

# Transmission Planning Code Review 2014



*UNC Transmission Workgroup*

*1<sup>st</sup> May 2014*

*Richard Hounslea, National Grid NTS*

## Background

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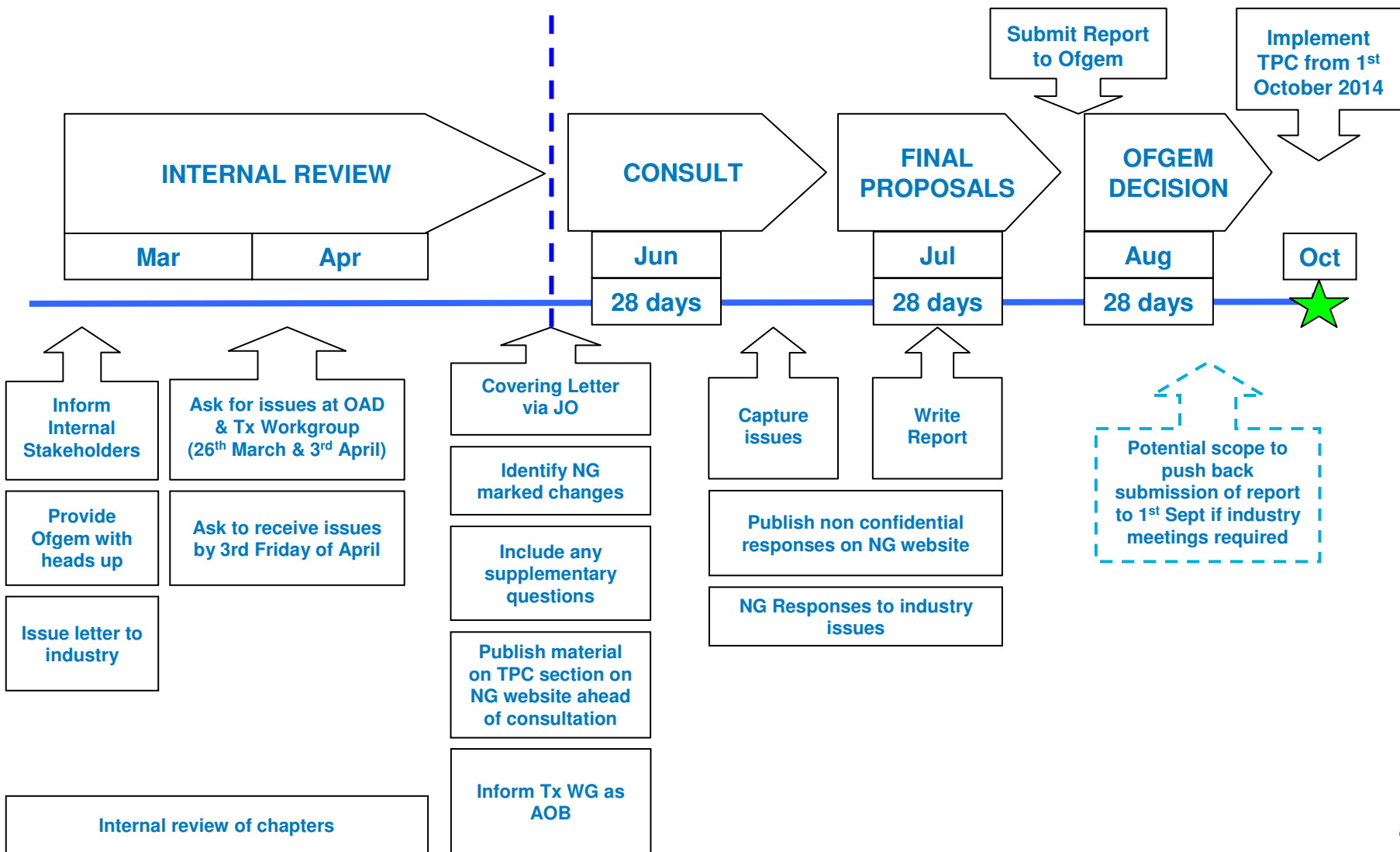
- National Grid Gas plc (“NGG”) has a Licence obligation under Licence Special Condition 7B to review, and consult on, the Transmission Planning Code (“TPC”)
- Developed to improve transparency of NTS planning process
- Description of the main technical factors that affect the planning and development of the NTS and includes a methodology to determine the physical capability of the NTS
- NGG must comply with and maintain the TPC, reviewing it at least every two years
- Review cycle will include consultation with interested parties
- NGG will produce a report and submit it to GEMA (“Authority”)
- Modifications to this code must be approved by the Authority before they are implemented from 1<sup>st</sup> October 2014

## TPC – What is it?

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- Framework document relating to the planning and development of the NTS discharging three requirements stipulated in the Licence;
  1. Main technical factors that affect the planning and development of the NTS
  2. Methodology to determine the physical capability of NTS considering:
    - Entry (Sp. C 5F) and exit (Sp. C 5G) capacity release obligations
    - How much capacity can be transferred / traded between entry points
    - How incremental flows at entry and exit affect system capability
    - “1-in-20” Statutory Network Security Standard
  3. Detailed assumptions on:
    - Likely developments in the patterns of gas supply and demand
    - Likely developments in the levels of gas supply and demand
    - The operations of the system under different supply and demand scenarios

