NTS Exit Regime Daily Processes Overview







Gas Operations Forum 11th July 2012

Introduction

- NTS Exit Capacity regime moves from the "Transitional" to the "Enduring" period on 1st October 2012
- National Grid NTS agreed to provide a 'refresher' on daily elements of NTS Exit Reform
 - Further detail will be available through Operational fora, Xoserve training on the Gemini system, and on dedicated page of National Grid web site
- Today we will outline
 - Short Term (Daily) NTS Exit Capacity processes
 - Overruns
 - NTS Exit Constraint Management Actions

Short Term NTS Exit Capacity (Daily)

- At NTS Exit Point level
- Day Ahead and Within Day auctions
- Pay as bid auctions reserve prices for capacity sales

Daily Flat Capacity - Firm

TPD B3.5 & Annex B-1

- Auctions held D-1 (15:00) and on D (08.00, 14.00, 18.00, 22.00 and 01.00) + discretionary auctions may be held with 1 hour notice
- From 30 September 2012 onwards
 - Makes unsold firm capacity available
 - Additional firm capacity at National Grid NTS discretion
- Non-zero reserve price
- Users place bids
 - Max 7 days in advance of the relevant Gas Day
 - E.g. for Gas Day 1st October, bid window opens 24th September
 - Fixed or reducing bid quantity
 - Bid price at or above reserve
 - Max 10 bids per User per NTS Exit Point
- Bids allocated on price within 60 minutes

Daily Off-peak Capacity

TPD B3.6 & Annex B-1

- Capacity rights can be curtailed
- Users place bids
 - Max 7 days in advance up until D-1 14:00
 - Zero reserve price
- Amount released = UIOLI + MNEPOR + Discretionary
 - Use It Or Lose It (UIOLI) = 30 day average unutilised firm bookings
 - MNEPOR[‡] related release = (MNEPOR * 24) Aggregate Firm Holdings
 - If 13.30 D-1 Demand forecast > 80% of 1 in 20 peak day demand then MNEPOR is not released
 - Discretionary Release = an amount that may be released for that gas day at the discretion of National Grid NTS
- Allocation at D-1 15:00 hrs

Overruns

If there is an aggregate Overrun at an NTS Exit Point (end of day aggregate flow exceeds Users aggregate flat net entitlement), individual Users who have overrun are:

- Charged for overrun quantity at a price which is the greater of:
 - ■8* the highest price paid in any of the release mechanisms at that NTS Exit Point
 - ■8* the highest reserve price at that Exit Point
 - 1.1* the highest price paid for Exit Capacity through an Exit Capacity Management Action for the Gas Day at that Exit Point
- Where more than one User has overrun, the aggregate overrun quantity will be allocated in proportion to individual overrun quantities

national**grid**TPD B3.8-3.11 Annex B-2

Constraint Management

195av introduced the following Exit Constraint Management tools:

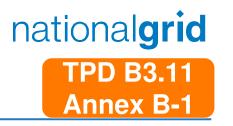
- Curtailment of Off-peak capacity rights
- Surrender of Firm capacity rights (Daily Buyback)
- Exit Capacity Management Agreements (Forwards and Options)
- Offtake Reduction (Offtake Flow Reduction)

Curtailment & Restoration of Daily Off-peak Capacity



- For constraint management National Grid NTS may curtail Users' off-peak capacity rights
- Notice to Users will specify:
 - The NTS Exit Point(s) and Gas Day
 - The effective time of curtailment:
 - On the hour between 06:00 and 02:00 on the Gas Day
 - Not less than 4 hours notice
 - The curtailment factor
- National Grid NTS can also Restore Off-peak capacity following a curtailment.

Surrender (Buyback) of Daily Firm Capacity



- National Grid NTS notifies Users at which NTS Exit Points offers are required
- Users can submit offers irrespective of a notification
 - Max 7 days in advance of the relevant Gas Day
 - Fixed or reducing quantity
 - Offer price (pay as bid)
 - Max 10 offers per User per NTS Exit Point
- National Grid NTS capacity offer selection period:
 - no earlier than 15:00 on D-1 and
 - no later than 02:00 on Day D
- The amount accepted for buyback is at the discretion of National Grid NTS

Offtake Flow Reduction (OFR)

Annex B-2

- National Grid NTS notifies requirements to Users
 - NTS Exit Point(s)
 - Start and End hour of reduction period
 - Flow reduction required (kWh)
 - Offer submission deadline
- Users can submit offers
 - Reduction quantity for the period
 - Offer price (pay as bid)
 - Max 10 offers per User per NTS Exit Point
- National Grid NTS selects, allocates offers, notifies Users (>60 mins) before start of reduction period & publishes results
- Users with accepted OFR offer(s) submit revised OPN(s) within 30 minutes

Obligations

TPD J7.4

- National Grid NTS are not liable for Exit constraint costs as a consequence of:
 - Users exceeding Maximum Permitted Rate at an NTS Exit Point or
 - a Chargeable NTS Exit (Flat) Overrun or NTS Exit (Flexibility) Overrun at that Exit Point or
 - a planned maintenance day

Information Publication

TPD B3.6 & Annex B-1

- New data items on NTS Exit Capacity will be published across Gemini Exit and MIPI systems
- Auction Data
 - Each auction process has its own set of information to be provided within the hour, National Grid NTS obliged to publish results for
 - Daily Firm Capacity Auctions
 - Daily Off-Peak Capacity Auctions
 - Constraint Management Actions
- Forecast Demand:
 - 13:30 D-1 National Grid NTS will publish the forecast system demand as a percentage of the peak 1 in 20 demand
- MNEPOR of each NTS Exit Point

Web pages & Contacts

- National Grid Web page <u>http://www.nationalgrid.com/uk/Gas/OperationalInfo/endureexitcap/</u>
- Mike Wassell 01926 654167
 <u>mike.j.wassell@nationalgrid.com</u>
- Exit Capacity Applications/Auctions/Information 01926 654058
 nts.exitcapacity@nationalgrid.com
- Gemini Exit System and Training (via Xoserve) http://www.xoserve.com/Gemini_Training.asp xoserve.ntsexitreform@xoserve.com
- General NTS Exit Reform queries exitreform.pmo@nationalgrid.com