

Gas System  
Operator

# 0669R - Review of MN & GDW Arrangements

21<sup>st</sup> January 2019

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# Aim for Today's Workgroup

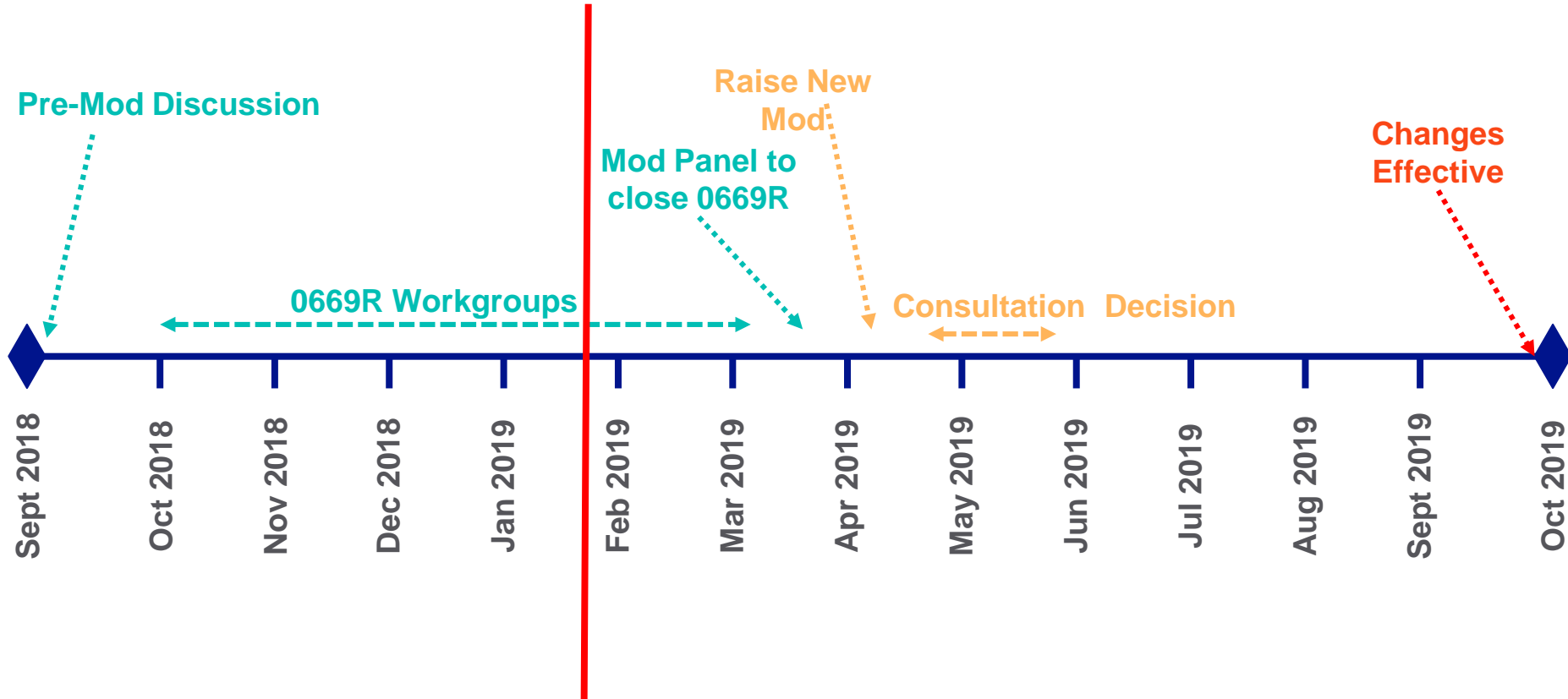
## Purpose of Review:

*To review the processes, timeliness, and information provision associated with National Grid's security of supply notices and to review the name of the Gas Deficit Warning notice.*

Today, we would like to agree with the workgroup that:

- Sufficient clarity has been provided regarding National Grid's actions leading up to and including 1<sup>st</sup> March 2018
- Our data quality proposals contained in this slide pack would deliver a more robust NSS assessment process
- Changes related to the transparency of Margins Notice and NSS figure on National Grid website can be considered via the 'Information Provision Enhancements' Working Group

