

Gas Balancing Alert Proposal

Demand Side Working Group

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Summary

- ◆ The following represents a proposed methodology for setting a Gas Balancing Alert (GBA) based on a combination of the absolute Supply & Demand level and the impact of a potential breach of a Safety Storage Monitor
- ◆ The GBA should indicate a potential requirement for demand response
- ◆ The GBA will not cover the likelihood of Interruption to manage Transportation Constraints

Gas Balancing Alert (GBA)

- ◆ Initial Trigger level based on
 - ◆ Forecast Maximum Supplies
- ◆ GBA issued when
 - ◆ Forecast daily demand > Trigger Level
- ◆ Trigger level will be modified as each type of storage approaches its safety monitor

Gas Supply Assumptions

- ◆ Base case assumptions, applicable to the assessment of gas availability over a winter duration:
 - ◆ maximum daily gas delivery at the beach of around 327 mcm/d.
 - ◆ average beach gas availability of 92.5% of the maximum beach forecast, leading to an average beach delivery level of 303 mcm/d.
 - ◆ Interconnector imports at an average level of 42 mcm/d, equal to the present level of capacity plus 75% of the additional capacity, completion of which is now targeted for November.
 - ◆ Grain LNG imports at an average level of 13 mcm/d, equal to the contracted level of capacity but less than the maximum physical capability.
 - ◆ 75% of new and enhanced storage deliverability available.

2005/06 Supply – Base Case Assumptions*

Supply (mcm/d)	Maximum	Base Case Assumption	Comments
Beach	327	303	92.5% max beach
Grain	17	13	
IC Imports	48	42	75% new imports
Total Supply ex Storage	392	358	
Existing Storage	114	114	
New Storage	6	5	75% new storage
Total Supply inc Storage	512	477	

*Assumptions consistent with those published in Safety Monitor Requirements Sept 2005

2005/06 Supply Forecast

Supply (mcm/d)	Maximum	Base Case Assumption
Total Supply ex Storage	392	358
Long Range Storage	42	42
Mid Range Storage	29	28
Short Range Storage	49	49
Total Storage	120	119
<i>Total Supply inc Storage</i>	<i>512</i>	<i>477</i>

