

Gas Operational Forum

MS Teams

23 September 2021

9.32am

Questions

MS Forms (link in the chat)

national**grid**



Gas Transmission

Introduction & Agenda



Joshua BatesOperational Liaison Manager



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Presenters

National Grid

Joshua Bates – Operational Liaison Manager

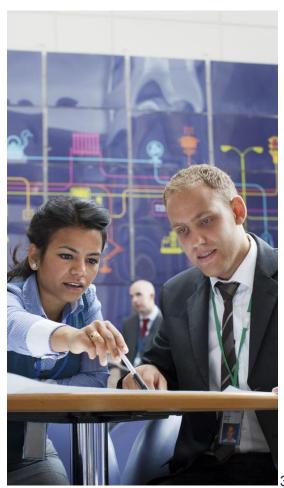
George Killick – Senior Operational Liaison Officer

Sam Holmes – Operational Liaison Analyst

Ali Tann – NTS Capacity & Access Development Manager

Rachel Hinsley – Senior Codes Change Lead

Tom Wilcock – Emergency and Compliance Manager



Calendar year 2021 Ops forums

All forums will be held via Microsoft Teams. We are looking to integrate back to the Clermont (formerly Amba) hotel, whilst retaining the online functionality, in October.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Online	Online	Online	Х	Online	Online	X	Х	Online	Clerm ont & Online	Clerm ont & Online	X
28/01	25/02	25/03		20/05	17/06			23/09	21/10	25/11	

Registration is open for all 2021 events at:

https://www.nationalgridgas.com/data-and-operations/operational-forum

Housekeeping for Microsoft Teams Forums

During our Teams events;

- Attendees will be automatically muted on dial-in and cameras will be unavailable.
- You can use the 'raise a hand' function if you would like to speak and we will enable your camera and microphone options.
- You then have to un-mute yourself and turn your camera on to ask your question.
- We will be taking questions via the chat function, or if you would like to remain anonymous please use Microsoft Forms (link in the chat)





Key resources available to you

Gas Ops Forums

Throughout the year, we hold regular Operational forum meetings. This forum aims to provide visibility and awareness for our customers and stakeholders to help understand and discuss the operation and performance of the National Transmission System (NTS). We also proactively invite any suggestions for operational topics that would promote discussion and awareness.

Registration is open for all 2021 events at:

https://www.nationalgridgas.com/data-and-operations/operational-forum

Gas Distribution List

https://subscribers.nationalgrid.co.uk/h/d/4A93B2F6FAF273DE



For the monthly Gas
Explained information
please visit;
https://twitter.com/nationa
Igriduk

Or follow our personal accounts on LinkedIn



For updates and interaction with National Grid please visit; https://datacommunity.nationalgridgas.com/

For the National Grid Gas Website, please visit;

https://www.nationalgridgas.com/about-us

Maintenance Planning https://www.nationalgrid.com/uk/g as-transmission/data-andoperations/maintenance



Energy Data Request Tool: <u>Microsoft</u> <u>Forms Link</u>

How to contact us

Operational Liaison & Business Delivery Team

Joshua Bates: <u>Joshua.Bates@nationalgrid.com</u>

Martin Cahill: Martin.Cahill@nationalgrid.com

George Killick: George.Killick@nationalgrid.com

Operational Liaison Email:

Box.OperationalLiaison@nationalgrid.com

For updates and interaction with National Grid please visit; https://datacommunity.nationalgridgas.com/

For the National Grid Gas Website, please visit; https://www.nationalgridgas.com/about-us



Agenda for Today

01	Welcome and Introduction			
02	Operational Overview	09:40		
03	Commercial Tools – Emergency Cash-out process & Demand Side Response			
04	Emergency Exercise Celsius	10:10		
05	Regulatory & Commercial Update	10:25		
06	UNC 0771 Removal of the absolute requirement to include an ROV for Entry Points			
07	Gemini Bid Validation Changes	10:45		
08	Data Triage & MIPI Data	11:00		
09	Updates & Close	11:15		

Please ask any questions using the chat function, or through Microsoft Forms (link in the chat).

Questions will be covered at the end of each agenda section.

