

## PROPOSED MODIFICATION TO THE NI NETWORK GAS TRANSMISSION CODE

**Modification Number:** 17

**Modification Title:** *Introduction of Mechanism to Enable Booking of Exit Capacity for Commissioning*

**Modification Proposer:** EP Ballylumford

**Modification Representative:** Harry Molloy **Phone Number:**  
**Email Address:** [h.molloy@tynaghenergy.ie](mailto:h.molloy@tynaghenergy.ie)

**Date Submitted to GMO NI:** 23 March 2023

**Proposed Implementation Date:** ASAP

### Description of the nature and purpose of the modification:

During commissioning, a power station will be required to utilise Exit Capacity when it is not commercially available. In addition, to meet Connection Agreement / Grid Code requirements, such power station will be tested at its maximum rated capacity for an extended period - normally at least 24 hours. This is the highest load factor the power station is ever likely to be dispatched to. Post commissioning, there may be a significant period before the power station is declared commercially available.

Under the current Code Exit Capacity arrangements, a power station would have to book Exit Capacity from the 1<sup>st</sup> day of the month gas was first utilised for commissioning testing until the end of the relevant Gas Year at a rate equal to its maximum technical capacity. Additionally, the power station would be required to pay for an equal level of capacity for all preceding months of the year, due to the 'ratchet mechanism'. This would be significantly in excess of the maximum capacity needed for normal operations. The operator of the power station would therefore incur a very significant cost at a time when the power station was not commercially available and therefore not in receipt of income.

The modification proposal would be to introduce a new form of Exit Capacity in the Code that would:

- be available to purchase on a daily basis at a daily price.
- not be subject to Exit Capacity Ratchet.
- only be applicable for the commissioning of a power station up to the point when the power station is declared fully commercially available.

We suggest the daily price is calculated as the Forecast Postalised Annual Capacity Charge / 365.

### How the modification better facilitates the relevant objective:

The Relevant Objective (Condition 2.4D.2 of the Transporter Licences) will be better facilitated by the NI Network Gas Transmission Code as a result of this modification. This change will support the efficient and economic development of the NI Network and promote effective competition by removing economic barriers to potential new Shippers.

### The clauses of the Code that require amendment:

*This change will require a number of changes to the Code. Specifically, Section 3 – Exit Capacity will be updated to include a definition for the Commissioning product, and related sections of the Code will be amended to reflect this.*

*It is proposed that a new definition is included to define the Commissioning Period, over which this product will be available to Shippers. The relevant location for this definition appears to be Section 3.1 of the Code. It is thus proposed that the following new definition is included in this Section:*

#### 3.1.9 In this Code,

(a) **“Commissioning”** means in respect of a power station, means the completion of such procedures and tests in relation to that power station as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of power station in order for that power station to become commercially operational, including testing of the power station itself, and testing of the power station compatibility with the relevant electricity network;

(b) **“Commissioning Period”**, refers to the period of time during which a power station, associated with a registered Power Station Exit Point, is undergoing its pre-operational testing. For avoidance of doubt testing includes plant commissioning, and any connection-related testing which a power station is required to carry out pursuant to the relevant electricity grid code. The Commissioning Period will begin on the day that a power station begins this testing, and end on the day that the power station receives an Operational Certificate as per the Capacity Market Code;

*Section 3.2 details the process for Indicative Applications for Exit Capacity. From our reading of the Code, it appears that no amendments are required to this Section, and that the Commissioning Exit Capacity could be applied for under the current drafting of this Section.*

*Section 3.3 outlines the requirements for Exit Capacity Applications. It is possible that a minor change be applied to this Section for clarity, although it may be possible for Commissioning Exit Capacity to be booked under the current drafting of this Section. As such, we welcome feedback from the Transporter on the change proposed below:*

3.3.2 An application for Exit Capacity shall be made in the Prescribed Form (an **“Exit Capacity Application”**) and shall specify:

[....]

(g) whether or not the Exit Capacity will be used for the purposes of supplying gas to a power station during the relevant power station’s Commissioning Period.

*Section 3.11 relates to the Exit Capacity Ratchet mechanism. It is envisioned that this mechanism would not apply to the booking of Exit Capacity for the purposes of Commissioning. As this would contradict the objectives of this modification. As such, this Section should be amended to include the following clause:*

3.11.4 Where a Shipper is allocated Exit Capacity for the purposes of supplying gas to a power station during the relevant power station's Commissioning Period, the provisions of Section 3.11.1, Section 3.11.2, and Section 3.11.3 of this Code will not apply to Exit Capacity booked for this purpose by the relevant Shipper as identified under Section 3.3.2 (g).

*Section 6.8 of the Code outlines the general requirements for Exit Nominations. While no changes are envisioned to this Section of the Code, we expect that a minor amendment is necessary to Section 6.9 which outlines the Content, Timing, and Submission of Exit Nominations.*

6.9.1 An Exit Nomination must specify:

[...] (e) the volume of the Exit Nomination Quantity to be used for the purposes of Commissioning (if any) (in kWh/d).

*Section 7.5 of the Code details arrangements for Exit Allocations. It is proposed that the following is amendment is made to this section:*

7.5.5. In this Code an "Exit Allocation" is the quantity of gas allocated to a Shipper by the Transporter in respect of a Gas Flow Day and an Exit Point, in accordance with this section 7, pursuant to a Shipper's Exit Nomination, less the quantity of gas allocated to a Shipper for the purposes of Commissioning (if any) pursuant to a Shipper's Exit Nomination.

7.5.6 In this Code an "**Exit Allocation for Commissioning**" is the quantity of gas allocated to a Shipper for the purposes of Commissioning (if any) by the Transporter pursuant to an Exit Capacity Application in respect of a Gas Flow Day and an Exit Point, in accordance with this section 7, pursuant to a Shipper's Exit Nomination. Nominations for Exit Allocation for Commissioning shall not be considered as "Exit Nominations" for the purpose of deriving an initial Exit Allocation as per Section 7.5.2.]]

*Section 8 of this Code is concerned with Balancing and Scheduling Charges. We propose the introduction of a new subsection here, which relates to the calculation of Commissioning Charges.*

## 8.6 Commissioning Charges

8.6.1 Where a Shipper has been allocated Exit Capacity for Commissioning in accordance with Section 7 of this Code, they shall be subject to charges calculated in accordance with this Section 8.6 for the quantity of capacity allocated for Commissioning.8.6.2 In addition to Commissioning Charges, a Shipper which is undergoing Commissioning will be liable for IP Entry Overrun Charges as set out in Section 2.13 of this Code.

8.6.3 In addition to Commissioning Charges, a Shipper which is undergoing Commissioning will be liable for Imbalance Charges as set out in Section 8.3 of this Code.

8.6.4 Commissioning Charges for Exit Capacity, for Unit u, (CCEX<sub>u</sub>) are calculated as followed:

$$CCEX_u = \frac{(FPACapCt)}{365} \times QECC_u$$

Where:

FPACapCt is equal to the Forecast Postalised Annual Capacity Charge (£ per kWh/d booked); and

QECC<sub>u</sub> is equal to the quantity of Exit Capacity for Commissioning allocated to Unit, u (kWh).