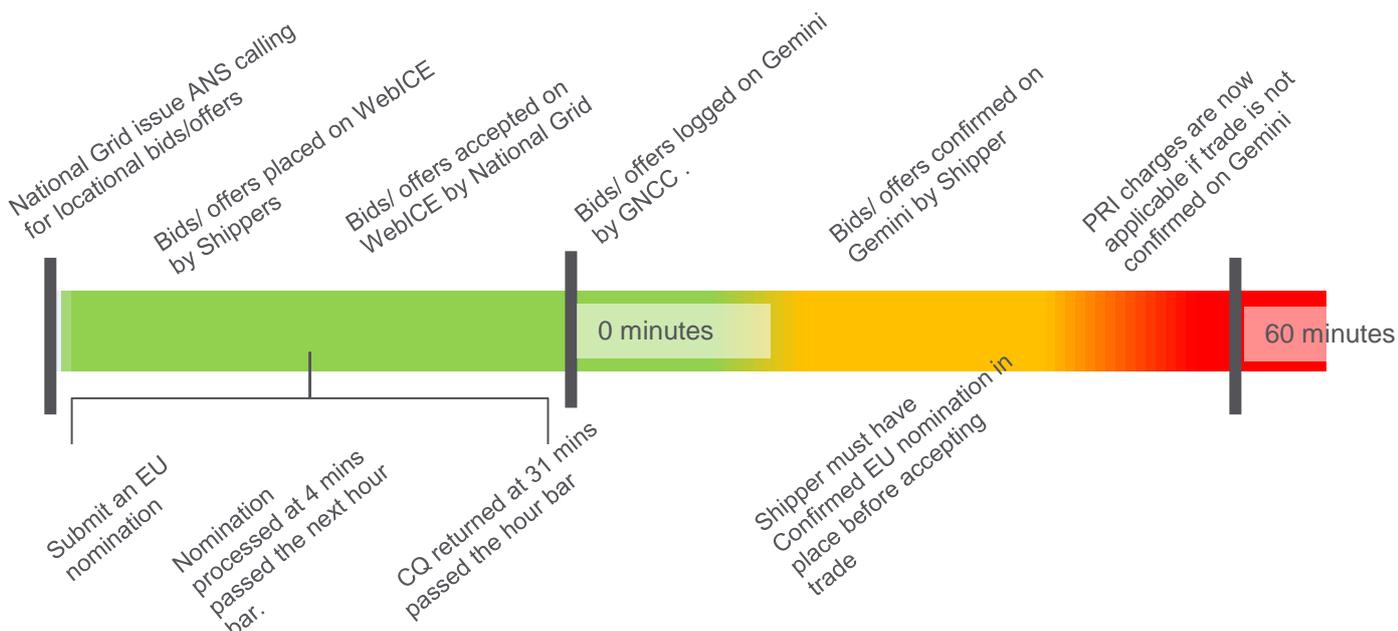
2) In the absence of a confirmed EU nomination which is equal to or greater than the locational quantity before the locational trade is logged on Gemini, the Shipper account will appear out of balance until the end of day which could cause operational challenges for the Shipper in managing their portfolio.

3) Due to the timeframe required to process an EU nomination via GEMINI and adjacent TSO systems, submitting and confirming the EU nomination within the 60 minute window available before PRI charges are applicable will be difficult. The consequence to the Shipper is that PRI charges may apply.

The timeline for placing locational trades can be seen in Figure 2. If a bid is accepted by National Grid the Shipper must confirm the locational trade within the GEMINI system within 60 minutes, otherwise a Physical Renomination Incentive charge (PRI) will be incurred.

By accepting the bid on GEMINI Shippers are confirming they can deliver the traded quantity. Therefore, if trading at an IP, the Shipper must have in place a confirmed EU nomination by the time the bid is accepted on Gemini. Due to the file transfer times for EU nominations, (next hour + 31 minutes), waiting to submit an EU nomination until after a trade has been logged risks incurring PRI charges.