# UNC Timeline



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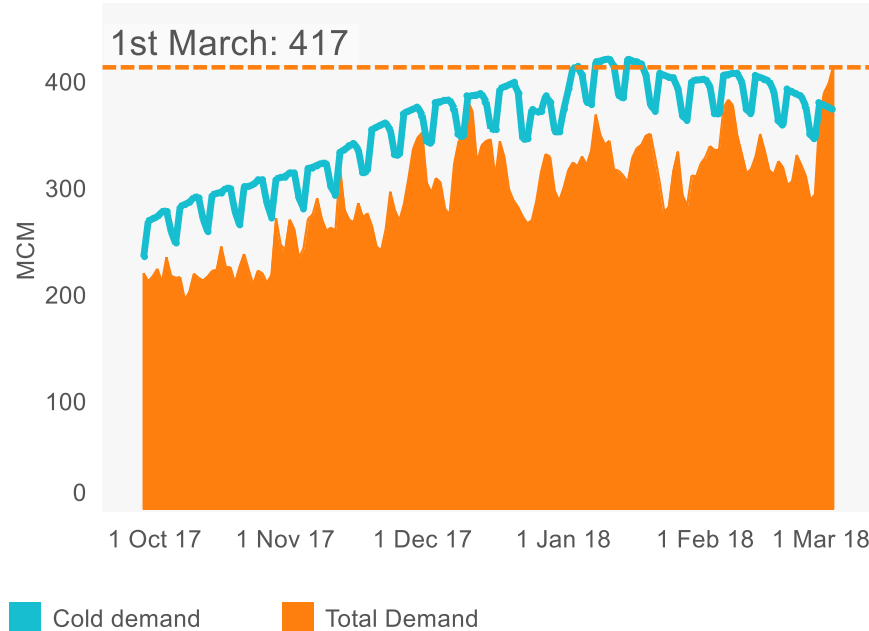
# System Management & Trading

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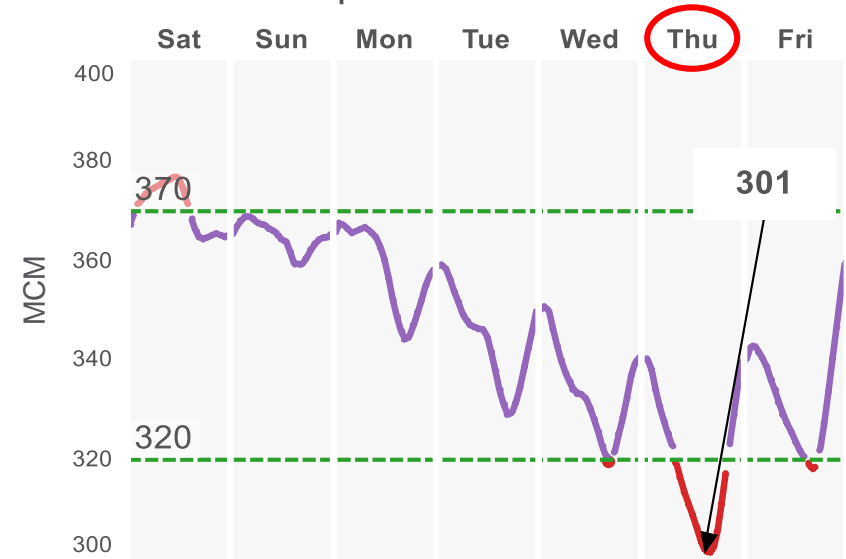


# System Management

The National Grid Gas National Control Manager will be attending Transmission Workgroup to provide an overview of system management and trading, specifically considering how these were employed on the days leading up to and including 1<sup>st</sup> March 2018.



