

Biomethane Non-IP Entry Points Transmission Business Rules

Version 1.0

For Consultation

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Northern Ireland

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1. Introduction

- 1.1. This document sets out the Business Rules for the NI Network Gas Transmission Code (referred to in this document as the NI Network Code) associated with the introduction of biomethane entry points into the Northern Ireland arrangements for gas transportation.
- 1.2. These Business Rules set out the principles and rules for certain new and amended processes which are needed to accommodate biomethane injection into the NI Gas Transmission Network (referred to in this document as the Transmission Network) as well as new and amended processes needed in the NI Network Code to support and enable biomethane injection into the Distribution Networks.
- 1.3. This document is published for consultation, ending on 21st January 2022. Business Rules for the Distribution Network Codes have been published in a separate document.
- 1.4. Responses from any interested parties are invited. There is a list of consultation questions at the end of this document which you may wish to use to structure your response, but any comments and views are welcome.
- 1.5. Following the end of this Business Rules consultation, the Transporter expects to continue to work with the Distribution Network Operators (DNOs), consider feedback received and to develop the Code text needed to implement the arrangements.
- 1.6. Capitalised terms are used in various places in these Business Rules and generally refer to terms which are defined in the NI Network Code or in some cases the Distribution Network Code, and also include terms which the Transporter intends to add or amend in the NI Network Code to reflect the inclusion of biomethane. An informal glossary of key terms and a diagram is included at Appendix 1 to aid the reader, but please note these may not be identical to the formal defined terms in the NI Network Code or the Distribution Network Code.

2. Context

- 2.1. Since October 2019 the Utility Regulator has overseen a programme of work comprising technical and regulatory workstreams to coordinate the development of the arrangements to accommodate the introduction of biomethane injection in Northern Ireland. This Business Rules Consultation has been developed primarily through the regulatory workstream.
- 2.2. Biomethane entry points are not anticipated on the Transmission Networks at present. However, they are being considered at this time, to provide transparency for potential market entrants and to allow for co-ordination between the NI Network Code and the Distribution Network Codes.
- 2.3. Biomethane entry points have been requested on the Distribution Networks, which raises certain issues concerning Shipper and Network balancing. In order to accommodate the injection of gas at distribution level, the Transporter and DNOs are proposing an aggregate balancing approach. This requires changes to the NI Network Code to address the proposed balancing processes and associated information exchange, registration, credit and disbursement invoicing etc.
- 2.4. Therefore, this document sets out the principles for the NI Network Code, both for
 - a) Transmission Entry Points, and
 - b) to provide for aggregate balancing incorporating distribution flows.

This document should be read in conjunction with the Business Rules for the introduction of biomethane entry points into the Distribution Network Codes.

- 2.5. Before the Business Rules are presented, below is an introduction to the aggregate balancing concept being proposed. Delphi implementation issues and the expected phasing of implementation are discussed in section 24 onwards the end of this document, just ahead of the consultation questions and details of how to respond.

3. Introduction to Aggregate Balancing across Distribution and Transmission

- 3.1. Biomethane injection into a Distribution Network will be a secondary source of supply into the Distribution Network and hence reduce the quantity of gas required from the Transmission Network.
- 3.2. The existing approach for Transmission Exit Allocations at DN Exit Points under the NI Network Code uses a pro-rata of the metered quantity at Transmission DN Exit Points (also referred to as 'Citygate meters') against the quantities nominated by Shippers at those DN Exit Points.
- 3.3. It is not possible for a Distribution Biomethane Entry Point (DBEP) Shipper¹ to perfectly match its own distribution demand within the same Distribution Network where the injection occurs, and it may not have any demand on that Distribution Network. This means that a DBEP Shipper's/Supplier's imbalances occurring on the Distribution Network could be pushed upstream to the Transmission Network, causing other Shippers to pick up imbalance charges and potentially increasing the need for balancing actions by the Transporter.
- 3.4. Therefore, the DNOs and Transporter propose to incorporate quantities injected at Biomethane System Entry Points on Distribution Networks (referred to as BSEPs² in this document) into the calculation of the Aggregate NI Imbalance under the NI Network Code to ensure balancing costs are fairly targeted amongst all Shippers.
- 3.5. To enable this, it is proposed to amend the basis for determining Transmission Exit Allocations at DN Exit Points (referred to as DN Exit Allocations under the NI Network Code), to better distinguish between 'actual' demand quantities in the Distribution Networks and the gas flows treated as moving from the Transmission Network to Distribution Networks. In summary, a Shippers' DN Exit Allocations under the NI Network Code shall be deemed equal to their Distribution User Daily Quantity Output (UDQO i.e. DM plus NDM) plus their Users Daily Shrinkage Quantity, as determined by the DNOs and this figure for DN Exit Allocations shall be used for Imbalance Charging.
- 3.6. By deeming DN Exit Allocations under the NI Network Code in this way and including a Shipper's Distribution BSEP allocations in their overall Aggregate NI Imbalance position, this will mean that each Shipper has an Imbalance position which reflects their overall supplies and demand to the whole of the Northern Ireland gas network including their supplies and any demand on the Distribution Networks.
- 3.7. To distinguish between transmission and biomethane entry flows into the Distribution Network, the DNOs shall determine a User's Transmission Daily Quantity Delivered (TDQD) by subtracting a User's Biomethane Daily Quantity Delivered (BDQD) into the Distribution Network from their DN Exit Allocations. The term User Daily Quantity Input (UDQI) in the Distribution Network Code shall be revised to be the sum of the TDQD and the BDQD. Where a User's BDQD exceeds their DN Exit

¹ Signatories to the Distribution Network Code are referred to as Users, where signatories to the NI Network Code are referred to as Shippers. Both Users and Shippers are referred to as Suppliers under their respective licences to supply gas in Northern Ireland.

² BSEPs refer to Biomethane System Entry Points on the Distribution Network. DBEPs is the term for the notional point representing all the BSEPs on a given Distribution Network in the Delphi system.

Allocations, their TDQD shall be zero. Please see the diagram at the end of the Glossary for a representation of these terms.

- 3.8. For the purposes of Transmission Commodity Charging only, the Transporter will determine Final Adjusted T-DN Exit Allocations by pro-rating the metered quantity leaving the Transmission Network against the final TDQD figures from the DNOs. Any Shipper with a surplus of biomethane over its demand in the Distribution Network shall have a TDQD of zero and hence not incur any Transmission Commodity Charges at the relevant DN Exit Point.
- 3.9. An additional benefit of this arrangement is that it will enable a Distribution BSEP Shipper to move gas injected into a Distribution Network to the Transmission Network and, for example, make use of virtual reverse flow to move gas into GB at Moffat IP or ROI at South North IP, or trade at the NIBP, without needing to make any nominations from distribution to transmission in Northern Ireland.
- 3.10. Any party wishing to act as a Shipper in respect of a DBEP will be required to be a Registered Shipper on the NI Gas Transmission Network and comply with the other requirements of the NI Network Code.
- 3.11. The DNOs and the Transporter shall put in place an information sharing agreement and procedures to share the necessary forecast, metered quantity and allocation information to enable these changes. How this impacts Shippers is described in the Business Rules below.

