

# UNC Modification 719R

Calculation of energy value of gas.

4th May 2020

Joel Martin – SGN Distributed Entry Connections & gas quality.



**SGN**

Your gas. Our network.

# Requirement for Review group.

- **UNC OAD Section “F” obligations to calculate Daily Calorific Value.**
- **Currently National Grid Gas (NTS) determine / calculate Daily Calorific Value on behalf Gas Distribution Networks pursuant to Thermal Energy Regulations.**
- **OAD Section “F” option for NTS to serve notice period to terminate service to GDNs (6 month notification).**
- **Review required to determine options for calculating Daily CV on obligated parties as a result of potential change.**
- **Growth in distributed gas connections (biomethane).**
- **CV attribution process.**
- **Stakeholder impacts – CV calculation and communication.**



# UNC Mod 719R – Topics for discussion.

- Determine least cost / most efficient process for calculation of charging area CV taking into account stakeholder requirement.
- Light touch assessment of legal obligations under Thermal Energy regulations.
- Assessment of alternate and current process options (GDN/NTS/Xoserve/Third Party).
- Development and selection of solution(s).
- Development of project plan for solution(s) including UNC modification/legal text if applicable.
- Final output – Workgroup report to UNC Panel for consideration.



# UNC Mod 719R – Time line (suggested)

1. Requirement to provide workgroup report to UNC Panel – 17<sup>th</sup> September 2020.
2. Mtg 1 - 4<sup>th</sup> May 2020 – establish and agree topics to be discussed and agree / review Terms of Reference.
3. Mtg 2 – 1st June 2020 – Review of current process / arrangements in line with Thermal Energy Regulations.
4. Mtg 3 – 6th July 2020 – Discuss / analysis of alternate options (GDNs / Xoserve / NTS).
5. Mtg 4 – 3<sup>rd</sup> August 2020 – Develop selected options / project plan for solutions / UNC Modification requirement if applicable.
6. Mtg 5 – 7<sup>th</sup> September 2020 – Finalise workgroup report.



# Background to the review modification.

## 1. Current legislative and regulatory obligations.

- Gas (Calculation of thermal energy) Regulations 1996 as amended 1997 & 2015.
- Details calculation of CVs based on determined values and declared values.
- Specifies obligated parties for calculation of CVs for charging areas (LDZs).
- OAD Section “F” determination of Calorific Value.
- OAD Section “M” Information flows (Offtake Communications Document).



# UNC OAD Section F

1. Clarifies GDNs have a legal obligation to determine CVs for their respective charging areas (LDZs) pursuant to Regulation 4A of the regulations (as amended in 1997).
2. Sets out CV shrinkage concept & establishes provisions for the avoidance of CV shrinkage.
3. Rights in relation to measurement equipment – NTS/GDN data quality assurance.
4. Terms for the provision of shared data for determining CVs.
5. The basis on which NTS determine CVs on behalf of GDNs.



# UNC OAD Section F – cont.

6. Measurement equipment assurance – accuracy of measured data and requirement to provide NTS with data as detailed in Appendices C & D of Supplemental Agreement.
7. Provision of CV data between parties – CV attribution.
8. Determination of CVs (4.1):-
  - NTS determines CVs on behalf of each GDN.
  - NTS may elect to terminate the arrangements giving 6 months notice (irrevocable).
  - Option for GDNs to calculate their own CVs.



# UNC OAD Section F – cont.

9. Changes (4.3) – Requires GDNs to provide notice to NTS for any changes to the determination of CVs or arrangements for the determination. Includes:-
- Changes to charging areas.
  - Adding removing input / output points.
  - Changing arrangements or process associated with the manner in which CVs are determines and the configuration of CV measuring equipment.
  - NTS – GDNs reimburse costs associated with changes.





**Thank you**



**SGN**  
Your gas. Our network.