

Clarificatory Note on Implementation of Modification Proposal 0791 (Urgent)

Issued by the Joint Office on behalf of Phil Hobbins, National Grid NTS on 8th December 2021

At yesterday's Extraordinary Modification Panel, convened to discuss the urgent procedures proposed for Modification Proposal 0791, the timescale to implementation was discussed. We are aware that the implementation section of UNC0791 could be read that it would take an expected 9 weeks following an Ofgem decision before the proposal could be implemented, which would mean that the proposed solution would not be of use for this winter, contrary to the intended purpose. This is not actually the case and we therefore thought it appropriate to clarify matters for the industry in this communication.

The 9 week timescale indicated in UNC0791 is for Xoserve to deliver an automated tool that is required to process the balancing neutrality reconciliation (as envisaged in stage 2 on the schematic on page 14 of the Modification Proposal) and is therefore not required to be in place when any gas procurement activity starts, but rather two months hence following any such procurement. In addition, due to the expected relatively low cost of delivering this tool compared to the potential benefit of UNC0791, National Grid NTS has instructed Xoserve to start development work on this tool as soon as possible, meaning that the intention would be for it to be available around the end of February / early March.

As also mentioned in UNC0791, there are some additional information requirements that we would need from Xoserve to enable us to estimate the procurement volume requirements; these are currently being assessed but we expect that we would receive the necessary assurance that these could be provided in time for an implementation decision during January. Additionally, we are working internally to put in place the necessary procedures and processes to enable National Grid NTS to undertake this role should a positive implementation decision be made.

We therefore currently believe that it would be possible for National Grid NTS to commence the new gas procurement activity envisaged under UNC0791 within a matter of days following an Ofgem direction to implement 0791, should it be needed, though this would only be required if the circumstances to trigger the proposed gas procurement had arisen.

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