Business Rules for Transmission

4. Transmission Connection Agreements, Transmission Network Entry Agreements and Ancillary Agreements

- 4.1. Separately from this consultation, the Transporter is preparing changes to the Connection Policy to refer to the procedures for applying to the Relevant Transporter for a connection to the Transmission Network. Once a connection request has been received and processed, the technical/construction specifications and costs associated with connecting will be contained in a Connection Agreement between the TSO of the relevant Transmission Network and the producer/operator of the facility (referred to in this document as the Delivery Facility Operator, or DFO).
- 4.2. Once construction is complete, the operation of injection points and other aspects of the technical requirements (calorific value (CV) requirements, odourisation, emergencies, gas quality and any ongoing costs etc.) will be governed by a Network Entry Agreement (NEA) between the Relevant Transporter and the DFO.
- 4.3. In addition, the NEA will provide for temporary (or, if necessary, permanent) suspension of gas flows in the event the DFO breaches the requirements of the NEA. The NI Network Code will therefore reflect the possibility of the suspension of a Users' right to book capacity, make Entry Nominations and to receive Allocations at a Biomethane Non-IP Entry Point in this event.
- 4.4. Where there are to be multiple Shippers in respect of a single production or injection facility at a Biomethane Non-IP Entry Point, the Transporter anticipates that there will also need to be agreed arrangements in place for the daily allocation of gas and use of available capacity between those Shippers. This type of configuration may call for a brief separate Ancillary Agreement between those Shippers, the DFO and the Relevant Transporter. It is anticipated that such an agreement could also cover site specific provisions, for example concerning site access and communications.
- 4.5. The Transporter is not currently aware of any proposed Biomethane Non-IP Entry Points where multiple Shippers may need to be facilitated at a single injection point. Therefore, specific provisions for an Ancillary Agreement have not been developed at this time. Instead, the Transporter will review and develop the requirements for such an agreement when any party expresses an interest in multi-User arrangements, to ensure that it reflects the physical facilities which would be constructed. Interested parties should be sure to notify the Transporter as early as possible if they are considering multi-Shipper facilities or arrangements.

5. Classification of Transmission Biomethane Entry Points

Transmission-related requirements

- 5.1. Biomethane entry points on the NI Gas Transmission Network will be classified in the NI Network Code as 'Biomethane Non-IP Entry Points'.
- 5.2. When there is a potential Transmission connection, the Transporter will ensure that the NI Network Code is modified so that it is possible for a new Biomethane Non-IP Entry Point to accommodate:
 - a) a single production facility using a dedicated connection point; or
 - b) multiple production facilities using an injection hub arrangement at which different producers can bring biomethane in tankers to a dedicated series of stanchions where it can be treated if necessary and injected into the Transmission Network;

according to whichever arrangement is requested by the DFO at the time of connection and consistent with the physical arrangement of the connection.

- 5.3. Where required, the NI Network Code will accommodate the entry of gas by multiple Shippers at a Biomethane Non-IP Entry Point, provided that each Shipper is registered at the point in advance of entering gas into the Transmission Network.
- 5.4. A new Biomethane Non-IP Entry Point will need to have a Registered Shipper at the point before any gas, including commissioning gas, can be entered into the Transmission Network at the point.
- 5.5. Any Biomethane Non-IP Entry Point will always need to have a Registered Shipper at the point at all times, otherwise the arrangements shall be suspended, or where applicable, terminated and gas will not be permitted to enter the Transmission Network at the point.

Distribution-related requirements

- 5.6. Biomethane entry points on any Distribution Network shall be grouped together under the NI Network Code and classified as notional Distribution Biomethane Entry Points (DBEPs). There shall be one notional DBEP in respect of each of the three Distribution Networks (i.e. Belfast DBEP, Ten Towns DBEP and West DBEP).

6. Registration Requirements

Transmission-related requirements

- 6.1. A Shipper at a Biomethane Non-IP Entry Point will need to register at the point before it can flow gas by submitting an application to the Transporter specifying:
 - a) name of the Biomethane Non-IP Entry Point;
 - b) the EIC of the Shipper (or Prospective Shipper);
 - c) the date from which the Shipper wishes to start entering gas at the point (which must be at least 10 days from receipt of the application by the Transporter);
 - d) whether or not it needs to increase its Provided Level of Credit Support;
 - e) any update to the Shipper Forecast Information Form or, in the case of a Prospective Shipper, a new form;
 - f) confirmation that it has (or has also applied for) another Registration in line with section 6.4 below;
 - g) confirmation that the Shipper/Prospective Shipper has a contract with the DFO at the relevant Biomethane Non-IP Entry Point.
- 6.2. The Transporter will verify the information in the registration application including checking that the appropriate level of Provided Level of Credit Support has been put in place.
- 6.3. Once satisfied that the registration requirements have been met the Transporter will provide the Biomethane Non-IP Entry Point Registration to the Shipper within 5 Business Days.
- 6.4. It will be necessary for a Shipper to hold at least one other Registration as well as one in respect of a Biomethane Non-IP Entry Point so that is possible for the Shipper to balance its inputs and outputs on any given Gas Flow Day. This could be any one or more of:

- a) an Exit Point Registration;
 - b) a VRF IP Exit Point Registration; and/or
 - c) a Trading Point Registration.
- 6.5. A Shipper at a Biomethane Non-IP Entry Point may also apply for and hold an IP Entry Point Registration, but this will not be included for the purposes of section 6.4 above.
- 6.6. Where applicable, under the NI Network Code, the Transporter shall be entitled to terminate or temporarily suspend the registration of a Shipper at a Biomethane Non-IP Entry Point. Suspension may apply, for example, if quality provisions are not being met at the point but compliant flows are reasonably expected to be resumed after a certain period. The Transporter will reject any Nominations made or requests for Non-IP Entry Capacity in respect of the point whilst the Registration is suspended.

Distribution-related requirements

- 6.7. A Shipper at a DBEP will be required to be registered at the relevant notional DBEP under the NI Network Code. For the purposes of disbursement charging **only**, this will have effect under the NI Network Code as if the DBEP were a notional entry point on the Transmission Network.
- 6.8. In order to register at a DBEP under the NI Network Code, a prospective DBEP Shipper will be required to:
- a) show evidence that it has applied to be registered at a BSEP with the Relevant DNO;
 - b) hold a pair of Registrations on the Transmission Network in accordance with sections 6.4 and 6.5 above;
 - c) provide additional credit support in respect of the DBEP in relation to disbursement charges;
 - d) complete a Shipper Forecast Information Request Form under sections 16 and 22 the NI Network Code.
- 6.9. Where a DBEP Shipper ceases to be a registered User at a BSEP under the Distribution Network Code, the DNO will inform the Transporter and the Transporter will de-register the Shipper at the DBEP.
- 6.10. Where a DNO suspends a User's registration at a BSEP under the Distribution Network Code, the DNO will inform the Transporter and the transmission Registration at the DBEP shall be suspended until further notice from the DNO. Once the DNO confirms the suspension is lifted, the Transporter shall reinstate the transmission Registration at the DBEP.

7. Transmission Capacity

- 7.1. At a Biomethane Non-IP Entry Point, the NI Network Code will provide for:
- a) Annual Non-IP Entry Capacity;
 - b) Monthly Non-IP Entry Capacity;
 - c) Daily Non-IP Entry Capacity.