GBA Trigger Calculation

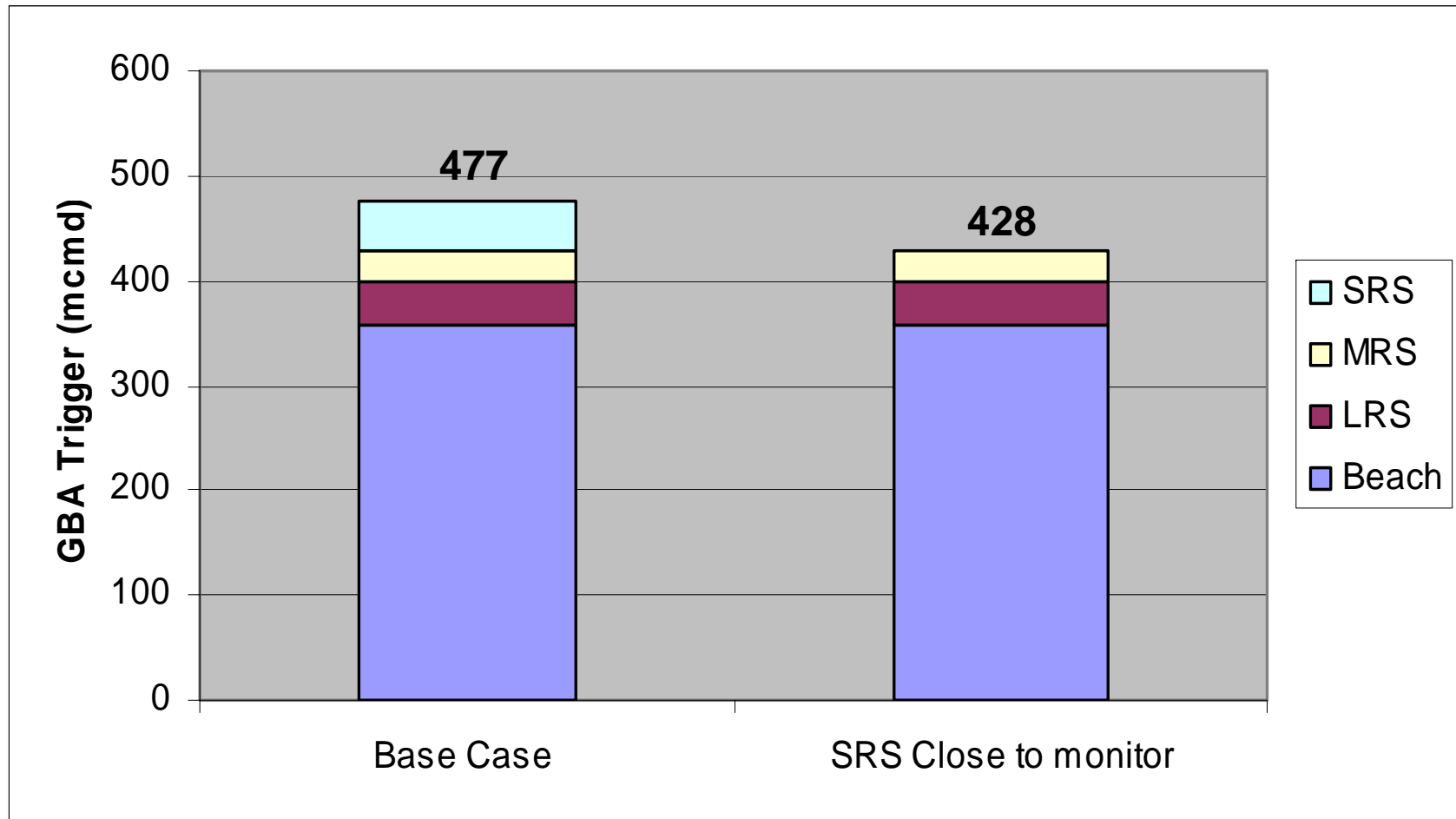
	Level (Mcm/d)		
Base GBA Trigger	477		
		Potential Storage Breach?	Adjustment (Mcm/d)
LRS Adjustment		N	-42
MRS Adjustment		N	-28
SRS Adjustment		N	-49
GBA Trigger	477		

GBA Trigger Calculation - Example

SRS Monitor Approaching

	Level (Mcm/d)		
Base GBA Trigger	477		
		Potential Storage Breach?	Adjustment (Mcm/d)
LRS Adjustment		N	-42
MRS Adjustment		N	-28
SRS Adjustment	-49	Y	-49
GBA Trigger	428		

GBA Trigger Setting



GBA Trigger Setting

- ◆ LRS adjustment applies if
 - ◆ $\leq [2]$ days left based on maximum export rate
- ◆ MRS adjustment applies if
 - ◆ $\leq [2]$ days left based on maximum export rate
- ◆ SRS adjustment applies if
 - ◆ $\leq [2]$ days left based on maximum export rate

Storage Information

- ◆ Web page will show storage stock levels at 06.00 D on 16.00 on D+1
- ◆ GBA trigger to use this information less any SFN information in order to decide if trigger should be revised.
 - ◆ May need further permission from storage operators

Historical Analysis

- ◆ At 477 mcm/d (86.5% peak) there would have been no GBA issued in the past 4 years
- ◆ At 428 mcm/d (77.6% peak) there would have been;
 - ◆ No GBA winter 2004/05
 - ◆ 5 GBA's winter 2003/04
 - ◆ 14 GBA's winter 2002/03
 - ◆ 3 GBA's winter 2001/02

GBA Trigger Timing & Sensitivity

- ◆ It is proposed that GBAs will be assessed and potentially issued following the 13:00 demand forecast on D-1 (day ahead)
- ◆ The GBA will be adjusted based on storage being less than or equal to [2] days from a breach based on the maximum rate
- ◆ It may be possible to issue the GBAs with more notice but this will increase their likelihood

GBA Name

Possible Options

- ◆ Gas Balancing Alert – might be considered too harsh??
- ◆ Gas NISM – inappropriate as no concept of gas supply margin
- ◆ Gas Balancing Cautionary Notice –
- ◆ Other suggestions on a postcard..... prize for the winner!!