Gas Transmission

Operational Overview

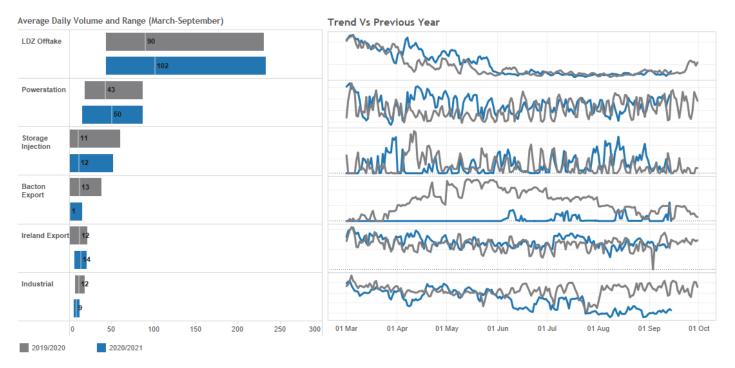


George KillickSenior Operational Liaison
Officer



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NTS Demand

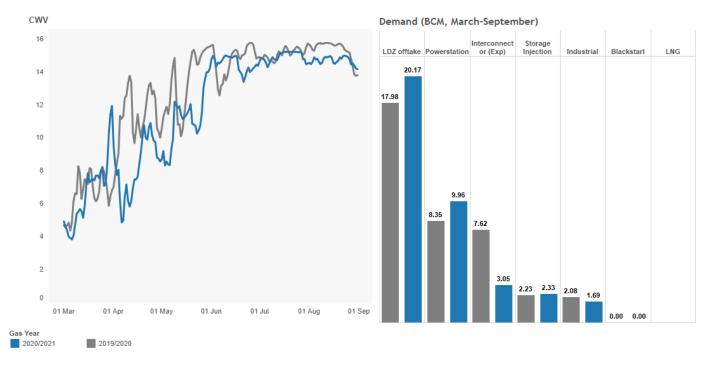


LDZ demand has remained low due to the hot weather in line with last year's demand.

Notable reduction in Bacton Export

Reduction in Industrial demand since Jun

Demand & CWV

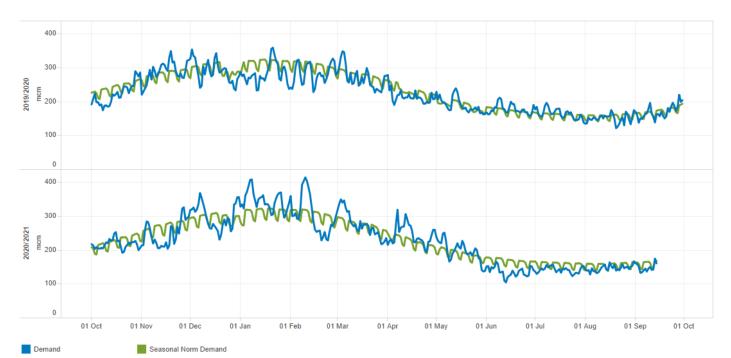


CWV has remained high over the summer months.

Total LDZ and PS demand remain higher than last year due to lower average CWV.

Four BCM reduction in Interconnector Export

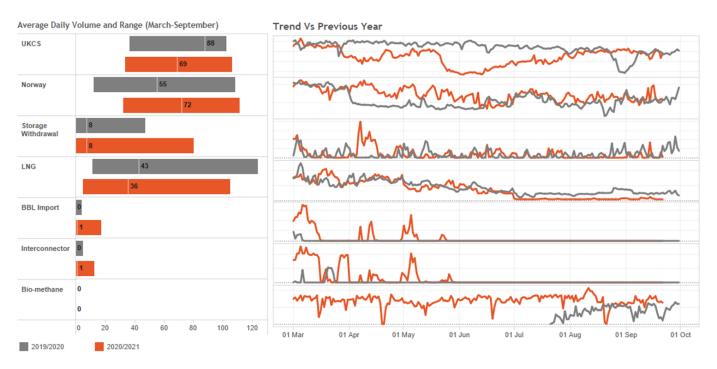
Demand – Comparison to Seasonal Norm



Demand has been aligning to seasonal norm in recent weeks.

Higher demand in April and May reflecting the lower CWV value.

