



Rough Order Magnitude (ROM) Request

Change Reference Number: (5502)

Please send completed form to: <mailto:box.xoserve.portfoliooffice@xoserve.com>

Section A: Change Details	
Change Title	Introduction of NTS Weekly Exit Capacity Auctions
Will the Change impact the UNC (YES / NO)	Yes
MOD Reference (if raised)	UNC805S
Contact Details of Person Requesting the ROM	
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Section B: Xoserve Acknowledgement and Business Analyst Contact Details	
<i>(Xoserve CIO Office will add)</i>	
ROM Received Date	20/04/22
ROM Response date	To be agreed with Gemini team and the customer
Business Analyst Name	Hannah Reddy
Business Analyst Email	Hannah.Reddy@correla.com
Business Analyst Phone	



Rough Order Magnitude (ROM) Response

Type of ROM Evaluation

ROM for Code-Modification

Following changes to the charging regime effective from 01/10/20, it has become more expensive for shippers to book capacity on the NTS. It is widely acknowledged that shippers are now incentivised to book capacity more efficiently, whereby their capacity bookings will better reflect their anticipated gas flows.

Currently, Enduring Annual, Annual and Daily NTS Exit Capacity products are available to Exit NTS Users. The intention is that in the future Users might wish to book a week of firm capacity rather than rely on Daily auctions for the following reasons:

- a) to mitigate against risks that Daily NTS Exit (Flat) Capacity is withheld by National Grid because of a perceived or actual constraint; or
- b) Users might want to purchase capacity ahead of the Gas Day for planning purposes; or
- c) to reduce administrative costs and potential booking errors when managing daily booking processes

The following details how the weekly NTS Exit Capacity auction will run have been included in the UNC805S proposal:

- The capacity available at the weekly auction will be anything left from the EAFLEC auction
- The weekly auction will take place between 08:00 and 17:00 on D-5 (where D is the first Gas Day of the weekly period, being a Monday)
- The capacity will be allocated on D-4.
- This allows time for the weekly batch job to run after D-4 and before D-1 to ensure correct quantity of capacity is available before daily capacity allocation (i.e. it is anticipated that there will not be any impacts on Day-Ahead Exit Capacity Auctions. Users are able to submit daily capacity bids at any time from 05.00 hours on D-7 until 00.00 on D5. Allocation of Daily Capacity commences at 15.00 on D-1. As the Weekly Exit Capacity Auction will allocate weekly strips on D-4, unsold capacity will flow through to the Daily Capacity Auction allocation process).
- Consideration will need to be given when the EAFLEC allocations take place and its impact on the first weekly sub-transaction period which would be overlapping in the months of September and October
- Where a weekly period crosses 2 Gas Years, then the prevailing price on each relevant day will be used in calculations of charges. Where a weekly period does cross two Gas Years then National Grid will notify Users 5 business days before the auction is due to take place.
- The product will not be applicable to Exit IPs

The Proposed Change

(Xoserve' s understanding of the Modification)

1. The Gemini system should facilitate the selling of an Exit Capacity weekly product
2. The new Exit Capacity weekly product will be similar to the Entry Capacity weekly product however there may be timing differences
3. Interconnector Points will be excluded from the new Exit Capacity weekly product
- 2.4. DN Offtakes will be excluded from the new Exit Capacity weekly product

Change Impacts

General Impacts to Xoserve and External Parties:

- Modification to the auction framework within Gemini Exit in order to accommodate a weekly Exit Capacity auction.
- Modification to the existing NTS Exit Capacity charge calculation functionality in order to accommodate charges for a weekly Exit Capacity auction.

External Interface Impacts (Changes to Screens, Portals, Files, Permitted Values, etc.)

- Existing screens will be modified so that External parties can book capacity via a weekly Capacity auction.

Interface Requirements:

1. New interfaces may be required to share data to downstream systems
2. New Table data may be required to share the auction data with GCS Talend
3. Existing Interfaces may require changes

Impacts to Gemini System:

Auction Setup

1. 'Define MoS' and 'Setup MoS' functionalities require changes to accommodate the method of sale rules for the new weekly Exit auction type

Product level Available Capacity

1. Current NTS Exit flat Capacity Firm short-term product will be used as a weekly product.
2. Long term to short term Firm product rollover
 - a. Modifications to rollover batch job to calculate the available capacity for next month to conduct weekly Exit Firm auctions

Offered Capacity for an MoS

1. New automated process is required to offer the weekly capacity at MoS level for the new weekly Exit Auction

Setup Price

1. Setup Price bulk upload functionality requires modification to include the weekly Exit auction

Processing

1. Online allocation and QH processing process required to be modified to accommodate the weekly Exit auction
2. New automated process is required to allocate the Weekly Firm bids based on the QHAP rules defined for an MoS

