

Transparency Improvements to the Process for Changing Gas Quality Limits in NTS Connection Agreements

Transmission Workgroup

1st July 2021 Ash Adams - Gas Market Change Delivery

nationalgrid

Overview

- GMaP "Implementing the Proposed Gas Quality Standards" project analysed the UNC market rules and identified a low regret recommendation to raise a UNC modification to enhance the transparency of the 'agreement in writing from the Users that hold NTS Entry Capacity at the relevant ASEP' process.
- Only one process for changing a gas quality parameter within a connection agreement is used regularly.
- A second process could potentially offer a quicker route to enabling the change but is rarely used due to a lack of industry transparency.
- The need for gas decarbonisation in the coming years is likely to result in gas quality limit changes being proposed more frequently increasing the resource burden on the industry.
- This Modification would improve the existing 'agreement in writing from the Users that hold NTS Entry Capacity at the relevant ASEP' process by retaining its speed and efficiency and supplementing it with additional transparency. Thus providing a second viable and potentially more efficient market route for changing gas quality values.

Solution

- An industry wide engagement window stage will be added into the process. This would oblige National Grid NTS to provide:
 - Details regarding the change
 - The outputs of related network analysis indicating how deeply into the network the relevant supply source may penetrate
 - A vehicle for any User or stakeholder to object to the proposed change.
- The engagement window will provide the industry with [10 business days] from the date of publication of the proposed change and any related network analysis to present an objection.
- The gas quality change should default to the 'enabling modification' process in the event of any objection being raised during the engagement window.

Workgroup Plan

Workgroup 1:

- Overview of the process
- Initial workgroup discussions on publication, engagement window and objections

Workgroup 2:

- Finalise end to end process
- Address any additional issues raised in workgroup 1
- Draft legal text

Workgroup 3:

- Finalise legal text
- Workgroup report

Initial Considerations for Workgroup

- A suitable process by which to notify the industry of the proposed change, engagement window period and objection process is needed. (Requested by panel).
- To discuss whether the Modification should be subject to self-governance. (Requested by panel).
- What details and network analysis would be published to industry regarding the change.
- Is 10 working days an appropriate engagement window period?
- Who should be allowed to object? Any stakeholder or only users (For changes to DFO flow metering only Users at the relevant ASEP can object)
- Any other issues that workgroup members feel need to be discussed.

Process Overview

NG receives notice that a DFO wishes to change a gas quality limit within a connection agreement. NG assesses likely impact on users and NTS, hold bi-lateral conversations and select appropriate change process.

DFO submits application for a 'minor modification' to its connection. NG completes network analysis to determine potentially impacted offtakes.

NG issues notice to industry of proposed change and analysis. [10] day engagement window begins.

Objection Raised

Default to enabling Mod process to be raised at next WG

No Objection Raised

Notice issued to industry that no objection received, and change made to connection agreement.

National Grid | Transparency Improvements to the Process for Changing Gas Quality Limits | 1st July 2021

nationalgrid