NTS Supply



Supply from UKCS was lower in mid summer with a high number of outages postponed from last year

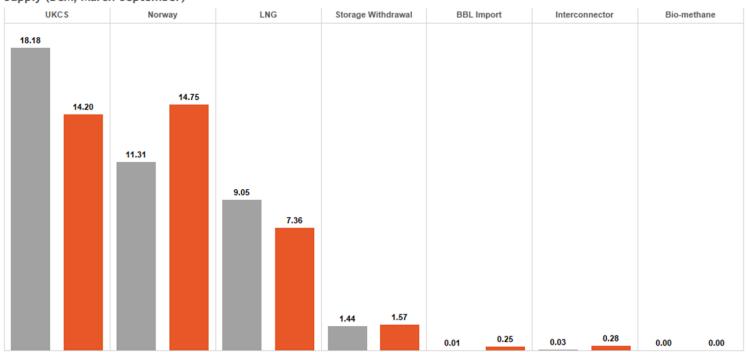
There has been low LNG supply in the last couple of months

Supply – Yearly Comparison



2019/2020

2020/2021



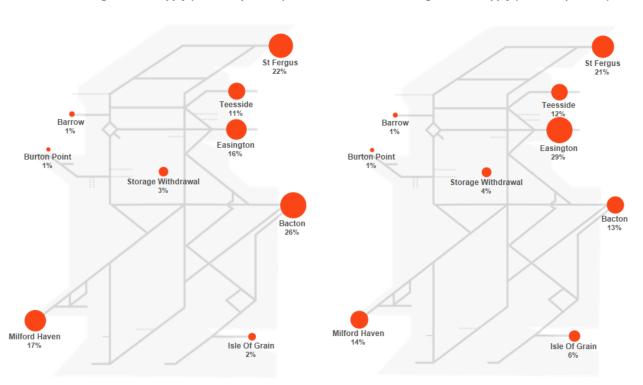
Reduction of four BCM from UKCS, with an increase of three BCM from Norway.

Reduction of 1.5 BCM in LNG

Supply Map

2019/2020 Percentage of total supply (March-September)

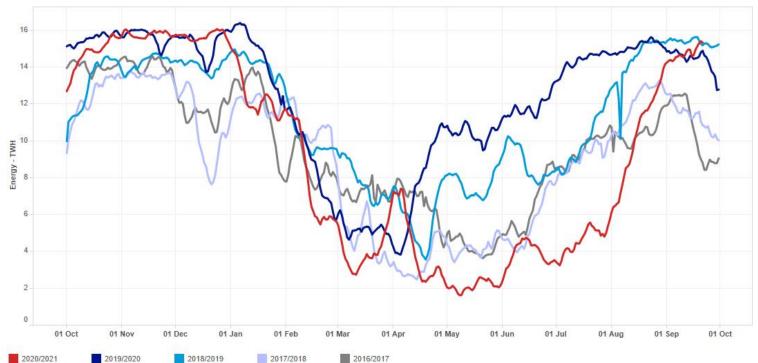
2020/2021 Percentage of total supply (March-September)



Large reduction in Bacton supply reflecting the reduction of UKCS.

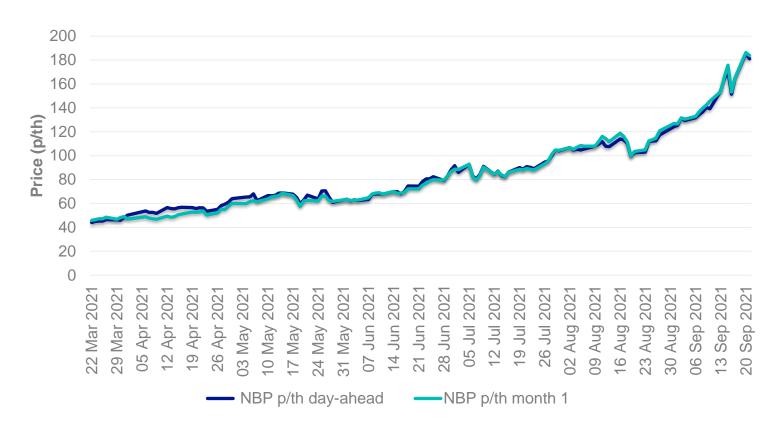
Large increase in Easington supply reflecting the increase of gas from Norway.

Storage Stocks



Storage levels have increased quickly during the second half of the summer reaching highnormal levels

NBP Prices



Gas Transmission

Demand Side Response & Cash-Out Prices



Joshua BatesOperational Liaison Manager

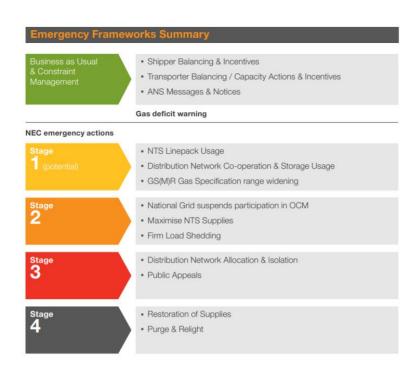


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DSR-Overview

Demand Side Response is a service that was developed by gas industry representatives to encourage daily metered (DM) consumers to offer to reduce their gas demand during times of system stress, in return for payment.