Figure 2: Timeline for locational trade submission



Shipper / User Actions

For the Locational Trade process to function correctly it is expected that Shippers will complete the following actions:

- Maintain ANS contact details to ensure important messages are received.
- Add the locational market to the portfolio view on WebICE ready for trading.
- Promptly place bids/offers on WebICE on receipt of ANS notifications.
- Have the correct capacity and nomination arrangements in place to support any accepted locational trades.
- Maintain awareness of trade status on both WebICE and Gemini.
- Confirm any accepted trades on Gemini within 60 minutes of GNCC registering the trade on Gemini.

Submitting Locational Trades on GEMINI

The following section will provide information on how to submit locational trades on GEMINI for Locational Trades at Interconnector Points (IP).

- 1) If trading at an IP, Shippers should ensure an EU nomination is in place prior to submitting a locational trade on WebICE. Wait until the Confirmed Quantity (CQ) has been returned and is visible on the Shipper BA screen before trading.

The EU nomination should be placed via the usual EU nomination process and may be either a Single-Sided Nomination (SSN) or a Double-Sided Nomination (DSN). The nomination must be of equal or greater quantity than the planned locational trade quantity. If the Shipper already has an EU Nomination at the relevant IP, they may re-nominate to increase the value so that it is sufficient to cover the locational trade quantity in addition to any other active trades.

- 2) Before submitting a locational trade on WebICE, Shippers should ensure the associated capacity rights are in place. Failure to do so risks incurring Capacity Overrun charges.
- 3) Locational bids/offers to be placed on WebICE as per usual processes with the addition of the relevant location code. Location codes can be found on the WebICE website using the following link:

https://www.theice.com//publicdocs/endex/ICE_Endex_UK_OCM_Gas_Spot_Locational_Products.pdf

- 4) National Grid will assess all bids/offers and select the appropriate trades to accept based on the methodology set out in the System Management Principle Statement.
- 5) Shippers should monitor the status of the locational trade on WebICE; this can be done via various mechanisms, such as pop-ups, updates to the Shipper ticker at the bottom of the WebICE screen and viewing the deal tab. WebICE functionality allows Shippers to add sound effects to aid awareness of bid/offer acceptance.

A. If National Grid accepts your trade, you must monitor your GEMINI account so that you are aware as soon as your trade is registered. To do so navigate to Home > OCM > Trade Details > Physical / Locational Trade Status.

NOTE: It is the Shippers responsibility to makes sure they are aware of their trade status. Locational trades are subject to charges if the trade is not confirmed on GEMINI within 60 minutes of the time the trade is logged on GEMINI (see Figure 2 for more details).

B. If National Grid does not accept your trade, you will need to review your portfolio and decide if you should re-nominate down or you may choose to wait to see if further trades will be requested.

- 6) Once National Grid have accepted the trade, the GNCC will log the trade on Gemini using the details of the trade provided by WebICE via the following screen:
Home > OCM > Trade Details > Physical / Locational Trade > Register.
Unless stated otherwise all details are entered from the WebICE trade screen.
Details of the trade to be entered:

Bid ID:	Bid Timestamp:	Start time:
Bid Type: L for locational	Location:	Traded Quantity:
Bid Originator:	Buy/Sell:	Price:

Once the GNCC have pressed the 'Register' button the locational trade will be officially logged on Gemini.

NOTE: At this point the 60 minutes countdown begins. If the next step is not completed within 60 minutes the Shipper will be exposed to PRI charges. Please note, at this stage the trade will not be viewable on the BA screen.

- 7) The Shipper now needs to confirm the trade. To do so navigate to home > OCM > Trade Details > Physical / Locational Trade Status. Select the trade by ticking the left-hand circle. Once selected press the 'Maintain OCM Renoms' button.

Physical / Locational Trade Status - Internet Explorer

GEMINI Smell Gas ? Call free on 0800 111 999
all calls are recorded and may be monitored

Product Trade Deal Constraints Meter Details Nominations OCM Measurements Allocations

Messages-1 User Name: BA: User Role: IGM5019

GEMINI Environment: envfofgm You are here: Home > OCM > Trade Details > Physical / Locational Trade Status **OCM**

Physical / Locational Trade Status

BA*: Gas Day*: 29-Aug-2018

Buy/Sell: --All-- Trade Type: --All-- Search: --Select-- By:

Market Operator: --Select-- --Select-- --Select--

Query Clear

Select	Bid Id	Trade Status	Buy/Sell	Trade Type	Trade Quantity (kWh)	Logged TimeStamp
<input type="radio"/>	3905015	UN	B	L	800	29-Aug-2018 10:22:34

Total: 800

Bid Details Maintain OCM Renoms Renomination Detail

8) On the subsequent screen a button will be visible at the bottom of the screen saying 'Confirm LOC'. Select the trade via the left-hand box and press 'Confirm LOC'.