Instantaneous NTS Linepack



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## Data Quality Proposals

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# G.A.S Report

- The G.A.S Report provides us with the following information for the next 48 hours:
  - Actual maximum supply data per beach entry point
  - How long it will take terminals to achieve this rate
- We can currently only request this report at times of system stress, such as the GDW on 1<sup>st</sup> March
- If we received this data more frequently, it could facilitate a more robust NSS assessment process
- We are exploring the feasibility of more frequent G.A.S Report updates, or implementing an equivalent report, with terminal operators



# Market Information for LNG & Interconnectors

- At the last workgroup it was suggested that National Grid should use market information to inform the LNG and Interconnector numbers which contribute toward the NSS figure
- National Grid currently produces an internal daily report which includes updates of LNG ships and where they are docking in the UK
- It uses various sources such as AIS, Port Authority websites, and conversations with customers and stakeholders
- This provides up to a 10 day ahead view. It cannot predict whether ships may be diverted, and does not capture all LNG ships coming to the UK, but we are utilising the data currently available to us
- Market Information regarding LNG and Interconnectors is considered when the NSS figure is reviewed throughout Winter.

# Non-Storage Supply Review Process

- The NSS figure currently undergoes 2 levels of review:
  - Daily
    - If National Grid is informed of any significant supply losses which will continue for a sustained period, we will update the NSS figure
    - The NSS sources are considered on a daily basis in respect to whether there have or will be any such supply losses.
  - Monthly
    - National Grid considers all actual flow data collated from NSS sources over the past month to identify if there are any trends which may cause us to update the NSS figure.
- This Winter, we have supplemented the NSS review process with the following changes:
  - When daily demand begins to come close to the current NSS figure, we will monitor it much more closely considering it against our forward looking demand forecast
  - Where our reviews identify that a change to the NSS figure is required, a News Item will be published on the National Grid website to inform the market of this change.

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# Transparency on National Grid Website

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# Transparency on National Grid Website

- First meeting of 'Information Provision Enhancements' working group on 17th January 2019
- This project is specifically looking at how we publish operational information on the National Grid website
- The following items have been fed into the project lead ([Karen Thompson](mailto:Karen.Thompson@nationalgrid.com)@nationalgrid.com) and can be discussed at the working group:
  - Location and clarity of the '[Daily Margins Notice and Safety Monitor Report](#)'
  - Publication of the Margins Notice methodology
  - Breakdown of the NSS figure
  - Publication of NSS figure updates
  - RAG rating for the Margins Notice

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# GDW Name Change

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# GDW Name Change

- A Gas Deficit Warning does not necessarily mean there is insufficient gas available, nor that the declaration of a Gas Deficit Emergency is imminent.
- Even if this were the case, there are a number of steps to go through before domestic gas customers would be impacted.
- We consider that the term 'Gas Deficit Warning' does not adequately reflect the purpose of the message and was taken out of context by some market observers in relation to 1 March 2018.
- We consider that such reporting was unhelpful and unwarranted, potentially resulting in higher within-day gas prices than would otherwise have been the case.
- Consequently, we consider that the term presents a risk of uneconomic outcomes and detrimental impact to the GB gas market.

# GDW Name Change

<b>Gas</b>	<b>Deficit</b>	<b>Warning</b>
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- Proposed following options:

<b>Gas</b>	<b>Balancing</b>	<b>Notice</b>
	<b>Market</b>	<b>Notification</b>
	<b>Linepack</b>	<b>Signal</b>

- National Grid preference:

<b>Gas</b>	<b>Balancing</b>	<b>Notification</b>
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05