DSR Market is only active in the event of a Gas Balancing Notification. It is hosted by ICE Endex, while National Grid is the only party who can 'buy'.

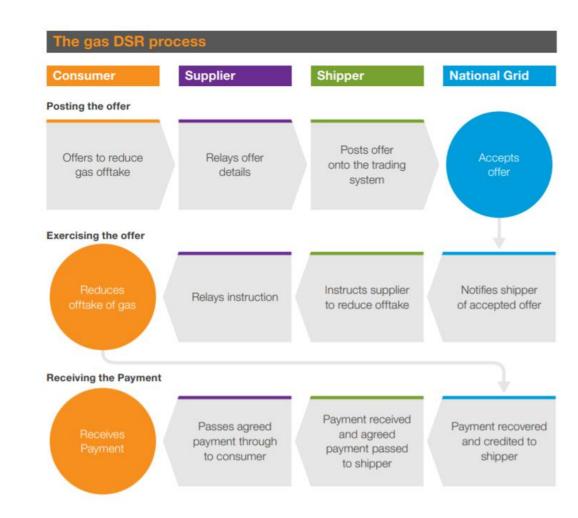


https://www.theice.com/webinar/uk-ocm-gas-spot-market?utm_source2=ICE_FY21_Energy_Nat_Gas_Webinar_UK_OCM_Spot_Webinar_Replay_0521

Gas DSR Service predominantly involves a three way party interaction between Gas Consumers, gas Shippers and National Grid. This becomes a four way interaction when a gas Supplier is involved in between the Gas Consumer and the Shipper.

The role of each party

- Consumer: Eligible gas consumers contact their gas supplier / shipper and offer to reduce gas consumption for a fee. If instructed gas consumption will be reduced.
- Supplier: If involved the supplier acts as the intermediary between the consumer and shipper
- Shipper: Following consumer agreement the DSR offer is posted onto a central trading system which only National Grid can accept. Consumers will be informed if their offer is accepted.
- National Grid: Subject to gas emergency circumstances, National Grid will accept the offer informing the gas shipper.



FAQs

Is there a restriction on the number of DSR offers?

No. There is no limit on the number of DSR Offers eligible gas consumers can make at a specific *Daily Metered Supply Point*. All DSR Offers must be a minimum of 100,000 kWh.

2. How long does a DSR Offer last after it is exercised?

A DSR Offer can be submitted on a daily basis (daily product) or on a multiday basis (multiday product). Once the DSR Offer has been exercised it will last for the duration for which the contract is struck e.g. for a daily product this will last for one day, for a multiday product this could last up to 7 days, but this is dependent upon the original DSR Offer duration agreed.

3. How does DSR accommodate partial interruption?

The DSR mechanism allows gas consumers to turn down a proportion of their energy demand and does not require sites to completely cease offtake of gas. This turn down can be offered in multiple tranches of energy quantity, which may be priced individually, according to the Value associated with each separate tranche. Each tranche will be submitted as a single DSR Offer and must meet all of the eligibility criteria for a DSR Offer (e.g. minimum size of 100,000 kWh/day). Therefore it is possible for there to be more than one DSR Offer at a specific Daily Metered Supply Point.

4. How will payments be made for DSR?

DSR payments will be in accordance with the agreed DSR Offer price for the contract duration. These will be paid within the timescales outlined in the Uniform Network Code (UNC). Shippers are obliged to pass on payments in a reasonable timeframe and will be able to advise.

5. How quickly can a Gas Consumer resume normal consumption?

Within the DSR Period gas consumers may resume consumption on the day following the end of their DSR Offer contract (a gas day is 05:00 to 05:00). Where a DSR offer is submitted and is subsequently accepted by National Grid on the day where the situation progresses into a Gas Deficit Emergency Stage 2, the Supply Point at which the DSR Offer has been accepted will be required to maintain the reduction until instructed by the National Emergency Coordinator (NEC) that its offtake reduction is no longer necessary.