Maintain OCM Renominations - Internet Explorer

GEMINI Smell Gas ? Call free on 0800 111 999
all calls are recorded and may be monitored

Product Trade Deal Constraints Meter Details Nominations OCM Measurements Allocations

Messages-1 User Name: BA: User Role: IGM5019

GEMINI Environment: envfofgm You are here: Home > OCM > Trade Details > Physical / Locational Trade Status **OCM**

Maintain OCM Renominations

BA*: Gas Day*: 29-Aug-2018

Trade Type: Locational Buy/Sell: Buy

Search: Bid Id By: 3905015

Query Clear

Select	Bid Id	Buy/Sell	Trade Type	Trade Quantity(kWh)	Start Time (HH)	Meter ID	I/O Indicator	Opposite Flow	Ignore Tol Check?
<input checked="" type="checkbox"/>		B	L	800	13		I	Y	

Total: 800

Confirm LOC Confirm All LOC Confirm NBP Phy Confirm Multi Loc

9) The trade is now accepted and will be visible on the Shipper Business Associates (BA) screen.

NOTE: for locational trades at IPs, the BA screen will show a balanced position as long as there was an EU nomination, which is equal to or greater than the locational trade volume, in place prior to the locational trade being logged by National Grid.

Business Associate Balance - Internet Explorer

GEMINI Smell Gas ? Call free on 0800 111 999
all calls are recorded and may be monitored

Product Trade Deal Constraints Meter Details Nominations OCM Measurements Allocations

Messages-1 User Name: BA: User Role: TGM5019

GEMINI Environment:envfofgm You are here : Home > Nominations > Balance > Business Associate Balance [Nominations](#)

Business Associate Balance

Gas Day*: 29-Aug-2018 BA*: AAQ - AGENT ENERGY MERCH GAS STORAGE - / ABB - CLOSED ABB TREASURY & ENERGY SERV ABL - AR CO BRITISH LIMITED CLOSED - AR CO ABN - CLOSED - ABN AMRO BANK NV (LONDON) ACC - CENTRICA ENERGY LIMITED - ACCORD

		Requested (kWh)	Scheduled (kWh)	Action
Input Balance(kWh)	Transport Input	1,001	1,000	<input type="button" value="V"/>
	Storage Input	0	0	<input type="button" value="V"/>
	Trades Buy	0	0	<input type="button" value="V"/>
	OCM NBP Buys	0	0	<input type="button" value="V"/>
	OCM Physical	0	0	<input type="button" value="V"/>
	Total Input:	1,001	1,000	
Output Balance(kWh)	DMCs/DMA's/Shrinkage	0	0	<input type="button" value="V"/>
	Non-Daily Metered	0	0	<input type="button" value="V"/>
	Storage Output	0	0	<input type="button" value="V"/>
	Trades Sell	0	0	<input type="button" value="V"/>
	OCM NBP Sells	0	0	<input type="button" value="V"/>
	OCM Physical	800	800	<input type="button" value="V"/>
	UG Unidentified Gas	0	0	<input type="button" value="V"/>
	Total Output:	800	800	
	Net Balance:	201		

Additional Information

Contact for more information

Energy Balancing Team, GSO - Box.NTS.EnergyBalance@nationalgrid.com

PLEASE TELL US HOW USEFUL YOU FOUND THIS INFORMATION AND PROVIDE FEEDBACK ON ANYTHING YOU FEEL IS MISSING BY CLICKING ON ONE OF THE FOLLOWING RATINGS:



Pleased with the information covered

CLICK: [3 STARS](#)



Satisfied with the information but would like to see further improvements

CLICK: [2 STARS](#)



Unhappy with the information covered

CLICK: [1 STAR](#)

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