- 7.2. A Shipper at a Biomethane Non-IP Entry Point will be required to hold Non-IP Entry Capacity in advance of being allocated gas flows or will risk incurring overrun charges.
- 7.3. Capacity at a Biomethane Non-IP Entry Point shall be allocated on a 'First Come First Served' basis by the Transporter. For the avoidance of doubt, once capacity is allocated, it shall be non-returnable such that the Shipper shall remain liable for the associated capacity charges even in the event the production facility ceases operation.
- 7.4. A Registered Shipper at a Biomethane Non-IP Entry Point may apply for Non-IP Entry Capacity during the following application windows:
- a) for Annual Non-IP Entry Capacity in future Gas Years from GY+1 up to GY+15, between 1st June and 31st August;
 - b) for Monthly Non-IP Entry Capacity for the Month immediately following the current Month (i.e. M+1) between 1st calendar Day of the Month M and up to the Day in month M which is 8 days prior to the start of M+1);
 - c) for Daily Non-IP Entry Capacity from the start of the calendar Day which is 7 days prior to the Gas Flow Day D to 03:00 on D.
- 7.5. Registered Shippers will be able to view the available capacity at a Biomethane Non-IP Entry Point on Delphi in advance of, and during, each application window.
- 7.6. Since the process will operate on a 'First Come First Served' basis, Registered Shippers should be able to view their allocated Non-IP Entry Capacity in Delphi shortly after submitting a correctly completed application (which is not otherwise rejected by the Transporter) subject to system response times.
- 7.7. To apply for Non-IP Entry Capacity at a Biomethane Non-IP Entry Point a Shipper shall submit a request to the Transporter on the relevant system (which will be either Delphi or PRISMA, to be confirmed) specifying:
- a) the type (i.e. duration) of Non-IP Entry Capacity applied for;
 - b) the amount of Non-IP Entry Capacity applied for;
 - c) the Biomethane Non-IP Entry Point in respect of which they are applying for capacity;
 - d) any other information the Transporter may reasonably require.
- 7.8. A Shipper applying for Non-IP Entry Capacity at a Biomethane Non-IP Entry Point will need to hold/put in place sufficient Provided Level of Credit Support to cover its charges in relation to the point. The Transporter may reject any application for which this is not in place or for which the other information required is not provided/satisfactory.
- 7.9. The total capacity allocated in respect of a Biomethane Non-IP Entry Point shall not exceed the quantity specified in the NEA.
- 7.10. Where there are multiple Shippers at a Biomethane Non-IP Entry Point, the Transporter may require (and the NI Network Code may stipulate) that an Ancillary Agreement agreed between those Shippers, the Transporter and the DFO shall set out the arrangements for the use of the available capacity, in a manner which reflects the physical arrangements on site.
- 7.11. After the end of the annual capacity application window (i.e. after the end of August) if there is any occurrence of unfulfilled demand for capacity at a Biomethane Non-IP Entry Point the Transporter will, in subsequent years, undertake an annual review of Annual Non-IP Entry Capacity at Biomethane Non-IP Entry Points held by Shippers, to make sure it is not being hoarded by any

Shipper. This annual review would take place in advance of the opening of the annual capacity application window (i.e. during May). It is not currently envisaged that contractual congestion would occur at a Biomethane Non-IP Entry Point. However, should it become an issue, the Transporter would put measures in place to avoid or mitigate the problem.

- 7.12. A Shipper holding Annual Non-IP Entry Capacity shall be entitled to offer its capacity for future Gas Years for surrender, during a surrender window in the period 1st March to 30th April. A Shipper wishing to surrender Annual Non-IP Entry Capacity should notify the Transporter of the relevant quantity and relevant years it wishes to surrender during the surrender window. Surrenders shall only be given effect to the extent that there is another Shipper applying for Annual Non-IP Entry Capacity at the relevant Biomethane Non-IP Entry Point during the June-August application window.
- 7.13. Transfers of Non-IP Entry Capacity at a Biomethane Non-IP Entry Point between Shippers shall be facilitated under the NI Network Code.
- 7.14. There shall be no transfer of Non-IP Entry Capacity at a Biomethane Non-IP Entry Point to any other point on the Transmission Network.
- 7.15. Non-IP Entry Capacity Overruns shall apply. Please see section 18 of these Business Rules below for more details.

Distribution-related requirements

- 7.16. Please see the Distribution Business Rules in relation to capacity at a DBEP.

8. Demand Forecasting

Transmission-related requirements

- 8.1. Shippers at a Biomethane Non-IP Entry Point will not be required to submit forecasts of their supplies into the network on a daily basis but will need to provide long term forecast information as described in section 17 of these Business Rules.
- 8.2. For the avoidance of doubt, Entry Nominations for a Biomethane Non-IP Entry Point will be required as described in section 9 of these Business Rules.

Distribution-related requirements

- 8.3. A Shipper at a DBEP will be required to provide its daily forecast flows at the DBEP (as 'Biomethane Delivery Nominations' or 'BDNs') to the DNOs under the Distribution Network Codes (but not under the NI Network Code).
- 8.4. The NI Network Code will be amended to reflect the inclusion of DBEP forecasts and provision of such information by the DNOs to the Transporter under the information sharing agreement. Hence:
 - a) the term "Daily Forecast Information" will be amended to mean Daily NDM Forecasts, Daily Metered Demand Forecasts, Daily DBEP Forecasts and Daily Shrinkage Quantities and
 - b) "Daily DBEP Forecasts" shall mean the forecast entry flows at a DBEP provided by the Shipper to the DNO in a Biomethane Delivery Nomination or Renomination pursuant to the Relevant DNO's Distribution Network Code.

- 8.5. The obligations and protections under the Forecasting Party Agreement shall apply in respect of information shared under the information sharing agreement, such that the Transporter will act as a Reasonable and Prudent Operator but take no liability for the information provided. The indemnity provided by Shippers under section 5.3 of the NI Network Code concerning Daily Forecast Information shall also apply to the DBEP forecast information.

9. Nominations

Transmission-related requirements

- 9.1. A Shipper at a Biomethane Non-IP Entry Point will be required to make Biomethane Non-IP Entry Point Nominations and Renominations in respect of the quantities of gas which it wishes to deliver to the Transmission Network on a Day, by submitting a Nomination or Renomination to the Transporter in accordance with the NI Network Code.
- 9.2. A Biomethane Non-IP Entry Nomination or Renomination shall be submitted to the Transporter in accordance with the existing provisions of section 6.5 of the NI Network Code concerning timescales and contents for Nominations and Renominations, but the matching requirements associated with IP Nominations and IP Renominations shall not be applicable. The existing principles of the NI Network Code concerning confirmation or rejection of Nominations and Renominations shall also apply in terms of timing and adherence to the required content, adapted appropriately to refer to Biomethane Non-IP Entry Points.
- 9.3. A Shipper shall not be permitted to submit a Biomethane Non-IP Entry Nomination/Renomination if maintenance is affecting the point unless it is for no more than the quantity that can be accommodated by the NI Network during the maintenance.

Distribution-related requirements

- 9.4. A Shipper at a DBEP will be required to nominate its expected entry flows at the DBEP (in a Biomethane Delivery Nomination, or BDN) under the Distribution Network Code, but not under the NI Network Code. Shippers will be required to submit their initial BDN by 08.00 on D-1, and revise the BDN by making renominations within day as applicable, in line with the existing procedures for making and revising DM Nominations.
- 9.5. For each DBEP Shipper, the DNO will calculate and notify the Shipper of the Transmission Delivery Nomination Required (or TDNR, see Distribution Business Rules for more details of this calculation). The DNO will provide the TDNR to the Transporter along with the Daily Forecast Information.
- 9.6. All the Daily Forecast Information will be provided on a daily basis on Delphi, as now and including Daily DBEP Nominations such that each Shipper will be able to see, for each DN, their own:
- a) NDM forecast;
 - b) DM Nominations;
 - c) Daily Shrinkage Quantity;
 - d) BDN (or total BDN, if more than one for that DN);
 - e) TDNR.
- 9.7. Delphi will determine, for each DBEP Shipper, the total aggregate Transmission Delivery Nomination Required (TTDNR) as the sum of the TDNR for each Distribution Network.

- 9.8. By 12.00 on D-1, and at every within-day update, for each Shipper, Delphi shall show:
- a) Aggregate DM, NDM and Shrinkage figures across all the Distribution Networks;
 - b) TTDNR
- 9.9. DBEP Shippers will be advised to nominate under the NI Network Code in line with the Total Transmission Delivery Nomination Required, but shall not be required to do so.
- 9.10. For the avoidance of doubt, Shippers shall not be required to make any nomination or otherwise indicate a transfer of gas from distribution to transmission. Where applicable, this will simply be given commercial effect through the application of aggregate NI balancing and title transfer provisions.