6. How will a reduction in demand be monitored? And are there penalties involved if DSR is not actioned?

The demand reduction will not be monitored and there are no penalties from National Grid Gas. However, the shipper will be responsible for renominating at the site and should a reduction not occur then the shipper will be out of balance and will receive an imbalance charge. Gas consumers should discuss with their shipper whether their contractual agreement will include a penalty.

Cash-Out emergency process

Ofgem completed a Significant Code Review into gas security of supply in 2014. This included reform to cash-out arrangements in an emergency

Before this, cash-out prices were frozen during a Gas Deficit Emergency

Cash-out emergency process

- Current Methodology means that cash-out prices are not frozen at any point during a GDE, and are there are no caps on how high the price can reach
- This allows prices to continue to move with market conditions- both rising to attract additional sources of gas, and dropping as the GDE moves towards resolution
- During review, shippers expressed a concern any cap on prices could act as a target for trading
- NG participation is suspended in stage 2 of an emergency but shippers continue to trade

Gas Transmission

Emergency Exercise 'Celsius'



Tom Wilcock Emergency and Compliance Manager



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Exercise 'Celsius'

- Annual assurance that the GS(M)R
 Network is prepared for an NGSE coming into winter 21/22
- Advance participation from Comms Responders
- Opportunity to test enhancements made to Transporter liaison processes
- Test of the impact of a Gas Supply Shortage on the Electricity System and the GSO and ESO ability to share situational awareness

Wednesday 29th September

Commercial Day

- Gas Balancing Notification (live exercise activation)
- OCM Balancing trades (notional)
- Scaleback off-peak exit capacity (notional)
- Operating Margins (notional)
- Margins Notice (live exercise activation if triggered)

09:00 - c.16:30

Thursday 30th September

Emergency Day

- Stage 1: Emergency Specification gas (Live exercise activation)
- Stage 2: Flow Direction
 & Load Shedding
 (Live exercise activation)
- Electricity System Impact (notional)
- Stage 3: Public Appeal & Allocation and Isolation

(Live exercise activation)

09:00 - c.16:00

Industry Briefing Note: https://www.nationalgrid.com/uk/gas-transmission/safety-and-emergencies/network-gas-supply-emergencies-ngse

Gas Transmission

Regulatory & Commercial Update



Rachel Hinsley
Senior Codes Change Lead



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Current Gas Quality Projects

Temporary blending arrangement at Bacton was implemented, facilitated by UNC Modification 0714 'Amendment to Network Entry Provision at Bacton Perenco terminal'

Go-Live was 7th June, we accommodated this blend until 12th July

GS(M)R Review – we are developing our thinking about how a revised specification might be implemented on the NTS

We have sought views from all NTS entry, storage and interconnector operators about whether they would want to expand their permitted gas quality range via an on-line questionnaire. We expect to conduct further industry engagement on these issues later in the year.

In-Flight Projects – Capacity Access Review

Project progressing through UNC Review group 0705R

Signalling and Allocation of capacity

Capacity
Products
and Auctions

Secondary Capacity Assignments

2030 Access Regime

In-Flight Projects – Gas Charging Arrangements

Charges

- Transmission Services final reserve prices
- General Non-Transmission Services charge
 - Applicable 1st October

Future of Gas Transmission Charging Open Letter

Sets out some aspects of the charging regime which we believe require further changes; this will resolution UNC modifications over the next 12 months and beyond

Capacity Neutrality Changes

In April 2021 National Grid raised UNC Modification 0765

It proposes to charge back the majority of the capacity neutrality payments made from October –
December 2020 and then redistribute across those Entry parties with Revenue Recovery liabilities between February and September 2021

We will continue to engage industry stakeholders using the NTS Charging Methodology Forum (NTSCMF), webinars and our website

UNC0728B - Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS

- Changes to both Gemini and the UK Link System Applications have been completed to support delivery of UNC0728B. Some changes have already become effective and associated discounts will become available from 01/10/2021.
- System Users are now able to apply for the new product, on eligible routes, by following the existing SPA (Supply Point Administration) registration processes files
- A new invoice and new charge types will be created to support the changes, along with new file formats for SPA and the .NCI Gemini invoice.
- Training to explain the changes can be found here <u>UNC0728B Change</u> <u>Awareness</u>

Find Out More

- We issue a quarterly **newsletter** with a summary of in-flight changes sign up by emailing <u>box.gsoconsultations@nationalgrid.com</u>
- The Gas Market Delivery team have a **webpage** with information on all in-flight projects here: Commercial and Regulatory change | National Grid Gas
- We issue a summary document entitled 'industry change on a page' ahead of all gas ops forums which summarises in-flight modifications – feedback welcome to <u>Anna.Stankiewicz@nationalgrid.com</u>

