

Consumers and their representatives, gas transporters, gas shippers, gas suppliers and other interested parties

Promoting choice and value for all gas and electricity customers

Our ref: 06/11

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Date: 18 January 2011

Dear Colleague

# Consultation on "relevant points" of a transmission system for the purposes of Article 18(4) Gas Regulation (EC) No 715/2009

Article 18 (4) of Gas Regulation (EC) No 715/2009 requires the competent authorities to approve, after consultation with network users, the relevant points of a transmission system on which certain information must be made public.

Under Chapter 3 of Annex I of Gas Regulation (EC) No 715/2009 relevant points are defined as well as the information required to be published at each relevant point. Chapter 3 of Annex I was amended in November 2010¹. This consultation letter outlines Ofgem's proposal for defining relevant points under these new requirements, which must be effected by March 2011.

### **Background**

Article 6(4) of Gas Regulation (EC) No 1775/2005 required the competent authority to approve, after consultation with network users, the relevant points of a transmission system on which certain information must be made public. Ofgem, after consultation, in November 2010 published a list of relevant points<sup>2</sup>, which was based on all the points listed in National Grid Gas's transporter licence<sup>3</sup>. Gas Regulation (EC) No 1775/2005 will be repealed from 03 March 2011.

#### **Definition of Relevant Points**

Amended Paragraph 3.2 of Annex I of Gas Regulation (EC) 715/2009 defines "relevant points" for transparency requirements as:

<sup>&</sup>lt;sup>1</sup> The new requirements were published on 11 November 2010: <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:293:0067:0071:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:293:0067:0071:EN:PDF</a>

The Authority's approval of "relevant points" of a transmission system for the purposes of Article 6(4) Gas Regulation (EC) No 1775/2005:

http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=41&refer=Networks/Trans/GasTransPolicy

3 Annex A of Special Condition C8E outlines the exit points. Annex A of Special Condition C8D outlines the entry

- (1) Relevant points shall include at least:
  - (a) all entry and exit points to and from a transmission network operated by a transmission system operator, with the exception of exit points connected to a single final customer, and with the exception of entry points linked directly to a production facility of a single producer that is located within the EU;
  - (b) all entry and exit points connecting balancing zones of transmission system operators;
  - (c) all points connecting the network of a transmission system operator with an LNG terminal, physical gas hubs, storage and production facilities, unless these production facilities are exempted under a)
  - (d) all points connecting the network of a given transmission system operator to infrastructure necessary for providing ancillary services as defined by Article 2(14) of Directive  $2009/73/EC^4$ .
- (2) Information for single final customers and for production facilities, that is excluded from the definition of relevant points as described under 3.2.1(a), shall be published in aggregate format, at least per balancing zone. The aggregation of single final customers and of production facilities, excluded from the definition of relevant points as described under 3.2.1(a), shall for the application of this Annex be considered as one relevant point.
- (3) Where points between two or more transmission operators are managed solely by the transmission operators concerned, with no contractual or operational involvement of system users whatsoever, or where points connect a transmission system to a distribution system and there is no contractual congestion at these points, transmission system operators shall be exempted for these points from the obligation to publish the requirements under paragraph 3.3 of this Annex. The national regulatory authority may require the transmission system operators to publish the requirements under paragraph 3.3 of this Annex for groups or all of the exempted points. In such case, the information, if available to the TSO, shall be published in an aggregated form at a meaningful level, at least per balancing zone. This aggregation of these points shall for the application of this annex be considered as one relevant point.

This new definition of relevant points differs from the previous definition of relevant points (under Gas Regulation 1775/2005) in the following ways:

- Paragraph 3.2.1(a) of Annex I of Gas Regulation (EC) 715/2009 allows the
  exception of exit points connected to a single final customer and the exception of
  entry points linked directly to a production facility of a single producer located within
  the EU.
- Paragraph 3.2.1(a) goes beyond the previous requirement to cover "at least" 50% of total exit capacity or exit zones covering more than 2% of the total exit capacity. In that it includes all exit and entry points subject to exceptions.
- Paragraph 3.2.1(c) now also includes physical gas hubs, storage and production facilities.
- Paragraph 3.2.2 is a new paragraph which requires points excluded from the definition of relevant points under 3.2.1(a) to be published in aggregate format.