10. Allocations at a Biomethane Non-IP Entry Point and a DBEP

Transmission-related requirements

- 10.1. A Shipper at a Biomethane Non-IP Entry Point will receive an Initial Entry Allocation of the quantity of gas which is metered to have flowed at the point on a Gas Flow Day by the end of D+1.
- 10.2. Where there are multiple Shippers registered at a Biomethane Non-IP Entry Point, it is anticipated that metering facilities at the point will mean that each Shipper will be allocated the relevant metered quantity delivered on its behalf on a Gas Flow Day at the point by the end of D+1. Where this is not the case, Initial Entry Allocations will be determined in accordance with the provisions of an Ancillary Agreement to be agreed between the Shippers, the Transporter and the DFO.
- 10.3. Initial Entry Allocations will become Final Entry Allocations at the end of D+5 and shall be the same as Initial Entry Allocations except where they require adjustment following a meter/telemetry error at the point which is identified between D+1 and D+5.
- 10.4. A Shipper's Biomethane Non-IP Entry Allocations will be counted as part of its Aggregate NI Entry Allocation.

Distribution-related requirements

- 10.5. A Shipper at a DBEP will receive an initial allocation of its biomethane flows equal to daily metered quantities at the DBEP, to be known as the Initial Biomethane Daily Quantity Delivered (BDQD) under the Distribution Network Code from the Relevant DNO.
- 10.6. By a target time of 12.00 on D+1 (deadline to be 16:00), the Relevant DNO shall provide to the Transporter, for each Shipper:
- a) Initial DM Allocation and Initial NDM Allocation (i.e. provisional UDQO components);
 - b) Users (initial) Daily Shrinkage Quantity;
 - c) Total Initial DN Exit Allocation (i.e., sum of DM, NDM and Shrinkage for that Shipper for that DN for Gas Flow Day D);
 - d) Initial BDQD Allocation (or total if more than one BDQD i.e. Shipper has more than one biomethane site on that Distribution Network);
 - e) Provisional Transmission Daily Quantity Delivered (TDQD)

Where Provisional TDQD = Initial DN Exit Allocations – Initial BDQD

and where this is a negative number, the Provisional TDQD = zero

- 10.7. Delphi will add the totals and for each Shipper and check them against the totals provided by the DNOs and check the calculation of the TDQD. The Transporter and the DNOs will implement procedures for communication and rectification in the case of any discrepancy under their information sharing agreement.
- 10.8. For each Shipper, and in respect of each DN, Delphi will calculate Adjusted (Transmission) DN Exit Allocations, for the purposes of Transmission commodity charging, as follows:

Initial Adjusted T-DN Exit Allocation

= Total DN metered quantity x (Shipper's provisional TDQD ÷ sum of all Shippers' provisional TDQD)

- 10.9. By end of D+1, Delphi shall show, on each Shipper's Allocation Statement:
- a) Total Initial Exit Allocations per DN (i.e. the sum of the provisional UDQO and the Users Daily Shrinkage Quantity, but Delphi will only show the total per DN) and any other Exit Allocations (i.e. NIBP Trade Sell Allocations, VRF or Power Station Exit Allocations);
 - b) Initial BDQD per DN (on the Entry Allocation part of the Statement);
 - c) Total Initial Entry Allocation (including the aggregate BDQD for all DNs)
 - d) Initial Adjusted T-DN Allocations.
- 10.10. Under the NI Network Code, for each Shipper:
- a) Initial DN Exit Allocations shall be deemed to be the figure(s) provided by DNOs as described above; and
 - b) Initial BDQD Allocations shall be deemed to be the figure(s) provided by DNOs as described above.
- 10.11. The Transporter and the DNOs have agreed to use the best available data at M+6 for invoicing for both Transmission and Distribution. The DNOs will therefore provide Final Allocations figures for the items in 10.6 above for each day in month M to the Transporter by a target time of 12.00 on M+6 Business Days (deadline to be 16:00 on M+6).
- 10.12. Delphi shall calculate Final Adjusted T-DN Allocations for each DBEP Shipper, and in respect of each DN, for the purposes of Transmission commodity charging, as follows:

Final Adjusted T-DN Exit Allocation

= Total DN metered quantity x (Shipper's final TDQD ÷ sum of all Shippers' final TDQD).

This will ensure that Shippers with exit flows from the Transmission Network into the Distribution Network are charged the correct amount having taken into account the net effect of any biomethane entry flows into the Distribution Networks.

- 10.13. From M+10 Business Days, the following information will be available for each Shipper on its Allocation Statement and/or bill backing information:
- a) total Final DN Exit Allocation for each DN (i.e. the sum of the final UDQO and the Users Daily Shrinkage Quantity);
 - b) total Final BDQD for each DN;
 - c) total aggregate Exit Allocation (including DN Exit Allocations);

- d) total aggregate Final Entry Allocation (including Final BDQD for all DNs);
- e) total aggregate Final Adjusted T-DN Allocation (either total or by DN, to be confirmed).

10.14. Under the NI Network Code, for each Shipper:

- a) Final DN Exit Allocations shall be deemed to be the Final DN Exit Allocations figures provided by DNOs at M+6 Business Days and shall be used to calculate disbursement charges;
- b) Final Adjusted T-DN Allocations shall be determined as described above and shall be used to calculate Transmission commodity charges.

10.15. Given that an extended period is now proposed before the confirmation of final daily quantities by the DNOs, after M+6 Business Days any subsequent changes to daily quantities as a result of a meter error shall be reconciled in accordance with section E of the Distribution Network Codes, but no further changes shall be made to Final DN Exit Allocations or Final Adjusted T-DN Allocations under the NI Network Code.

10.16. Consequently, under the NI Network Code, disbursement charges and commodity charges shall be calculated and invoiced during M+1 as currently, and then shall be 'closed out' with effect from the date of invoice issue. Only in the event of a significant and material error would any subsequent changes to disbursement charges be made, and only at the sole discretion of, and by mutual agreement of, the Relevant DNO and the Transporter.

11. Aggregate NI Imbalance, incorporating Distribution Biomethane Flows.

Transmission and Distribution-related requirements

11.1. Section 7 (*Allocations*) of the NI Network Code shall be modified as set out below. Please see section 24 of these Business Rules for details of Code Modifications and systems implementation.

11.2. Biomethane Non-IP Entry Point Allocations and DBEP Entry Allocations (i.e. Final BDQD under the Distribution Network Code) are described above and will be included in a Shipper's Aggregate NI Entry Allocation under section 7.4 of the NI Network Code³, as shown below:

$$\text{Aggregate NI Entry Allocation}_D = \sum \text{Final IP Entry Allocations}_D + \sum \text{Final Biomethane Non-IP Entry Allocations}_D + \sum \text{Final DBEP Allocations}_D + \sum \text{Trade Buy Allocations}_D$$

where:

$\sum \text{Final IP Entry Allocations}_D$ means the sum of a Shipper's NI Network Final IP Entry Allocations in respect of the Gas Flow Day;

$\sum \text{Final Biomethane Non-IP Entry Allocations}_D$ means the sum a Shipper's Biomethane Non-IP Entry Point Allocations in respect of the Gas Flow Day;

$\sum \text{Final DBEP Allocations}_D$ means the sum of a Shipper's Final DBEP Allocations on all Distribution Networks in respect of the Gas Flow Day; and

³ References in these formulae to Allocations for Biomethane Non-IP Entry Points would be added to the NI Network Code in a specific Code Modification for the Transmission-related Requirements, but not in the Code Modification for the Distribution-related requirements. Please see section 24 of these Business Rules for further explanation of the proposed approach.