Gas Market Change – Contact Us

Charging Review

- Amending the Gas
 Transmission Charging
 regime to better meet
 relevant charging
 objectives and
 customer/stakeholder
 provided objectives for
 Transportation charges
- Colin Williams
 <u>colin.williams@nationalg</u>
 <u>rid.com</u>
 07785 451776

Gas Quality

- Gas quality queries
- GS(M)R Review
- Phil Hobbins philip.hobbins@national grid.com

07966 865623

Capacity Access Review

- To address short-term issues and review the principles to establish a long-term strategy for the NTS capacity access regime
- Jen Randall
 jennifer.randall@national
 grid.com

07768 251404

Other Queries

- Queries for National Grid Consultations: .box.GSOConsultations@nationalgrid.com
- All other queries: box.OperationalLiaison@nationalgrid.com

Transmission
0771: Removal of the absolute requirement to include a Remotely
Operable Valve (ROV)
Installation for all new
NTS Entry connections



Rachel Hinsley
Senior Codes Change Lead





Modification proposal

Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Proposal: The modification proposal seeks to remove the absolute requirement to install a ROV at new entry points.

Background: Project CLoCC simplified designs to include a non-Remotely Operable Valve (ROV) solution for NTS Exit connections. The implementation of the UNC Mod 0627s on 17th January 2018 means that National Grid (NG) now has discretion over whether we include a ROV at new NTS exit connections.

We now wish to extend the removal of the absolute requirement to NTS Entry connections.

Why change?

- By removing the absolute requirement for a ROV the customer will have a choice.
- The removal of the 'absolute requirement' would leave the customer with two options:
 - Installation of high integrity gas quality measurement systems which remove the requirement for downstream Gas Quality measurement and a ROV. This will be subject to a Formal Process Safety Assessment (FPSA)
 - Installation of NTS downstream (and upstream if bi-directional flow on the feeder) GQ
 measurement, and a ROV which can be closed should gas conveyed on the NTS be
 measured as GSMR non-compliant.
- This change is proposed based on
 - Customer feedback
 - The ability to make the process of connection more efficient
 - Create cost savings for each connection (up to £250,000 for ROV and telemetry) and reduce cyber risk

Solution

Based on the customer choice from the options in the previous slide, National Grid will carry out a **Formal Process Safety Assessment (FPSA**) to determine if a connection solution should include a ROV or whether it is acceptable to not have the ROV.

If NG determine that a ROV isn't required then, if a customer installs **high integrity gas quality measurement** systems National Grid will **validate** the customers gas quality measurement system and confirm there is **no chance of a breach of GS(M)R** compliance.

If NG determine that a ROV is required, based on the safety assessment this will be required to be installed.

The section of Code looking to be amended is within Section Y, section 26 and is only applicable to National Grid.

Transmission
UNC0745S Mandatory Setting
Auction Bid
Parameters



Ali Tann
NTS Capacity & Access
Development Manager



Summary

- UNC0745S Mandatory Setting of Auction Bid Parameters, goes live on 1st October 2021.
- □ To participate in short-term auctions Users are required to set Upper Limits to both Bid Price and Bid Capacity (volume) using the existing Shipper/User Preferences functionality in Gemini/ Gemini Exit.
- □ Failure to set bid parameters by 1st October will result in an error message preventing bid capture and submission.
- APIs are also subject to this requirement.



Detail of change

Short-term GB capacity auctions mandating the use of bid parameters from 1st October 2021

Gemini	Gemini Exit
Day-Ahead Daily Entry Capacity (DADSEC)	Day-Ahead Daily Exit Capacity (DADNEX)
Within-Day Daily Entry Capacity (WDDSEC)	Within-Day Daily Exit Capacity (WDDNEX)
Daily Interruptible System Entry Capacity (DISEC)	Daily Off-Peak Exit Capacity (DONEX)

Existing functionality allows users to set bid validation parameters

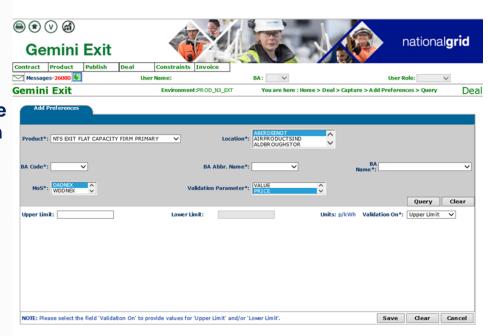
- In Gemini (Entry) this is referred to as Shipper Preferences
 - Home > Deal > Capture > Setup Shipper Preferences
- ☐ In Gemini Exit this is referred to as User Preferences
 - Home > Deal > Capture > Setup User Preferences