<sup>&</sup>lt;sup>4</sup> 'Ancillary services' is defined as all services necessary for access to, and the operation of, transmission networks, distribution networks, LNG facilities and/or storage facilities, including load balancing, blending and injection of inert gases, but not including facilities reserved exclusively for transmission system operators carrying out their functions.

• Paragraph 3.2.3 is a new paragraph which allows some exemptions to points between two or more transmission operators which are solely managed by the transmission operator, providing this information is published in aggregate.

# Information to be published at each relevant point under Gas Regulation (EC) 715/2009

Amended Paragraph 3.3 of Annex I of Gas Regulation (EC) 715/2009 outlines the information that must be published for each relevant point. It states that:

- (1) At all relevant points, transmission system operators shall publish the information as listed in paragraphs (a) to (g), for all services and ancillary services provided (in particular information on blending, ballasting and conversion). This information shall be published on a numerical basis, in hourly or daily periods, equal to the smallest reference period for capacity booking and (re-)nomination and the smallest settlement period for which imbalance charges are calculated. If the smallest reference period is different from a daily period, information as listed in paragraphs (a) to (g) shall be made available also for the daily period. This information and updates shall be published as soon as available to the system operator ("near real time").
- (a) the technical capacity for flows in both directions;
- (b) the total contracted firm and interruptible capacity in both directions;
- (c) the nominations and re-nominations in both directions;
- (d) the available firm and interruptible capacity in both directions;
- (e) actual physical flows;
- (f) planned and actual interruption of interruptible capacity;
- (g) planned and unplanned interruptions to firm services as well as the information on restoration of the firm services (in particular, maintenance of the system and the likely duration of any interruption due to maintenance). Planned interruptions shall be published at least 42 days in advance.
- (2) At all relevant points, the information under paragraph 3.3(1) (a), (b) and (d) shall be published for a period of at least 18 months ahead.
- (3) At all relevant points, transmission system operators shall publish historical information on the requirements of paragraph 3.3(1) (a) to (g) for the past 5 years on a rolling basis.
- (4) Transmission system operators shall publish measured values of the gross calorific value or the Wobbe index at all relevant points, on a daily basis. Preliminary figures shall be published at the latest 3 days following the respective gas day. Final figures shall be published within 3 months after the end of the respective month.
- (5) For all relevant points, transmission system operators shall publish available capacities, booked and technical capacities, on an annual basis over all years where capacity is contracted plus 1 year, and at least for the next 10 years. This information shall be updated at least every month or more frequently, if new information becomes available. The publication shall reflect the period for which capacity is offered to the market.

Much of this information is already published for entry and exit points, having been agreed with industry through the Uniform Network Code modification process. We believe this should continue to be an appropriate mechanism to explore data publication going beyond the requirements outlined in the Gas Regulation.

National Grid commenced, in April 2010, a project (MIPI<sup>5</sup> European Transparency project) to update its gas operational data publication systems to reflect the enhanced requirements, as well as provide this information to a central ENTSOG transparency

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<sup>&</sup>lt;sup>5</sup> Market Information Provision Initiative, further details can be found at www.nationalgrid.com/uk/gas/data

information platform. This project was concluded in November 2010, publishing the enhanced requirements for all entry points/ exits points, aggregated system entry points, aggregated for power stations and aggregated for industrial offtakes.

The table below outlines what information under amended Paragraph 3.3 of Annex I of Gas Regulation (EC) 715/2009 was already published and the new information provided under National Grid's European Transparency project.

Table 1: Information published under the European Transparency project

Information required to be published at Relevant Points in Amended Paragraph 3.3 Gas Regulation (EC) 715 2009	Published prior to November 2010	Enhanced requirement provided under the MIPI European Transparenc y Project from November 2010	Where data can be found or Comment
1 (a) the technical capacity for flows in both directions;	Y		http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx  http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/
1(b) the total contracted firm and interruptible capacity in both directions;	Y		http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/ http://marketinformation.natgrid.co.uk/gas/DataItemExplorer.aspx http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx
1(c) the nominations and re-nominations in both directions;	N	New report to meet ex- ante and ex- post publication requirement.	http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx
1(d) the available firm and interruptible capacity in both directions;	Y		http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/ http://marketinformation.natgrid.co.uk/gas/DataItemExplorer.aspx http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx
1(e) actual physical flows;	Y	New summary report showing NTS EoD physical flows at entry points. (Exit EoD offtakes were already published).	http://www.nationalgrid.com/uk/Gas/Data/EFD/ http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx
1(f) planned and actual interruption of interruptible	Y		http://marketinformation.natgrid.co.uk/gas/frmPrevalingView.aspx http://marketinformation.natgrid.co.uk/gas/frmReportExplorer.aspx

