

# NTS Exit Regime Daily Processes Overview



Gas Operations Forum  
11<sup>th</sup> July 2012

## Introduction

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- NTS Exit Capacity regime moves from the “Transitional” to the “Enduring” period on 1<sup>st</sup> October 2012
- National Grid NTS agreed to provide a ‘refresher’ on daily elements of NTS Exit Reform
  - Further detail will be available through Operational fora, Xoserve training on the Gemini system, and on dedicated page of National Grid web site
- Today we will outline
  - Short Term (Daily) NTS Exit Capacity processes
  - Overruns
  - NTS Exit Constraint Management Actions

## Short Term NTS Exit Capacity (Daily)

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- At NTS Exit Point level
- Day Ahead and Within Day auctions
- Pay as bid auctions – reserve prices for capacity sales

## Daily Flat Capacity - Firm

TPD B3.5 & Annex B-1

- Auctions held D-1 (15:00) and on D (08.00, 14.00, 18.00, 22.00 and 01.00) + discretionary auctions may be held with 1 hour notice
- From 30 September 2012 onwards
  - Makes unsold firm capacity available
  - Additional firm capacity at National Grid NTS discretion
- Non-zero reserve price
- Users place bids
  - Max 7 days in advance of the relevant Gas Day
    - E.g. for Gas Day 1<sup>st</sup> October, bid window opens 24<sup>th</sup> September
  - Fixed or reducing bid quantity
  - Bid price at or above reserve
  - Max 10 bids per User per NTS Exit Point
- Bids allocated on price within 60 minutes

# Daily Off-peak Capacity

TPD B3.6 &amp; Annex B-1

- Capacity rights can be curtailed
- Users place bids
  - Max 7 days in advance up until D-1 14:00
  - Zero reserve price
- Amount released = UIOLI + MNEPOR + Discretionary
  - Use It Or Lose It (UIOLI) = 30 day average unutilised firm bookings
  - MNEPOR<sup>‡</sup> related release = (MNEPOR \* 24) – Aggregate Firm Holdings
    - If 13.30 D-1 Demand forecast > 80% of 1 in 20 peak day demand then MNEPOR is not released
  - Discretionary Release = an amount that may be released for that gas day at the discretion of National Grid NTS
- Allocation at D-1 15:00 hrs

<sup>‡</sup> Maximum NTS Exit Point Offtake Rate (MNEPOR) = maximum instantaneous rate which it is feasible (technically) to make gas available for offtake at that NTS Exit Point

## Overruns

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- If there is an aggregate Overrun at an NTS Exit Point (end of day aggregate flow exceeds Users aggregate flat net entitlement), individual Users who have overrun are:
  - Charged for overrun quantity at a price which is the greater of:
    - 8\* the highest price paid in any of the release mechanisms at that NTS Exit Point
    - 8\* the highest reserve price at that Exit Point
    - 1.1\* the highest price paid for Exit Capacity through an Exit Capacity Management Action for the Gas Day at that Exit Point
  - Where more than one User has overrun, the aggregate overrun quantity will be allocated in proportion to individual overrun quantities

# Constraint Management

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195av introduced the following Exit Constraint Management tools:

- Curtailment of Off-peak capacity rights
- Surrender of Firm capacity rights (Daily Buyback)
- Exit Capacity Management Agreements (Forwards and Options)
- Offtake Reduction (Offtake Flow Reduction)

# Curtailement & Restoration of Daily Off-peak Capacity

- For constraint management National Grid NTS may curtail Users' off-peak capacity rights
- Notice to Users will specify:
  - The NTS Exit Point(s) and Gas Day
  - The effective time of curtailment:
    - On the hour between 06:00 and 02:00 on the Gas Day
    - Not less than 4 hours notice
  - The curtailment factor
- National Grid NTS can also Restore Off-peak capacity following a curtailment.



# Surrender (Buyback) of Daily Firm Capacity

- National Grid NTS notifies Users at which NTS Exit Points offers are required
- Users can submit offers irrespective of a notification
  - Max 7 days in advance of the relevant Gas Day
  - Fixed or reducing quantity
  - Offer price (pay as bid)
  - Max 10 offers per User per NTS Exit Point
- National Grid NTS capacity offer selection period:-
  - no earlier than 15:00 on D-1 and
  - no later than 02:00 on Day D
- The amount accepted for buyback is at the discretion of National Grid NTS

## Offtake Flow Reduction (OFR)

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- National Grid NTS notifies requirements to Users
  - NTS Exit Point(s)
  - Start and End hour of reduction period
  - Flow reduction required (kWh)
  - Offer submission deadline
- Users can submit offers
  - Reduction quantity for the period
  - Offer price (pay as bid)
  - Max 10 offers per User per NTS Exit Point
- National Grid NTS selects, allocates offers, notifies Users (>60 mins) before start of reduction period & publishes results
- Users with accepted OFR offer(s) submit revised OPN(s) within 30 minutes

- National Grid NTS are not liable for Exit constraint costs as a consequence of:
  - Users exceeding Maximum Permitted Rate at an NTS Exit Point or
  - a Chargeable NTS Exit (Flat) Overrun or NTS Exit (Flexibility) Overrun at that Exit Point or
  - a planned maintenance day

## Information Publication

TPD B3.6 & Annex B-1

- New data items on NTS Exit Capacity will be published across Gemini Exit and MIPI systems
- Auction Data
  - Each auction process has its own set of information to be provided within the hour, National Grid NTS obliged to publish results for
    - Daily Firm Capacity Auctions
    - Daily Off-Peak Capacity Auctions
    - Constraint Management Actions
- Forecast Demand:
  - 13:30 D-1 National Grid NTS will publish the forecast system demand as a percentage of the peak 1 in 20 demand
- MNEPOR of each NTS Exit Point

## Web pages & Contacts

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- National Grid Web page  
<http://www.nationalgrid.com/uk/Gas/OperationalInfo/endureexitcap/>
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- Gemini Exit System and Training (via Xoserve)  
[http://www.xoserve.com/Gemini\\_Training.asp](http://www.xoserve.com/Gemini_Training.asp)  
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