Bacton IP Pre-Mod discussions

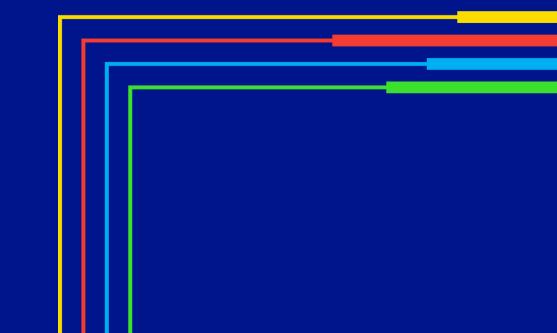
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7th Sep 2021



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Combined Bacton Exit IP



What is the issue

Ofgem have raised a change proposal to National Grid Gas's NTS Licence*. If approved, this would see the 2 individual exit Interconnection Points (IP) at Bacton removed from appendix 2, Part E of Special Condition 9.13, and a new combined exit IP at Bacton added in.

If the change were to proceed then we believe that clarification is required within the UNC so that parties fully understand how UNC processes would apply to the proposed Bacton Exit IP.

Without prejudice to the outcome of the statutory consultation, then we are preparing to raise a UNC modification to provide that clarity.

^{*}Statutory Consultation and Final Impact Assessment on proposed combining of two existing Bacton exit points in NGG's Gas Transporter Licence | Ofgem

Precedent for combined points

The European Interconnection Document has 2 definitions for combined points:

- Binary IP ASEP
- Primary Interconnection Point

Binary IP ASEP is limited to entry points only, and Primary Interconnection Point may be used 'Where so provided in the Moffat Designated Arrangements in relation to the Interconnection Point at Moffat...' (EID A2.1.3)

We therefore believe that neither of these existing definitions for a combined point would capture the new point proposed at Bacton IP Exit in a sufficient way.

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UNC modification

High Level UNC change required

Amend/create definitions in EID that can apply to the combined Bacton Exit IP.

Review IP processes to ensure they work with the new/amended definitions.

Note: no new UNC processes are being created here, this is about clarifying how existing UNC processes would apply correctly to the combined point. The precedence for other combined points is as per the table shown.

UNC process	Individual Point	Aggregated Point
Available Capacity		Х
Capacity – bundled*	х	
Capacity - unbundled		Х
Nominations & Matching	X	
Allocation* & OBA	x	
Overrun		Х
Charges		Х
Inefficient bypass		X

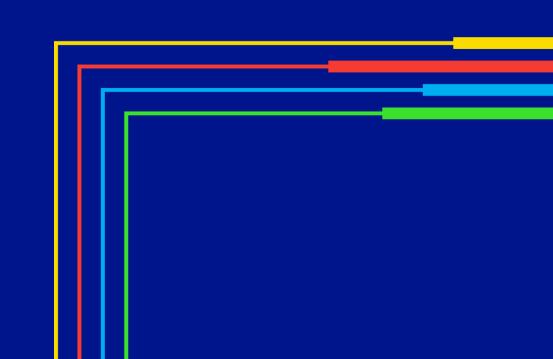
^{*}notwithstanding that capacity/allocations will be aggregated for the overrun calculation

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Upcoming changes to Interconnector Agreements

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Bacton Enhanced Pressure Service

Currently an enhanced pressure service is available to IUK when exporting gas (via Bacton). We physically provide this through operation of the Kings Lynn compressor station.

BBL have requested a similar service.

We are currently working with both parties to introduce revised and consistent arrangements for the enhanced pressure service into both the IUK and BBL Interconnector Agreements (IA).

We will be raising an enabling modification in due course to allow the changes to the IAs to take effect.

IUK additional changes to IA

In addition to changes to the agreement relating to pressure, then some other miscellaneous updates to the IUK agreement have also been identified e.g. units for water dewpoint.

Any changes that fall under the UNC definitions of entry or exit provisions shall require an enabling UNC modification for governance.

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