\sum Trade Buy Allocations_D means the sum of a Shipper's Trade Buy Allocations in respect of the Gas Flow Day determined in accordance with section 7.10.4(a) of the NI Network Code.

- 11.3. Aggregate NI Exit Allocations shall comprise the same components as currently, i.e.

Aggregate NI Exit Allocation_D = \sum Final Exit Allocations_D + \sum Final VRF IP Exit Allocations_D + \sum Trade Sell Allocations_D

where:

\sum Final Exit Allocations_D means the sum of a Shipper's NI Network Final Exit Allocations in respect of the Gas Flow Day (which for DN exit points shall now be the Final DN Exit Allocations as determined by the DNOs);

\sum Final VRF IP Exit Allocations_D means the sum of a Shipper's NI Network Final VRF IP Exit Allocations in respect of the Gas Flow Day; and

\sum Trade Sell Allocations_D means the sum of a Shipper's Trade Sell Allocations in respect of the Gas Flow Day determined in accordance with section 7.10.4(b) of the NI Network Code.

- 11.4. For the avoidance of doubt, the Aggregate NI Imbalance (or ANII) shall continue to be calculated, for each Shipper in respect of a Gas Flow Day D, as the difference between its Aggregate NI Entry Allocation and its Aggregate NI Exit Allocation.
- 11.5. Given the inclusion of the DBEP Allocations and the use of DNO-provided DN Exit Allocations, this calculation of ANII will now reflect a Shipper's aggregate imbalance across both the Transmission and all the Distribution Networks.

12. Transmission System Constraints, Exceptional Events and Emergencies

- 12.1. In the event of a System Constraint, Exceptional Event or Emergency, the NI Network Code provides for the Transporter to require flows to be maximised or ceased at specific entry and exit points so as to best manage the operational priority. As a potential source of supply, it is unlikely that flows Biomethane Non-IP Entry Points would be able to materially increase in a short period to assist with a System Constraint, Emergency or other situation of a shortage of gas on the Transmission Network. However, such injection points will have the capability to be curtailed/switched off if required operationally, which may assist with managing local constraints, depending on the location of such an entry point.
- 12.2. In any event, the Transporter anticipates that the NI Network Code would reflect the same rights and obligations for Shippers at a Biomethane Non-IP Entry Point as exist at other points on the Transmission Network. For example, Flow Orders may be issued and revised nominations requested in respect of the point. Shippers would be expected to ensure these arrangements were included in their contracts with producers, and they would also be reflected in the NEA between the Relevant Transporter and the DFO.
- 12.3. The existing obligations in sections 10.9 and 10.10 of the NI Network Code on Shippers to provide Emergency Contacts and to take Emergency Steps as directed by the Transporter would apply to any Biomethane Non-IP Entry Point. It is also anticipated that the other provisions of the NI Network Code concerning emergencies and their consequences will all also apply.

13. Entry Requirements

Transmission-related requirements

- 13.1. Delivery of gas at a Biomethane Non-IP Entry Point will have to comply with all the relevant requirements of section 11 of the NI Network Code as for other Entry Points, as further described below.
- 13.2. Biomethane gas delivered at the Biomethane Non-IP Entry Point will be assumed to be a single homogenous gas stream for the purposes of the NI Network Code.
- 13.3. Where there is more than one, all Shippers at a Biomethane Non-IP Entry Point shall be treated as delivering gas of the same delivery characteristics as that delivered by all other Shippers at the point.
- 13.4. Biomethane being tendered for delivery to the Transmission Network will need to meet the same GS(M)R standards as contained in the NI Network Code Appendix 3. The Transporter is currently reviewing whether there are circumstances in which it may be appropriate to amend the oxygen limit and whether a safety case revision might therefore be required.
- 13.5. The Transporter shall have the right to refuse to accept delivery/accept part of a delivery and to take steps to limit the delivery of non-compliant gas, including operating the Remote Operable Valve (ROV) at the point, pursuant to the NEA. The rights of Shippers to make Nominations/ Renominations may be suspended or terminated in such circumstances, for example for repeated breach of the NI Network Code or NEA requirements, at the sole discretion of the Transporter.
- 13.6. The Transporter anticipates that it will set a target CV for a BSEP (in accordance with the terms of the NEA) with a small range of acceptable deviation lying within the bounds of GS(M)R standards. Paragraph 13.5 above will apply in circumstances of deviation of the CV of the gas entering the network from the acceptable range set out in the NEA.
- 13.7. The proportion of costs of non-compliant gas which a Shipper will bear is the proportion that its Final Allocation at the point bears to the total final allocation at the point (i.e. 100% if there is only one Shipper).
- 13.8. Payments in respect of non-compliant gas will apply to Biomethane Non-IP Entry Points as for other entry points, including as regards sharing where there are multiple Shippers at the Biomethane Non-IP Entry Point. Payments are capped at 10% of the amount which is the Shipper's proportion of the Final Allocations multiplied by the Daily Gas Price.
- 13.9. Amounts payable for non-compliant gas will include costs and expenses incurred in cleaning any part of the Transmission Network and/or taking reasonable measures to secure that the Transmission Network can be operated in accordance with applicable technical and legal requirements.
- 13.10. The Transporter will accept gas at the Biomethane Non-IP Entry Point provided the conditions of the section 11 of the NI Network Code are complied with.
- 13.11. The Transporter will be relieved of its obligation to accept gas at a Biomethane Non-IP Entry Point in the event of a constraint and in the event of Scheduled Maintenance, notwithstanding any obligations to provide capacity under the NEA.
- 13.12. The Transporter may take steps to curtail or cease delivery of gas at a Biomethane Non-IP Entry Point if a constraint is imminent.

- 13.13. The Transporter will inform Shippers if it becomes aware that non-compliant gas has entered the Transmission Network and costs have been incurred which will need to be recovered. No failure by the Transporter to inform Users will affect its rights under sections 13.7 and 13.9 above.

Distribution-related requirements

- 13.14. Delivery of gas and the relevant entry requirements for a DBEP will be addressed by the Relevant DNO under the relevant Distribution Network Code. Please see the Distribution Business Rules for more detail.

14. Title to Gas on the Transmission Network

Transmission-related requirements

- 14.1. Each Shipper at a Biomethane Non-IP Entry Point shall warrant to the Transporter that it has title and risk to the gas to be delivered at the point.
- 14.2. Title and risk to gas on entry to the Transmission Network from a Biomethane Non-IP Entry Point shall be allocated to Shippers in proportion to their Final Entry Allocations at the relevant Biomethane Non-IP Entry Point and shall pass to the Transporter at the Biomethane Non-IP Entry Point.

Distribution-related requirements

- 14.3. To the extent that it is necessary to determine, title and risk to gas on exit at the NI Gas Transmission Network at a DN Exit Point shall be transferred from the Transporter to Shippers in proportion to their Final Transmission Daily Quantity Delivered (TDQD) as determined by the Relevant DNO.
- 14.4. To the extent that it is necessary to determine, where a Shipper with a DBEP Registration has an individual position in respect of a Gas Flow Day such that its Biomethane Entry Allocations at the DBEP exceed its DN Exit Allocations (and its Final Adjusted T-DN Exit Allocation is therefore zero), it shall be treated as putting gas into the NI Gas Transmission Network at the relevant DN Exit Point(s) and simultaneously transferring title and risk in such quantity of gas to the Transporter. The quantity for which the Shipper is treated as transferring title and risk to gas in the NI Gas Transmission Network as a result of this position shall be determined by calculating the quantity which is the difference between their DN Exit Allocations and their DBEP Entry Allocations in respect of a Distribution Network (and shall be the sum of these quantities for each Distribution Network where the Shipper has DBEP Entry Allocations).
- 14.5. The provision in section 14.4 above also facilitates the transfer of gas on behalf of a Shipper from the Distribution Network to the Transmission Network, to the extent that the Shipper's demand in the Distribution Network is less than its Biomethane Delivery Nominations under the Distribution Network Code. This, in conjunction with the aggregate balancing arrangement, avoids the need for explicit nominations between Distribution and Transmission Networks.