capacity;			http://marketinformation.natgrid.co.uk/gas/frmDataItemExplorer.aspx
, ,,			http://www.nationalgrid.com/uk/Gas/OperationalInfo/maintenance/
1(g) planned and unplanned interruptions to firm services as well as the information on restoration of the firm services (in particular, maintenance of the system and	Y		http://www.nationalgrid.com/uk/Gas/OperationalInfo/maintenance/ http://marketinformation.natgrid.co.uk/gas/frmPrevalingView.aspx http://marketinformation.natgrid.co.uk/gas/frmReportExplorer.aspx http://marketinformation.natgrid.co.uk/gas/frmDataItemExplorer.aspx http://www.nationalgrid.com/uk/Gas/OperationalInfo/maintenance/
the likely duration of any interruption due to maintenance). Planned interruptions shall be published at least 42 days in advance.			
(2) the information under paragraph 3.3(1)(a), (b) and (d) shall be published for a period of at least 18 months ahead.	Y		http://marketinformation.natgrid.co.uk/gas/frmReportExplorer.aspx http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/ http://marketinformation.natgrid.co.uk/Gas/ExitCapacityReports.aspx
(3) historical information on the requirements of paragraph 3.3(1)(a) to (g) for the past 5 years on a rolling basis.	N	Existing MIPI system could retrieve data for past 2 years. Data set now accumulating to 5 years.	http://marketinformation.natgrid.co.uk/gas/frmReportExplorer.aspx http://marketinformation.natgrid.co.uk/gas/frmDataItemExplorer.aspx
(4) measured values of the gross calorific value or the Wobbe index at all relevant points, on a daily basis. Preliminary figures shall be published at the latest 3 days following the respective gas day. Final figures shall be published within 3 months after the end of the respective month	Y	Enhancement s to existing reports – such as CV data now included in the EoD Offtake report and new EoD Physical Flow report.	http://marketinformation.natgrid.co.uk/gas/frmReportExplorer.aspx http://marketinformation.natgrid.co.uk/gas/frmDataItemExplorer.aspx
(5) available capacities, booked and technical capacities, on an	Y		http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/

and the state of t			
annual basis over			
all years where			
capacity is			
contracted plus 1			
year, and at least			
for the next 10			
years. This			
information shall			
be updated at			
least every			
month or more			
frequently, if new			
information			
becomes			
available. The			
publication shall			
reflect the period			
for which			
capacity is			
offered to the			
market.			

Source: National Grid

#### The proposal

Transparency is an essential requirement for the functioning of an effective market. The amended Gas Regulation recognises this by increasing information publication requirements. GB already publishes a great deal of data and it is important to ensure defining relevant points under the new requirements does not diminish information already published as agreed by the industry.

It is proposed therefore that all entry and all exit points, with the exception of exit points connected to a single final customer, be considered as relevant points with information for single final customers published in aggregate format. The aggregation of single final customers shall be aggregated into two groups: Industrial Connects and Power Stations, with each group being considered as a relevant point.

Consistent with UNC requirements GB shall continue to report ex-post demand information for directly connected exit points at an individual point level, as well as aggregated into the two categories: "Industrial Connects" and "Power Stations" rather than as a single aggregate value. We believe this split by category remains appropriate for the publication of ex-ante demand information. The size of the GB system is such that we feel this gives a sufficient level of aggregation to protect the commercial confidentiality of single end users.

Although the amended Annex 1 allows information from single producers to be aggregated, Ofgem notes that GB already publishes a great deal of information at a disaggregated level. We therefore do not believe it is meaningful, in a GB context, to aggregate single producer sites supplying the NTS.

Relevant entry points as outlined in Table 1 of Annex A are based on Aggregated System Entry Points (ASEPs). Under the existing GB arrangements, capacity is sold at an Aggregated System Entry Point (ASEP) level but nominations are done at an individual entry point level. We believe it is appropriate, for consistency, to base relevant entry points on ASEPs, reflecting how capacity is made available. It should be noted that under Article 18 (6) of Gas Regulation (EC) No 715/2009, with respect to "ex-ante and ex-post supply and demand information, based on nominations, forecasts and realised flows ...... the level of detail of the information that is made public shall reflect the information available to the transmission system operator". This means that although the relevant entry point is at ASEP level, energy information<sup>6</sup> should continue be published at a disaggregated entry

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<sup>&</sup>lt;sup>6</sup> This has included physical flows, and allocations. This will now include nominations and re-nominations.

point level, as this is the level of detail that National Grid has and would be consistent with current reporting. We understand that if relevant points are delivered as proposed above, National Grid consider they meet the information requirements of Amended paragraph 3.3 of Gas Regulation (EC) No 715/2009 as per Table 1.