# TPC timeline 2014



## Issues...

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As part of the TPC 2014 review we propose to review the application of the “1-in-20” Statutory Network Security Standard taking into account recent industry developments;

- RIIO
  - Generic Revenue Driver Methodology
- PARCAs
  - Capacity Release / Substitution Methodologies
- Uniform Network Code Modifications, EU codes, EU Third Energy Package related Directives
- Other issues identified through customer & stakeholder engagement

## Progress so far...

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- Open letter issued on 21<sup>st</sup> March 2014.
- At the UNC Transmission Workgroup on Thursday 3<sup>rd</sup> April National Grid NTS was asked how PARCAs might be managed in the TPC review in light of the potential timing of the decision on UNC Modifications 0452V and 0465V.
  - National Grid indicated that two drafts of the TPC could be produced, one with PARCAs implemented and one without, if a decision had not been made at the time of TPC consultation.
- National Grid has received no further feedback to date.

## Summary

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- Notice of TPC review and formal consultation
- NGG request that any issues with areas of the TPC which may require review to be notified to Richard Hounslea by Friday 25<sup>th</sup> April 2014 via any of the following methods;
  - e-mail: [richard.hounslea@nationalgrid.com](mailto:richard.hounslea@nationalgrid.com) and/or [ntsinvestment@nationalgrid.com](mailto:ntsinvestment@nationalgrid.com)
  - Post: Richard Hounslea  
National Grid  
Transmission Network Service  
National Grid House  
Warwick  
CV34 6DA
  - Tel: +44 (0) 1926 655 518

## Appendix





# Chapter Summary

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- Chapters 2 & 3:
  - Legislative framework, policies and guidelines which have a direct bearing on the planning of the NTS and lead times for investment
- Chapter 4:
  - Overview of the Planning Cycle
- Chapters 5 & 6:
  - Supply and Demand assumptions used for planning
- Chapters 7 & 8:
  - Commercial entry and exit capacity release processes and their effect on investment planning decisions
- Chapter 9:
  - Assumptions used for planning analysis

## Special Condition 7B

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***7B.2 The first requirement is that the TPC must cover all material technical aspects relating to the planning and development of the pipe-line system to which this licence relates, that may have a material impact upon persons connected to or using (or intending to connect to or use) that pipe-line system.***

### Chapter 2: Legislative framework

- Gas Act 1986 and Licence
- Planning Act 2008
- Pipeline Safety Regulations 1996
- Pressure Systems Safety Regulations 2000
- Gas Safety (Management) Regulations 1986
- Environment Impact Assessment Directive
- Town and Country Planning Act 1990
- Integrated Pollution Prevention & Control Directive 1996
- EU Emissions Trading Scheme Directive 1996

### ■ Chapter 3: Policy and Guidelines

- Relevant IGEM guidelines
- National Grid planning policy

## Special Condition 7B.3

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***7B.3 The second requirement is that the TPC must include a methodology to determine the physical capability of the pipeline system to which this licence relates ...”***

Chapters 5 and 6: Supply and Demand

- Physical capability is dependent on supply/demand assumptions used

Chapter 4: Investment Planning

- Network capability analysis and investment planning analysis

Chapter 9: Network Analysis

- Network analysis assumptions

## Special Condition 7B.3

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*“...that specifies in detail how the Licensee takes into account:*

- (a) its entry capacity release obligations ... and its exit capacity release obligations ...;*
- (b) the amount of capacity that may technically be transferred or traded between NTS entry points;*

### Chapter 7: Entry Capacity

- Influence of QSEC, IECR and capacity substitution on plan
- T&T undertaken in operational timescales
- IECR and Entry Capacity Substitution Methodologies contain detail

### Chapter 8: Exit Capacity

- Transitional period only
- Interaction of OCS and load enquiry data with plan
- ExCR contains detail

### Chapter 4: Investment Planning

- Physical model results compared against commercial obligations

## Special Condition 7B.3

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**(c)** *the impact of incremental gas flows upon the capability of the pipeline system to which this licence relates at each NTS Entry Point and NTS Exit Point; and*

Chapter 4: Investment Planning

- Planning cycle, network capability and investment planning

**(d)** *The Statutory Network Security Standard.*

Chapter 9: Network Analysis

- Network analysis assumptions
- 1-in-20 peak as in S.Sp.C. A9
- *also GSMR requirement for adequate pressure for gas leaving the NTS*

## Special Condition 7B.4

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**7B.4** *The third requirement is that the TPC must include the detailed planning assumptions that the Licensee is uses in respect of:*

- (a)** *the likely developments in the patterns of the supply of gas and the demand for gas;*
- (b)** *the likely developments in the levels of the supply of gas and the demand for gas; and*
- (c)** *the likely operation of the pipeline system to which this licence relates for any given pattern and/or level of supply of gas or demand for gas.*

Chapters 5 and 6: Supply and Demand

- Scenario based approach
- TYS, Demand Forecasting Methodology contain details

Chapter 9: Network Analysis

- Use of network analysis models for relevant gas year and supply/demand scenarios
- Network analysis assumptions