15. Measurement & Testing

- 15.1. The specification of the measurement equipment to be installed and maintained by the DFO at a Biomethane Non-IP Entry Point shall be set out in the NI Network Code including relevant technical standards and specified in the NEA.

- 15.2. It is anticipated that the detailed requirements would be broadly consistent with those currently proposed for the Distribution Network Code, with the overarching requirements set out in the NI Network Code to support and coordinate with the NEA obligations of the Transporter and the DFO. The specifics of these requirements would be confirmed at the time of an application to connect to the Transmission Network and would be included for consultation in a Proposed Code Modification.
- 15.3. The definition of Measurement Equipment in the NI Network Code shall be extended to include the measurement equipment at a Biomethane Non-IP Entry Point.
- 15.4. The Transporter shall ensure that it has and maintains the rights to Site Access and to access meter validations in the NEA in respect of the measurement equipment at a Biomethane Non-IP Entry Point.
- 15.5. The Biomethane Non-IP Entry Quantity at a Biomethane Non-IP Entry Point shall be the quantity determined by the measurement equipment at the point in respect of a Gas Flow Day.
- 15.6. Where an error in the measurement equipment is identified at a Biomethane Non-IP Entry Point after the date of issue of the monthly Code Charges (CC) invoice, there shall be an adjustment to the Biomethane Non-IP Entry Quantity and a corresponding adjustment of charges in respect of the Shipper at the point. No adjustments to disbursement charges for the relevant period will be made except where there is a significant and material error. Any adjustments would be at the sole discretion of the Transporter.
- 15.7. In the absence of reliable readings at a Biomethane Non-IP Entry Point on a Gas Flow Day, the Transporter shall estimate the quantity of gas delivered on that Gas Flow Day based on written evidence or appropriate gas engineering technology.

16. Maintenance

- 16.1. The Transporter will co-ordinate maintenance of the Transmission Network with the DFO of a Biomethane Non-IP Entry Point in accordance with the provisions of the NEA and the following requirements.
- 16.2. The Registered Shipper(s) at a Biomethane Non-IP Entry Point will be required to submit information such as the Transporter may reasonably require in order to plan and carry out network maintenance and prepare Maintenance Programmes. This obligation on the Registered Shipper(s) may be fulfilled by provision of information by the DFO directly to the Transporter. The Registered Shipper(s) shall ensure such information is provided and meetings held where necessary with a view to concluding any discussions before 30th September each year.
- 16.3. The Transporter shall notify the Registered Shipper(s) at a Biomethane Non-IP Entry Point of any Scheduled Maintenance which may affect the point during Gas Year Y+1 by the end of Gas Year Y.
- 16.4. Where Scheduled Maintenance on the NI Transmission Network has been planned, the Transporter shall be entitled to carry it out on the relevant days and may also use unscheduled Maintenance Days where required.
- 16.5. As noted in section 13.11 above, where the Transporter is unable to accept gas tendered for delivery at a Biomethane Non-IP Entry Point as a result of Scheduled Maintenance, the Transporter shall be relieved of its obligations to accept gas for the duration of such maintenance.

17. Shipper Forecast Information and the Ten Year Statement

Transmission-related requirements

- 17.1. Shippers are required to complete the Shipper Forecast Information Request for 5-year forecast information, issued each year by the Transporter by 10th January. This requirement will include forecast capacity and flows forecast to be delivered at a Biomethane Non-IP Entry Point.
- 17.2. Shippers will be required to provide information for charging calculations in relation to a Biomethane Non-IP Entry Point as for other points and on same timescales i.e. by the last Business Day in February and the information shall be included in the information provided to the Authority to be utilised in the calculation of charges.
- 17.3. Shipper Information relating to a Biomethane Non-IP Entry Point shall be included in the Quarterly Report to the Authority under section 16.3 of the NI Network Code.

Distribution-related requirements

- 17.4. Registered Shippers at a DBEP will be required to include the forecast flows at the DBEP in their Shipper Forecast Information Request in accordance with the timescales set out in 17.1 and 17.2 above.
- 17.5. The Transporter will also provide information in respect of a DBEP to the Authority with each Quarterly Report under section 16.3 of the NI Network Code.

18. Charges Payment & Tax

Transmission-related requirements

- 18.1. Consistent with the existing terms of the NI Network Code, Shippers at a Biomethane Non-IP Entry Point shall pay capacity charges for the capacity products purchased in respect of that point based on the NI Entry Capacity Reserve Price (taking into account any discount which may be applicable from time to time).
- 18.2. Since under the NI Network Code commodity charges are levied on volumes transported calculated with reference to exit point allocations, commodity charges shall not apply in respect of flows entering the Transmission Network at a Biomethane Non-IP Entry Point.
- 18.3. If a Shipper is allocated gas flow at a Biomethane Non-IP Entry Point which exceeds its allocated capacity on any given Gas Flow Day, an overrun charge shall be payable on the overrun quantity, i.e. the allocated quantity exceeding the capacity holding.
- 18.4. Overrun charges at a Biomethane Non-IP Entry Point shall be calculated as follows:

$$\text{Overrun charge} = \text{Applicable Multiplier} \times P_{\text{daily}} \times \text{Overrun Quantity}$$

where the price for Non-IP Entry Capacity (P_{daily}) shall be the NI Reserve price for the applicable period of capacity. The Applicable Multiplier shall be the same as the overrun price for IP Entry Capacity as stated in Annex 1 of the Gas Charging Methodology Statement.

- 18.5. Unauthorised flow charges shall not apply, as a Biomethane Non-IP Entry Point will be curtailed by the Transporter if they continue to flow when instructed not to.

- 18.6. Biomethane flows at a Biomethane Non-IP Entry Point shall attract disbursement charges as follows:
- a) Imbalance and Scheduling Charges;
 - b) Balancing Gas Costs;
- each as further set out below.
- 18.7. Imbalance charges shall be calculated in line with the existing approach in the NI Network Code on the difference between Aggregate NI Entry Allocations and Aggregate NI Exit Allocations, now including distribution flows determined as set out in section 11 above.
- 18.8. Scheduling charges shall be applied per DN on the difference between a Shipper's Exit Nominated Quantity (equal to a Shipper's TDNR, if followed) and TDQD for that DN.
- 18.9. There shall be no balancing or scheduling tolerance associated with a Biomethane Non-IP Entry Point.

Distribution-related requirements

- 18.10. For the avoidance of doubt, in respect of a DBEP, there shall be no capacity or commodity charges under the NI Network Code related to that point.
- 18.11. Biomethane flows at a DBEP shall attract disbursement charges as follows:
- a) Imbalance Charges;
 - b) Balancing Gas Costs.
- 18.12. There shall be no balancing tolerance associated with a DBEP.
- 18.13. At present, Scheduling Charges are not expected to apply at a DBEP, and Overrun Charges are not required since there are no charges relating to entry capacity under the Distribution Network Code. Please see the Distribution Network Code Business Rules for more information.
- 18.14. Unauthorised flow charges shall not apply, as a DBEP will be curtailed by the DNO if they continue to flow when instructed not to.
- 18.15. All charges in respect of a DBEP under the NI Network Code shall be included on the existing PS Code Charges and CC invoices and in accordance with the existing schedule for invoicing and payment.