### **Questions**

We ask interested parties to outline in their consultation response any points which they consider should not be defined as relevant points and the reason for their consideration only on an aggregated basis, or whether there are additional points which should be defined as relevant points and the reason for their inclusion on a disaggregated basis.

Would you agree that the information published under National Grid's European transparency project meets the requirements of the Gas Regulation? If not please specify where you consider it falls short.

#### Responses

If you have any comments or questions on this letter, please contact Paul O'Donovan on +44 20 7901 7414 or <a href="mailto:gas.transmissionresponse@ofgem.gov.uk">gas.transmissionresponse@ofgem.gov.uk</a> in the first instance. Please respond to this consultation by 01 March 2011. Please put any confidential material in the appendices to your response.

Unless marked confidential, all responses will be published on Ofgem's website <a href="www.ofgem.gov.uk">www.ofgem.gov.uk</a> and placed in its library. Respondents may request that their response is kept confidential. Ofgem shall respect your request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

Respondents who wish to have their responses remain confidential, should <u>clearly mark</u> the document/s to that effect and give the reasons for confidentiality.

Once all the responses to this consultation have been assessed, Ofgem intends to issue a further letter listing those points that it approves as relevant points for the purpose of Article 18.4 of Gas Regulation (EC) No 715/2009.

Yours Sincerely

Martin Crouch
Partner, European Strategy

## **Annex A: Proposed Relevant Points**

Table 1: Relevant entry points

Table 1: Relevant entry points
Albury
Avonmouth
Bacton
Barrow
Barton Stacey
Burton Point
Caythorpe
Cheshire
Dynevor Arms
Easington
Fleetwood
Garton
Glenmavis
Hatfield Moor (onshore)
Hatfield Moor (storage)
Hole House Farm
Hornsea
Isle of Grain
Milford Haven
Moffat
Palmers Wood
Partington
St. Fergus
Tatsfield
Teesside
Theddlethorpe
Winkfield
Wytch Farm

Table 2: Relevant exit points
Aberdeen
Alrewas (EM)
Alrewas (WM)
Armadale
Aspley
Asselby
Audley (NW)
Audley (WM)
Austrey
Avonmouth Max Refill
Aylesbeare
Bacton
Bacton (Baird)
Bacton (BBL)
Bacton (IUK)
Baldersby
Balgray
Barrow (Bains)
Barrow (Gateway)
Barton Stacey Max Refill (Humbly Grove)
Bathgate
Bishop Auckland
Blaby
Blackrod
Blyborough
Braishfield A
Braishfield B
Brisley
Broxburn
Burley Bank
Caldecott
Cambridge
Careston
Caythorpe
Cirencester
Coffinswell
Coldstream
Corbridge
Cowpen Bewley
Crawley Down
Dowlais
Drointon
Drum
Dyffryn Clydach
Dynevor Max Refill
Easton Grey
Ecclestone
Elton

Evesham
Farningham
Farningham B
Fiddington
Ganstead
Garton Max Refill (Aldbrough)
Gilwern
Glenmavis
Glenmavis Max Refill
Gosberton
Great Wilbraham
Guyzance
Hardwick
Hatfield Moor Max Refill
Hole House Max Refill
Holford
Holmes Chapel
Horndon
Hornsea Max Refill
Humbleton
Hume
Ilchester
Ipsden Ipsden 2
Keld
Kenn
Kinknockie
Kirkstead
Langholm
Lauderhill
Little Burden
Little Burdon Littleton Drew
Lockerbie
Lower Quinton
Lupton
Luxborough Lane
Lyneham (Choakford)
Malor
Malpas
Mappowder
Market Harborough
Matching Green
Melkinthorpe
Mickle Trafford
Milwich
Moffat (Irish Interconnector)
Mosside
Netherhowcleugh

