

UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 667 412">UNC 087X:</h1> <h2 data-bbox="134 450 1038 517">Facilitating IGTs with NTS Entry</h2>	<div data-bbox="1209 309 1468 627"> <div data-bbox="1209 309 1468 380">01 Modification</div> <div data-bbox="1209 392 1468 463">02 Workgroup Report</div> <div data-bbox="1209 474 1468 546">03 Draft Modification Report</div> <div data-bbox="1209 557 1468 629">04 Final Modification Report</div> </div>
<p>Purpose of Modification: To clarify the treatment of energy entering the NTS after entering an IGT network.</p>	
<p>Next Steps: The Proposer recommends that this Modification should be:</p> <ul data-bbox="153 927 600 1010" style="list-style-type: none"> subject to Self-Governance assessed by a Workgroup <p>This Modification will be presented by the Proposer to the Panel on 18 April 2024. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p>Impacted Parties: High: IGTs facilitating entry, Customers seeking to inject gas into an IGT Low: National Gas None: Suppliers, Shippers, Distribution Network Operators</p>	
<p>Impacted Codes: UNC</p>	

Contents		
1	Summary	3
2	Governance	3
3	Why Change?	4
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	5
7	Relevant Objectives	6
8	Implementation	6
9	Legal Text	7
10	Recommendations	7
Timetable		
Modification timetable:		
Pre-Modification Discussed	04 April 2024	
Date Modification Raised	05 April 2024	
New Modification to be considered by Panel	18 April 2024	
First Workgroup Meeting	02 May 2024	
Workgroup Report to be presented to Panel	18 July 2024	
Draft Modification Report issued for consultation	19 July 2024	
Consultation Close-out for representations	09 August 2024	
Final Modification Report available for Panel	14 August 2024	
Modification Panel decision	19 September 2024	

 Any questions?

Contact:
Joint Office of Gas Transporters

 enquiries@gasgovernance.co.uk

 0121 288 2107

Proposer:
**Graeme Hunter
Barrow Shipping**

 ghunter@barrowshipping.co.uk

 07967 611235

Transporter:
Organisation TBC

 email address

 telephone

Systems Provider:
Xoserve

 UKLink@xoserve.com

1 Summary

What

The concept of gas entering the NTS after entering an IGT network is not covered by the UNC, leaving a potential for double counting if the gas is treated as entering the GB network twice.

Why

A number of developers are looking at injecting gas to potential IGT networks that would be connected to the NTS, creating flow from an IGT to the NTS.

How

It is proposed that the UNC is modified such that gas would be treated as entering the GB market where it enters an NTS connected IGT network and not when it subsequently enters the NTS.

2 Governance

Justification for Self-Governance

The modification is a technical change that:

(i) is unlikely to have a material effect on:

- (aa) existing or future gas consumers; and
- (bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and
- (cc) the operation of one or more pipe-line system(s); and
- (dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (ee) the uniform network code governance procedures or the network code modification procedures; and

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

3 Why Change?

The UNC currently defines the Total System¹ as comprising the NTS and the Local Distribution Zones (LDZs), hence excluding iGT networks. This means that gas flowing from an iGT to the NTS is defined as entering the Total System notwithstanding the fact that it has already entered the GB gas network. Because of this technicality of how the Total System is defined in the UNC, under the prevailing UNC terms the point of delivery to the NTS would be treated as a new Aggregate System Entry Point (ASEP)².

A number of potential projects are being developed where gas would be injected into an IGT connected to the NTS. There would also be potential for gas to exit the IGT to supply local gas users. The energy reaching the NTS would therefore be less than the energy injected – and there is potential for the flow to the NTS to be net entry or net exit.

Change is needed to ensure the energy is properly accounted for.

4 Code Specific Matters

Reference Documents

[IGT172 – Provision for gas entry within the IGT UNC](#)

Knowledge/Skills

Understanding of UNC and its development.

5 Solution

A simple principle is that gas should be accounted for when it enters and exits the GB gas network, and there should be no double counting. It is therefore proposed that any gas that is injected into an IGT, and hence this is the point at which it enters the GB network, that should be defined as gas entering the Total System. Hence when any gas reaches the NTS, it would already be within the Total System and so, as not entering the Total System, no ASEP would be created and there would be no risk of the gas being double counted.

No change is proposed to the existing UNC provisions regarding the interface between the IGT and NTS. Where gas moves between networks within the GB gas system, this is treated as exit rather than entry, and this principle would also apply for gas moving to the NTS from an IGT. That is, gas moving from a DNO to an IGT is subject to DNO exit requirements rather than IGT entry, and gas at NTS/DNO offtakes is treated as NTS Exit rather than DNO entry. The proposal that the gas moving to the NTS is not treated as NTS entry is consistent with this.

When there is net exit from the NTS to an IGT, this would be subject to the existing UNC requirements and no change is proposed to these terms.

While no UNC changes are required to recognise the flow of gas from an IGT to the NTS, bilateral connection agreements will be required as for any other IGT to NTS connection.

¹ TPD Section A1.1.1

² TPD Section A2.3

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

Consumer Impacts

Minor. This is a technical change to the definition of where gas enters the system in order to ensure it is fully accounted for when entering and exiting the GB network. However, if this means that additional gas enters the network, and particularly green gas, there would be marginal consumer benefits.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
<p>Improved safety and reliability</p> <p>In principle, facilitating additional gas sources supports the reliable delivery of energy, but the impact would be marginal</p>	Positive
<p>Lower bills than would otherwise be the case</p> <p>In principle, facilitating additional sources of gas should put downward pressure on prices, but any impact would be marginal</p>	Positive
<p>Reduced environmental damage</p> <p>To the extent that additional green gas is injected and offsets the use of fossil gas, there would be a marginal benefit.</p>	Positive
<p>Improved quality of service</p> <p>No impact expected</p>	None
<p>Benefits for society as a whole</p> <p>To the extent that some additional consumers connect to the GB gas network, there would be a marginal benefit with the potential for cost reductions and job creation. Plus jobs would be created at new gas production facilities, and this would reduce energy imports.</p>	Positive

Performance Assurance Considerations

The requirements to measure and account for gas entering the GB network are well established and monitored, as are the requirements for any gas exiting at Meter points. With no change to Settlement processes, there is no need for additional monitoring.

Cross-Code Impacts

None. All the requirements for gas entering and exiting an IGT network are already covered, including within IGT172 – Provision for gas entry within the IGT UNC.

EU Code Impacts

None.

Central Systems Impacts

None.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Facilitating gas entry increases supply and hence the potential for facilitating effective competition among Shippers and Suppliers. Ensuring there are appropriate arrangements for all entry options facilitates competition between Gas Transporters.

Ensuring the UNC does not allow double counting and has provisions that facilitate all entry options promotes efficiency in the implementation of the Code.

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

To be provided.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply.
- Refer this proposal to a Workgroup for assessment.