19. Credit

Transmission-related requirements

- 19.1. Shippers at a Biomethane Non-IP Entry Point shall be required to ensure that they have sufficient Provided Level of Credit Support to cover the charges payable in respect of the Biomethane Non-IP Entry Point.
- 19.2. The processes for applying for and providing credit, and for the Transporter calculating and reassessing (where necessary) the Required Level of Credit Support and approving the Provided Level of Credit shall be the same as currently provided for in the NI Network Code. Hence, the Forecast Biomethane Non-IP Entry Point Nominations shall be included as part of the Forecast

Postalised Charges in the calculation of the Required Level of Credit Support and the Forecast Average Throughput in respect of a credit period.

- 19.3. The duration for which Provided Level of Credit Support is required to be maintained will be unaffected.

Distribution-related requirements

- 19.4. Shippers at a DBEP will require sufficient Provided Level of Credit Support to cover their disbursement charges in respect of the DBEP. The existing processes, rights and obligations in the NI Network Code in respect of the provision and maintenance of credit shall all apply to DBEP Shippers as for any other Shipper.

20. Liabilities and Indemnities

Transmission-related requirements

- 20.1. The existing provisions of section 19 of the NI Network Code shall apply in respect of a Biomethane Non-IP Entry Point as for other points.
- 20.2. The obligation under section 19.17 of the NI Network Code on Shippers not to make claims against an Adjacent Transporter shall be extended to apply also to the Delivery Facility Operator at a Biomethane Non-IP Entry Point

Distribution-related requirements

- 20.3. For the avoidance of doubt, Shippers shall not be able to make claims under the NI Network Code against the DFO at any distribution-connected biomethane injection point notionally comprised in a DBEP.

21. Force Majeure

- 21.1. No changes to the provisions for Force Majeure under the NI Network Code are anticipated as a result of the introduction of Biomethane Non-IP Entry Points, nor DBEPs.

22. Termination

Transmission-related requirements

- 22.1. Where a Shipper registered at a Biomethane Non-IP Entry Point is to be terminated as a party to the NI Network Code, the Transporter shall inform the DFO.
- 22.2. Capacity which has previously been allocated to a Terminating Shipper in respect of a Biomethane Non-IP Entry Point will be made available to the market. The Terminating Shipper shall remain liable for the costs of capacity booked (including bookings for future years) for the quantity of capacity which the Transporter considers it will not otherwise be able to sell in the market, in line with the existing principles in the NI Network Code section 21 (*Termination*).

Distribution-related requirements

- 22.3. Where a Shipper registered at a DBEP is to be terminated as a party to the NI Network Code, the Transporter shall inform the Relevant DNO(s) (and the Relevant DNO will terminate the User as a party to the Distribution Network Code in accordance with its provisions).
- 22.4. Where the DNO informs the Transporter that a Shipper registered at a DBEP is to be terminated as a party to the Distribution Network Code, the Transporter shall de-register the Shipper in respect of the DBEP.

23. Other NI Network Code Sections

- 23.1. Registration requirements are covered in section 6 of these Business Rules.
- 23.2. Where a Shipper is retiring from the NI Network Code, the capacity at a Biomethane Non-IP Entry Point shall be returned to the market. The Retiring Shipper shall remain liable for the costs of capacity booked (including bookings for future years) for the quantity of capacity which the Transporter considers it will not otherwise be able to sell in the market. This shall be clarified in the NI Network Code section 22 (*Accession to the Code, Registrations, Downstream Load Statements and Retirement from the Code*).
- 23.3. The confidentiality provisions in the NI Network Code will be extended to cover the exchange of information with the DNOs required to operate the aggregate balancing regime described in these Business Rules.
- 23.4. A Shipper at a Biomethane Non-IP Entry Point or a DBEP may use a Shipper agent for communications with the Transporter, as for any other Shipper under section 24.13 of the NI Network Code, and the other 'boilerplate' provisions in the NI Network Code will also apply as they do at present.

24. Implementation of these Arrangements

Code Modifications

- 24.1. These Business Rules set out principles for the NI Network Code needed to accommodate new connections to the Transmission Network as well as to accommodate new connections to the Distribution Networks.
- 24.2. No interest has been received to date for Transmission Network connections, and therefore the Transporter does not intend to develop or propose specific Code Modification proposals to introduce the concept of a Biomethane Non-IP Entry Point until such time as such a connection request is received. It is intended that these Business Rules should provide sufficient information to parties considering a connection as to how the NI Network Code would operate, and the Transporter will be happy to discuss any specific queries with interested parties as required.
- 24.3. Since there is current active interest in Distribution Network Connections, the changes described in these rules under 'Distribution-related requirements' will be needed to facilitate aggregate balancing and disbursement invoicing. Following this consultation, the associated consultation on the Business Rules for the Distribution Codes and consideration of all feedback received, the Transporter expects to develop the required NI Network Code text to implement the Distribution-related requirements into

the NI Network Code, for consultation during Q1 2022 with a view to the required changes being in place in April 2022, subject to approval by the Authority.

Systems Implementation and Transition Rules

- 24.4. These Business Rules set out changes to the Northern Ireland gas balancing regime and to disbursement invoice calculations, which will require systems development of Delphi for full implementation. The timescales for accomplishing this systems development are expected to extend beyond April 2022. Therefore, the Transporter plans to implement an interim arrangement using manual workarounds to manage the information exchange with the DNOs and make the necessary adjustments to allocations and charging for DBEP Shippers. This is expected to be feasible on the assumption that the number of potential DBEP Shippers remains small, and also on the assumption that certain existing functionality can be readily adapted by GMO NI to support the manual processes and display some information to Shippers.
- 24.5. Whilst the Transporter is operating the new arrangements manually, not all the intended functionality of Delphi may be available to Shippers. This issue concerns the timing of data provision on Delphi and the availability of summary data screens. The Transporter is currently working with the systems provider to establish delivery timescales more precisely, but the current expectation for the interim period prior to full systems implementation is as follows:
- a) DBEP Shippers will be able to see their D-1 individual BDNs and TDNR for a DN on Delphi each day subject to an update to the 'Forecasts' screen;
 - b) A daily 'Nominations Summary' screen including any DBEP BDNs for each Shipper will initially be unavailable;
 - c) TDQD and BDQD as determined by the DNOs will initially be unavailable to view on Delphi at D+1;
 - d) D+1 Initial DN Exit Allocations will be determined pro-rata to Nominations;
 - e) Final DN Exit Allocations and BDQD as determined by the DNOs for Imbalance charging and Final Adjusted T-DN Allocations determined by the Transporter for commodity charging, should be available in the billing backing data from M+10 when invoices are issued.
- 24.6. The NI Network Code Modification Proposal to accommodate the Distribution-related requirements may therefore contain a Transition Section to address any specific points of Delphi-related functionality, the timing of information provision or any other transitional issues as required.

25. Consultation Questions & How to Respond

Views on any aspect of these Business Rules are invited. Shippers and any other interested parties are invited to consider the following questions in formulating their response:

- a) What are your views on the proposed aggregate balancing regime? Do you consider it will be beneficial to all Shippers in ensuring balancing costs are fairly targeted?
- b) Do you have any views on the contents of Connection Agreements, NEAs or Ancillary Agreements? Are there any topics you believe should also be covered?
- c) Do you have any views on arrangements for multiple Shippers at a Biomethane Non-IP Entry Point? Are there any other circumstances the Transporter should consider?
- d) What are your views on the proposed registration process? Are there any other aspects the Transporter should consider?
- e) Do you have any comments on the proposals for the offering and allocation of Biomethane Non-IP Entry Point Capacity and the associated charging arrangements?
- f) What are your views on the proposed demand forecasting and nominations processes/ timescales including the derivation of the TTDNR? Are there any aspects you feel have not been considered?
- g) What are your views on using distribution final daily quantities as DN Exit Allocations at M+6 Business Days, and using Adjusted T-DN Exit Allocations for the purposes of transmission commodity charging? Do you consider these changes to be beneficial?
- h) Do you have any concerns over the sharing of information between the Transporter and the DNOs? Is there any information you consider should not be shared? If so, please explain why.
- i) What are your views on the proposals for Entry Requirements? Are there any other considerations for Biomethane Non-IP Entry Points the Transporter should take into account?
- j) What are your views regarding the proposals for measurement and testing, maintenance and emergencies?
- k) Do you have any other views or comments on the remaining sections of the Business Rules?
- l) Do you have any general views on the co-ordination between Transmission and Distribution arrangements which the network operators are jointly seeking to deliver?
- m) Do you have any views or comments on the proposals for implementation of the proposed arrangements? Are there any parts of the proposals that you particularly support or disagree with? Please explain your views so that the Transporter can fully consider all points raised.