Pannal
Partington
Partington Max Refill
Paull
Peterborough Eye (Tee)
Peters Green
Peters Green South Mimms
Pickering
Pitcairngreen
Pucklechurch
Rawcliffe
Ross (SW)
Ross (WM)
Roudham Heath
Rough Max Refill
Royston
Rugby
Saltwick Pressure Controlled
Saltwick Volumetric Controlled
Samlesbury
Seabank (DN)
Shorne
Shustoke
Silk Willoughby
Soutra
St Fergus
Stranraer
Stratford-upon-Avon
Stublach (Cheshire)
Sutton Bridge
Tatsfield
Thornton Curtis
Thrintoft
Towlaw
Towton
Tur Langton
Walesby
Warburton
West Winch
Weston Point
Wetheral
Whitwell
Winkfield (NT)
Winkfield (SE)
Willklield (SL)
Winkfield (SO) Yelverton

Table 3: Relevant exit points (to be published as two aggregate exit points, one for Power Stations and the other for Industrial Offtakes)

	Power Station	Industrial Offtake
Abernedd Power Station	Υ	
Abson (Seabank Power Station phase I)	Y	
Bacton (Great Yarmouth)	Υ	
Barking (Horndon)	Υ	
Barrow (Black Start)		Υ
Billingham ICI (Terra Billingham)		Υ
Bishop Auckland (test facility)		Υ
Blackness (BP Grangemouth)		Υ
Blyborough (Brigg)	Υ	
Blyborough (Cottam)	Υ	
Brine Field (Teesside) Power Station	Υ	
Burton Point (Connahs Quay)	Υ	
Caldecott (Corby Power Station)	Υ	
Carrington (Partington) Power Station	Υ	
Centrax Industrial		Υ
Coryton 2 (Thames Haven) Power Station	Υ	
Deeside	Y	
Didcot A	Y	
Didcot B	Y	
Drakelow Power Station	Υ	
Eastoft (Keadby Blackstart)	Υ	
Eastoft (Keadby)	Y	
Enron Billingham	Υ	
Epping Green (Enfield Energy, aka Brimsdown)	Y	
Ferny Knoll (AM Paper)		Υ
Goole (Guardian Glass)		Υ
Gowkhall (Longannet)	Υ	
Grain Power Station	Υ	
Harwarden (Shotton, aka Shotton Paper)		Υ
Hatfield Power Station	Υ	
Hollingsgreen (Hays Chemicals)		Υ
Langage Power Station	Υ	
Marchwood Power Station	Υ	
Medway (aka Isle of Grain Power Station, NOT Grain Power)	Y	

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Middle Stoke (Damhead Creek, aka Kingsnorth Power Station)	Y	
Pembroke Power Station	Υ	
Peterborough (Peterborough Power Station)	Υ	
Phillips Petroleum, Teesside		Υ
Pickmere (Winnington Power, aka Brunner Mond)	Y	
Roosecote Power Station (Barrow)	Υ	
Rosehill (Saltend Power Station)	Y	
Ryehouse	Υ	
Saddle Bow (Kings Lynn)	Υ	
Saltend BPHP (BP Saltend HP)		Υ
Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)		Y
Seabank (Seabank Power Station phase II)	Y	
Sellafield Power Station	Υ	
Shellstar (aka Kemira, not Kemira CHP)		Y
Shotwick (Bridgewater Paper)		Υ
Spalding 2 (South Holland) Power Station	Y	
St. Fergus (Peterhead)	Υ	
St. Fergus (Shell Blackstart)		Υ
St. Neots (Little Barford)	Υ	
Stallingborough (phase 1)	Υ	
Stallingborough (phase 2)	Υ	
Stanford Le Hope (Coryton)	Y	
Staythorpe PH1	Y	
Staythorpe PH2	Y	
Sutton Bridge Power Station	Y	
Teesside (BASF, aka BASF Teesside)		Y
Teesside Hydrogen		Υ
Terra Nitrogen (aka ICI, Terra Severnside)		Υ
Thornton Curtis (Humber Refinery, aka Immingham)		Y
Thornton Curtis (Killingholme)	Υ	
Tonna (Baglan Bay)	Υ	
Upper Neeston (Milford Haven Refinery)		Υ
West Burton Power Station	Υ	

Weston Point (Castner Kelner, aka ICI Runcorn)		Υ
Weston Point (Rocksavage)	Υ	
Wragg Marsh (Spalding)	Υ	
Wyre Power Station	Υ	
Zeneca (ICI Avecia, aka 'Zenica')		Υ