Recall

1. The Capacity Recall process may require changes to include the weekly Exit bids

Setup Actual Price

1. New Auction type to be included in order to charge for the weekly Exit bids

Capacity Charge Calculation

1. Weekly auction bids will be invoiced as daily charges in order to accommodate the weekly Sub Transaction Period falling across two different Gas Months
2. Modifications to the existing Short-Term charge calculation process to include the weekly Exit Auctions
3. BA Split charges functionality requires changes to include the weekly Exit Auctions

Overrun Charge Calculation

1. Map the Weekly Exit Capacity method of sale to HABP and HARP price types for overrun price calculations
2. Modifications to the existing charge calculation to include the weekly Exit Auctions

NTS Optional Capacity Transmission Service Charge Calculation

1. Map weekly Exit auctions to the NTS Optional Capacity charging framework in order to be considered for the below
 - a. Eligible Quantity Calculation
 - b. Primary/Adjustment Transmission Service Charge calculation

Reporting

1. The following Capacity Reports may require changes to include the weekly Exit auction
 - a. Sold/Unsold Report
 - b. Requests/Users
 - c. Max/Min Price Info Report
 - d. Entitlement Report
 - e. Entitlement Vs Energy Allocation report
 - f. Weighted Average Price (WAP)
 - g. Capacity & revenue by Quantity Holder
 - h. Entitlement Vs Energy Allocation Report
 - i. Utilisation and Monitoring Report
 - j. Shipper Preferences
 - k. Request Information Report

Azure & IX APIs

1. The following APIs may be impacted
 - a. All Active Requests API
 - b. Auction Request Information API
 - c. Capture Request API

Impacts UKL Manual Appendix 5b:

Appendix B of the UK LINK Communications Document UKLCD1 Code Communications Reference – updates will be required in order to include the weekly Exit Capacity auction.

DSC Service Areas Impacted:

Service Area 14: Gemini Services

Note: DSC Change Committee will resolve any difference between the funding split implied by the above and the benefit split of the proposed change.

Costs and Timescales

Change Costs (implementation):

An enduring solution will cost at least **£280,000** but probably not more than **£365,000** to implement.

Change Costs (on-going):

The change is not expected to increase ongoing running costs

Timescales:

This change would need to be prioritised through the Change Management Committee alongside other changes within Xoserve's planned Gemini programme.

Please note a lead time of 3 months for startup/sanction/mobilisation should be considered though there is the potential for this to be shortened subject to the delivery mechanism and availability of resources.

The high-level estimate to develop and deliver this change is approximately 20 to 22 weeks for Analysis through to Post Implementation Support.

Assumptions:

1. File format changes to the NTS Exit Capacity invoice are not required as existing charge types will be reused to invoice for the new NTS Exit Capacity weekly product
2. There is no impact to the Auction letters
3. The revenue recovery charge calculation is not impacted
4. Constraints will continue to be applied for D and D-1
5. The weekly auction is for a Firm product at GB [NTS Direct Connect](#) locations only
6. The weekly product will not be eligible for the Exit Capacity Assignment process
7. An allowance of 3 weeks for User Acceptance Testing (UAT) has been included in the estimated timescales.
8. System Integration testing is not required, the impacted files will be shared offline for processing during System Testing or UAT
9. User Trials are not required
10. There will be joint testing between National Grid and Correla
11. An allowance of 4 weeks for Post Implementation Support has been included in the estimated timescales
12. The SOP's and LWI's will be updated by the relevant business
13. E-Training updates are not required
14. Change can be delivered using environments from the existing Gemini test estate
15. This ROM is based on the Gemini functionality currently in Production and does not consider any functional changes being introduced by inflight projects
16. Costs are high level, based on high level analysis and assumed requirements
17. This ROM assumes the solution will be delivered as a standalone project

Dependencies:

- Availability of National Grid business resources to support delivery
- Implementation of the change is dependent on timely approval of the associated UNC modification.

Constraints:

None identified.

Observations:

- ~~UNC805S has been reassessed and is now considered a material change and so is not subject to a self-governance. Mod805 will now modification and so does not require an Ofgem decision to implement. The proposed timetable for the modification has the UNC Panel decision scheduled for July 2022.~~
- ~~The associated system change is a possible candidate for a Gemini Spring 2023 Release 2023.~~

Document Version History

Version	Status	Date	Author(s)	Summary of Changes

Template Version History

Version	Status	Date	Author(s)	Summary of Changes