Gemini Shipper / User preferences – overview

Preferences can be set up for each **Product**, Method of Sale (MoS), Location, and for each individual Validation Parameter (price/capacity) Multiple locations can be selected at one time **Both Capacity and Price Upper Limits must be** set for any MoS that you wish to participate in Capacity and Price parameters must be set up separately for each MoS that you wish to participate in Additional validation can be added to Value but this not mandatory

Validation Parameters can be modified at any

time once set up.



Next steps and support

From 00:00 1st October 2021, attempting to place a bid in any of the short-term auctions listed without having bid parameters in place for both Bid Price *and* Bid Capacity will generate an error message at the point of bid submission (bid capture). Auction participation will be prevented until set-up is complete. <u>Please</u> don't delay in setting these up in advance.

It is the responsibility of all Users who participate in short-term auctions to set up bid parameters ahead of UNC0745S implementation. Neither National Grid nor Correla/Xoserve are able to undertake this activity on the behalf of Users.

A detailed technical screen pack on how to set up parameters can be found here - **UNC0745 - System Screen Pack**

If you need further support on this, contact <u>capacityauctions@nationalgrid.com</u>, who will arrange this for you (please start subject with - 'MOD745 query').

Gemini User roles able to set up parameters are: Entry IGMS019 & IGMS020* / Exit EXIT007 (Shippers) EXIT008 (DNs)

*Please note: to support this change further we have granted Gemini (Entry) analysts (role IGMS020) the ability to set up bid validation parameters (previously restricted to role IGMS019). This is in line with Gemini Exit, in which all Users can set up parameters, and has been communicated via Campaign Manager.

To clarify timing of this change, the system change to mandate parameters takes effect from 00:00 31st Oct. For example: Bids placed for gas day 1st Oct <u>up to</u> 23:59 31st Sept will not be subject to mandatory parameters, though bids placed <u>after this</u> <u>time</u> on 1st Oct for gas day 1st Oct will require these to be in place prior to auction participation.

Gas Transmission

Data Triage



Joshua BatesOperational Liaison Manager



A Strategy for a Modern Digitalised Energy System

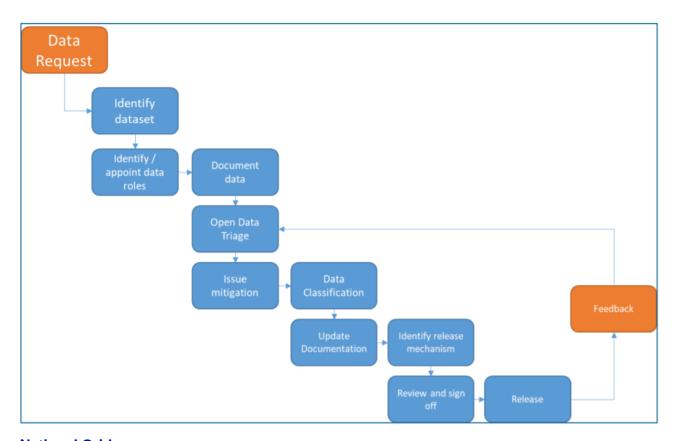
- In October 2018 the Energy Data Taskforce was established to provide Government, Ofgem and Industry with a set of recommendations on how data can assist with unlocking the opportunities provided by a modern, decarbonised and decentralised Energy System at the best value to consumers.
- In June 2019 the Energy Data Taskforce published a report entitled A Strategy for a Modern Digitalised Energy System which presents five key recommendations that will modernise the UK energy system and drive it towards a net zero carbon future through an integrated data and digital strategy throughout the sector.
- In June 2021 the Data Triage Process went live. You can read more about it here and submit a data request here.







Process Overview



Raise a formal data request

Enables you to specify what data you would like to see.

ENA triages the request to determine which network will be able to provide the data.

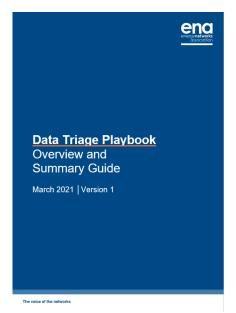
National Grid triages viability.