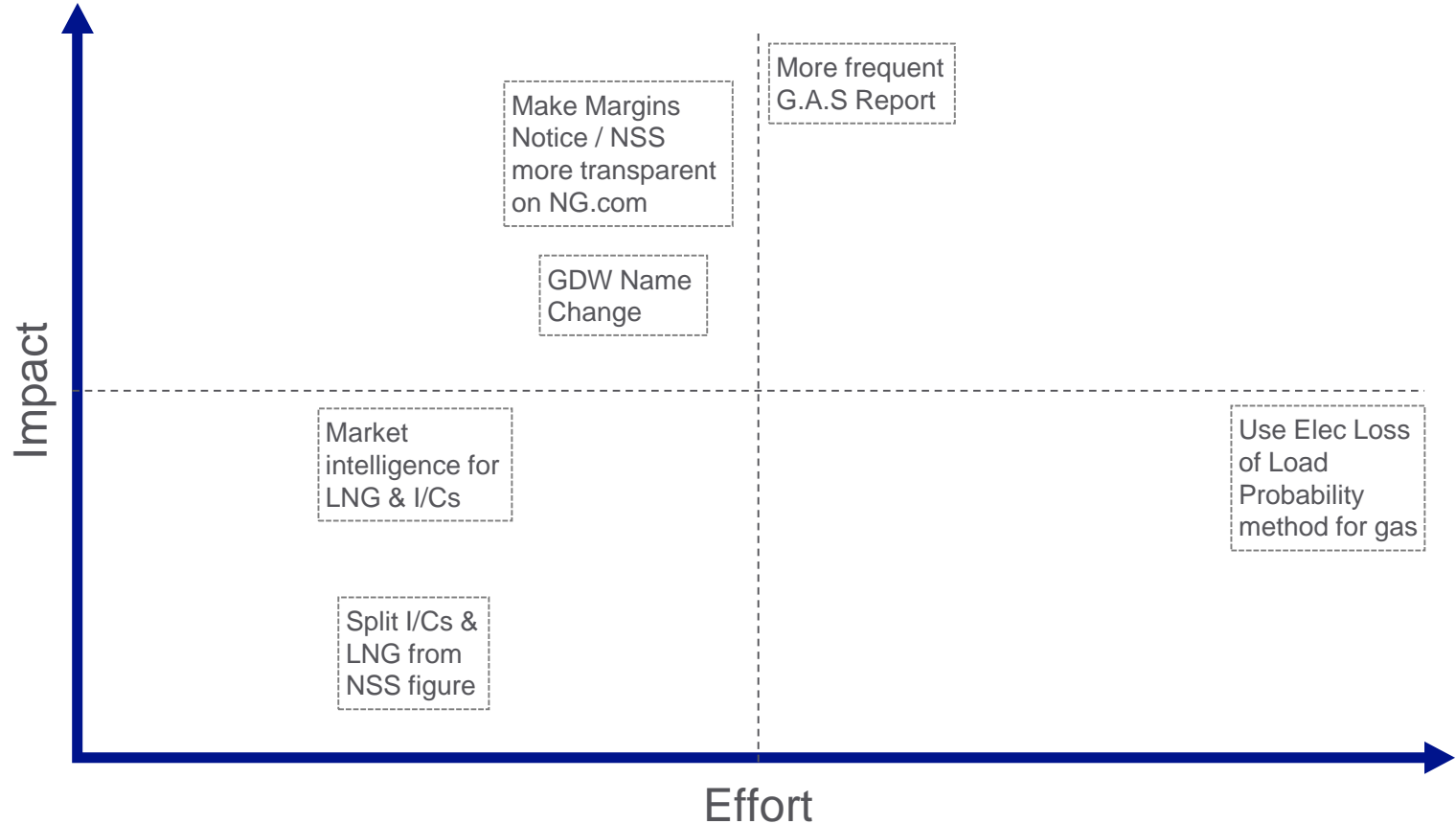
Conclusions

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# Impact vs Effort of Proposals



# Conclusions

- Based upon the Workgroup discussions, we are currently minded to pursue the following changes:
  - UNC
    - Change the name of 'Gas Deficit Warning' to 'Gas Balancing Notification'
  - Non-UNC
    - Continue to explore possibility of increasing the frequency of the G.A.S Report with Terminal Operators, or create an equivalent report that could provide this data more frequently
    - Where Market Information regarding LNG or Interconnectors is available, we will factor this in to the regular NSS figure reviews
    - When demand rises close to the NSS figure, we will increase our focus on the NSS figure
    - If the NSS figure is updated, we will notify the market by publishing a 'News Item' on the National Grid website
- Although we have identified a number of valuable changes to refine the Margins Notice, we believe none would have made it possible to issue a Margins Notice prior to 1st March 2018.