

EU Network Codes 'Phase 2' Implementation

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1st October 2015 – BAL & INT

Change delivered in respect of the following:

- Balancing Code requirements – GB balancing regime broadly aligned, however changes required as follows:
 - New **nominations** process at Interconnection Points (Shipper to TSO)
 - Adjustment to derivation of **System Marginal Prices**
 - New **demand forecast** at D-1 12:00
- Related Interoperability & Data Exchange Code requirements – complementary changes required as follows:
 - Nominations **matching** process at Interconnection Points (TSO to TSO)
 - Introduction of new **gas allocation** regime at Interconnection Points
 - Allocation is equal to shipper nominations (**‘Allocate as nominate’**)
 - Operational Balancing Account (**‘OBA’**)
 - Related revisions to **‘Interconnection Agreements’**

1st October 2015 – Gas Day Change

- Gas day has changed to 5-5 for balancing zone (BAL) at IPs (CAM)
- Gas Day interface solution (Option A) operating as expected
 - NG now accepting EOD measurements via XML, as per industry solution
 - Worked closely with Poyry and the sub-terminals up to and immediately after “go-live” to solve individual issues and ensure smooth operation from 1st October
 - All NTS operational metering equipment reconfigured successfully
 - Licence, UNC and UNC associated documents consequential changes complete
- Energy balancing currently operating in a “typical” manner, despite concerns over accuracy of shipper “5-5” nominations

1st November 2015 – CAM

Change delivered in respect of the following:

- New standard EU wide auctions for interconnection Points (IPs):
 - standard capacity products, auction calendar, auction algorithm
- Capacity to be offered on a **bundled** basis with capacity from the adjacent TSO.
 - capacity is converted and offered in kWh/h at the Bacton IPs.
- IP Capacity must be offered by the TSO via a joint web based booking platform.
 - Following industry consultation, NG agreed with adjacent TSOs to use the **PRISMA** booking platform

General IP Auctions Overview Since 1st Nov

- Auction processes running smoothly
- >3000 NG auctions held on PRISMA since first day ahead auction on 31st Oct
- 18+ shippers actively taking part in IP auctions on PRISMA at NG points (40+ Registered on PRISMA)
- A mixture of bundled and unbundled capacity offered to the market
- All IP bids have so far been allocated in full
 - IP auctions have all cleared at reserve price (no premium)
- Shippers also successfully trading capacity at IPs

General IP Auctions Overview Since 1st Nov

- No competition has taken place at the 1:2 Interconnection Points, as NG has more available capacity than the adjacent TSOs
- Bacton UKCS update:
 - continues under prevailing GB regime with new baseline
 - NGG have released non-obligated capacity to meet market demand at the ASEP

Phase 2 – Systems Implementation

Systems Implementation

- Thanks to everyone involved with systems implementation
 - Overall a success, most complex change since Exit Reform
 - There have been some issues to resolve
 - We recognise there are some learning points for us

- Challenging, multi-dimensional changes
 - Multiple TSOs and DNs, all with slightly different requirements
 - Interfaces with existing shipper systems
 - New interfaces with PRISMA and TSO systems
 - Multiple planning and testing schedules
 - All elements delivered on time

Resolved Systems Issues

- Nominations 'lock out' issue during the matching process
- Start time not automatically populating for within-day matching cycles starting at hour bars 21:00, 22:00 and 23:00
- Shipper balance screens indicating incorrect confirmed nominations
- Users unable to re-nominate a positive value if a zero entered as the original nomination
- Day-ahead re-nominations submitted between 04:00 and 05:00
- Day-ahead interruptible auction failed to run on 2 occasions – PRISMA technical issue

Issues Awaiting Resolution

- Locked out of amending SSN as a result of entering incorrect information
 - In the interim, Users can contact the Xoserve helpdesk to get the erroneous information deleted
- Re-nominating day ahead with APIs (found following 22/11 patch)
 - No issue if re-nominating directly on screen or within day
- Zero firm price within day is currently set to 0.00000001p/kWh/d
 - PRISMA limitation - very small impact seen (a few pence only)
- Fixes for these issues are being worked on but we are not currently able to advise delivery dates

Phase 2 – Next Steps

- Lessons learned workshop planned for 7th January
 - To follow Transmission Workgroup meeting
 - Invitations to be sent out shortly
 - Chris Logue leading