Request tracked and recorded.

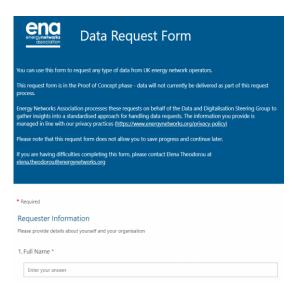
Formal presented a verdict on whether the data can be legally, commercially and physically offered.

Centralised Data Request Form

- Creation of centralised data request form, hosted on ENA website, and request triage process
- You can still directly contact the relevant networks



Data Triage Playbook



Creation of data triage playbook to guide networks from point of receiving request to responding to requestor.

Steps in guide include:

- Documenting data metadata and data dictionary
- Classifying the data Open, Public, Shared, Closed
- Redocumenting data updating existing document with results from triage
- Identify release mechanism how should data be shared
- Feedback how effective was the process for the requestor

Data Sets

A usable dataset is likely to be centred around:

- Data source (device, person, system);
- Subject of data (technical, operational, personal, commercial);
- Time and granularity (collection period, frequency of data collection, inherent aggregation);
- Location (country, region, public/private area);
- Other logical categorisations (project, organisational department, etc.).

Benefits

Anyone can request data sets

Ensures that request is targeted to the relevant potential provide

Relevant potential provide is obliged to demonstrate auditable investigation

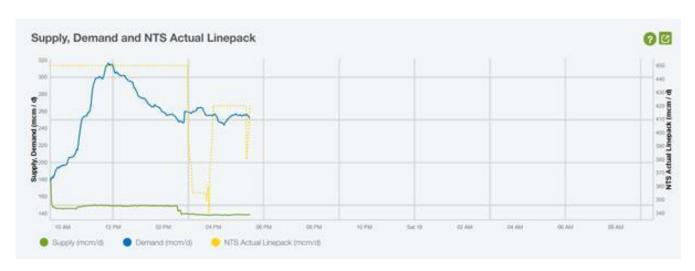
Data becomes public

Allows multi-network requests

Data currently available through the triage process

	Status	
Final Actual Demand at site level (D+6)	This data will complement the data already published at D+1 and will improve data quality to allow model dataset training	Expected Jan 22
Instantaneous Linepack	This will provide a live view of the linepack within the NTS system and how it is being used due to the supply and demand mismatch. This could provide insight into how different supply and demand profiles can impact linepack utilisation.	Planned go-live date is 10 October 21

Instantaneous Linepack



Total Demand

Total Demand Data	Instantaneous NTS Demand Flow						
	12:48	12:50	12:52	12:54	12:56	12:58	
NTS Demand Flow	255.19	256.20	254.91	254.24	252 05	252.06	

NTS Actual Linepack

NTS Actual Linepack	Instantaneous NTS Actual Linepack Flow					
	12:48	12:50	12:52	12:54	12:56	12:58
NTS Actual Linepack	420.00	380.00	390.00	399.00	410.00	420.00

Gas Transmission

Updates



Joshua BatesOperational Liaison Manager



National Grid Gas Transmission Sale

National Grid has announced the acquisition of Western Power Distribution, and the sale of our Rhode Island business in the US to WPD's current owner, PPL. In addition, we announced our intention to initiate the sale of a majority stake in our UK gas business.

For UK Gas Transmission, the preparation for the sale process has already started, and the formal sale process is expected to start in the second half of this calendar year with closing of the transaction expected during the first half of 2022.

For now, it is business as usual. The announcements have no impact on our plans for the RIIO-2 price control period or what we have to deliver.

Stakeholder Engagement Webinars

As part of RIIO2 we have decided to hold an annual Stakeholder Engagement Webinar Series which in 2020 was known as 'Shaping the Future'.

2021's event will take place in November & December, specific dates to be confirmed.

Opportunity to speak to our senior leaders and hear presentations or join discussions about a variety of topics.

Gas Transmission

Close



Joshua Bates
Operational Liaison Manager



Next Forum

The Next Operational Forum will take place on the 21 October at the Clermont Hotel

Please send any topic requests to:

Box.OperationalLiaison@nationalgrid.com

Register now at:

Online

https://www.eventbrite.co.uk/e/october-gas-operational-forum-2021-online-tickets-176622832647

In Person

https://www.eventbrite.co.uk/e/october-gas-operational-forum-2021-in-person-attendance-tickets-167845234615