Please send responses by no later than 21st January 2022 to:

shippercommunications@gmo-ni.com

Appendix 1: Glossary & Diagram

The explanations below are intended to aid the reading of this Business Rules consultation only. Please note that draft Code text will be prepared and consulted upon, and it is possible that different terminology may be used and/or other changes made to existing NI Network Code terms as part of that process.

Transmission terms

Ancillary Agreement – an agreement which may be needed between the Transporter, DFO and multiple Shippers at a Biomethane Non-IP Entry Point governing site specific issues

Biomethane Non-IP Entry Point(s) – the point at which a biomethane production facility is connected to the Transmission Network

Citygate meter – the meter(s) at the connection point(s) between the Transmission Network and the Distribution Network

Connection Agreement – an agreement which will be needed between the Transporter and the DFO in relation to the construction of a new BSEP

Connection Policy – the policy of the Transporter setting out how connection requests will be handled and how costs will be treated

DBEP Entry Allocations – a Shipper's Entry Allocations at a DBEP (will be = BDQD under the Distribution Network Code)

Delphi – the gas transportation management and billing computer system of the Transporter

DFO – Delivery Facility Operator, the operator of a biomethane production facility

Distribution Biomethane Entry Point (DBEP) – a notional point (to be set up on Delphi) for the purposes of transmission charging, one DBEP per Distribution Network

Distribution Network (DN) – the gas network of a Distribution System Operator. There are three Distribution Networks in Northern Ireland. Please also see footnote 1 in the Distribution Business Rules

DM & NDM – refers to Daily Metered and Non-daily Metered Supply Meter Points on the Distribution Network, and DM here also includes Very Large DM Customers (VLDMs)

DM Allocations and NDM Allocations – the quantities of gas determined to have flowed out of the Distribution Network at a DM Supply Meter Point or a group of NDM Supply Meter Points. DM Supply Meter Points have daily metering and quantities at NDM Supply Meter Points are forecast ahead of the day and determined after the day by an algorithm operated by the DNOs

DN Exit Allocations – current NI Network Code term for transmission allocations at a DN Exit Point, currently determined by the Transporter by pro-rata of the Citygate metered quantities, will be amended so that DN Exit Allocations = UDQO + Shrinkage as provided by the DNOs

DN Exit Point(s) – the points at which gas flows out of the Transmission Network into the Distribution Networks. They are treated as a single point per Distribution Network, even though there may be more than one connection point and hence more than one Citygate meter point in practice.

DNOs – Distribution Network Operators, the NI Network Code term for the DSOs

Final Adjusted T-DN Exit Allocations = pro-rata of Citygate metered quantity against the final TDQD figures as provided by the DSO

Initial Adjusted T-DN Exit Allocations = pro-rata of Citygate metered quantity against the initial TDQD figures as provided by the DSO (and pro-rata to TDNR nominations during the interim period)

Measurement Equipment – currently refers to the meter and other associated equipment for measuring the energy and volume at an Entry Point or an Exit Point, will also cover the equipment at a Biomethane Non-IP Entry Point

Moffat IP – Moffat Interconnection Point, the point at which gas flows into the Transmission Network from the GB network (via the GNI (UK) network) near Moffat in Scotland, and where virtual reverse flow from Northern Ireland to GB is also possible

Network Entry Agreement (NEA) – an agreement between the DFO and Transporter governing the operation and maintenance of the connection point between a Biomethane Non-IP Entry Point and the Transmission Network

NIBP – the Northern Ireland Balancing Point, the point at which Registered Shippers may trade gas with each other

Registered Shipper – a Shipper who is Registered at a particular point on the Transmission Network, which will include a DBEP and a Biomethane Non-IP Entry Point

Shippers – a party who is signed up to the NI Network Code (other than the Transporter) and thereby allowed to use the Transmission Network. All Users (on the Distribution Network) must also be Shippers (on the Transmission Network)

South North IP – South North Interconnection Point, the point at which gas can flow into the Transmission Network from the ROI network and where virtual reverse flow from Northern Ireland into the ROI is also possible

Transmission Commodity Charges – charges levied by the Transporter at all Exit Points on the Transmission Network except at VRF Exit Points

Transmission Network – used in this document to refer to the NI Gas Transmission Network, the collective term for the gas networks of the four transmission operators

Transporter – the collective name for the four operators of the Transmission Networks (PTL, BGTL, GNI (UK) and WTL) in Northern Ireland, which contract to work together as GMO NI

Additional Distribution terms

Biomethane Daily Quantity Delivered (BDQD) – the metered quantity delivered into the Distribution Network at a BSEP

Biomethane Delivery Nomination/Renomination (BDN) – a User's Nomination or Renomination for gas quantities expected to be delivered at a BSEP in respect of a Gas Flow Day

Biomethane System Entry Point (BSEP) – the point at which a biomethane production facility is connected to the Distribution Network

DSO – Distribution System Operator

Effective Date (of a Registration) – the date from which the User is registered at the BSEP and after which gas may flow into the Distribution Network at that point (N.B. gas flow date may be a later date)

Registered User – currently refers to a User registered at a Supply Meter Point – will be expanded to include Users registered at BSEPs.

Renomination Effective Time – currently refers to the time at which DM Renominations are treated as being effective (i.e. on the hour bar after their submission), will be expanded to also refer to BDNs

Shrinkage – gas which is used by the DSO or otherwise lost or unaccounted for in the operation of the Distribution Network

Supply Meter Point – physical offtake points from the Distribution Network, can be either DM or NDM

System Entry Point – the current Distribution Network Code term for the point at which gas is treated as flowing out of the Transmission Network and into a Distribution Network, refers to the same point as a DN Exit Point in the NI Network Code

System Daily Quantity Delivered – current Distribution Network Code term for the total quantity delivered into a Distribution Network at the System Entry Point (which equates to the sum of the metered quantities at the Citygate meters into a given Distribution Network), will be amended to include the sum of all Users' BDQD

Transmission Daily Quantity Delivered (TDQD) – the new proposed term for a Users' quantity treated as being delivered from the Transmission Network to the Distribution Network

User – a party who is signed up to the Distribution Network Code (other than the DSO) and thereby allowed to use the Distribution Network

User Daily Quantity Output (UDQO) – the sum of a User's DM and NDM allocations for a Gas Flow Day

User Daily Quantity Input (UDQI) – currently means the User's share of the quantity treated as being delivered from the Transmission Network to the Distribution Network, will be amended to include any Biomethane Daily Quantity Delivered (BDQD) as well

Users Daily Shrinkage Quantity – the quantity of shrinkage gas that the User is required to nominate for entry, and the term is also currently used to refer to the quantity allocated to the User after the Gas Flow Day. The distinction between forecast and allocated Shrinkage will be clarified in the Distribution Network Code.

Diagrammatic Representation of Key Terms

