

Biomethane Non-IP Entry Points Transmission Business Rules

Version 1.1

Post Consultation

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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).
- 1.3. Consultation on the original version of these Business Rules which included Distribution related requirements ended on 21st January 2022. This version refers only to the changes to the NI Network Code which would be needed to support injection on the Transmission Network.
- 1.4. Capitalised terms are used in various places in these Business Rules and generally refer to terms which are defined in the NI 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 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.
- 1.5. **Please note, these Business Rules are reflective of the thinking at the time of drafting and they may not represent the final amendments made to the NI Network Code when required. The amendments to the NI Network Code will be consulted on in accordance with the Code Modification Rules.**

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. These Business Rules were 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 provide an indication of how the NI Network Code will be amended.
- 2.3. This document sets out the principles for the NI Network Code for Transmission Entry Points.
- 2.4. Before the Business Rules are presented, below is an introduction to the aggregate balancing.

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. 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

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.

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.

- 3.3. Therefore, with the addition of aggregate balancing into the NI Network Code the DNOs and Transporter have incorporated 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.
- 3.4. To enable this, the DNOs and Transporter have amended 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.
- 3.5. 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 means 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.
- 3.6. To distinguish between transmission and biomethane entry flows into the Distribution Network, the DNOs 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 means the sum of the TDQD and the BDQD. Where a User's BDQD exceeds their DN Exit Allocations, their TDQD shall be zero.
- 3.7. For the purposes of Transmission Commodity Charging only, the Transporter determines 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.
- 3.8. An additional benefit of this arrangement is that it enables 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.
- 3.9. 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.

3.10. The DNOs and the Transporter have put in place an information sharing agreement and procedures to share the necessary forecast, metered quantity and allocation information to enable these changes.

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.

Business Rules for Transmission

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

- 4.1. 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

- 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.

6. Registration 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.

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.

8. Demand Forecasting

- 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.

9. Nominations

- 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.

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

- 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.

11. Aggregate NI Imbalance, incorporating Distribution Biomethane Flows.

- 11.1. Section 7 (*Allocations*) of the NI Network Code shall be modified as set out below.
- 11.2. Biomethane Non-IP Entry Point Allocations are described above and will be included in a Shipper's Aggregate NI Entry Allocation under section 7.4 of the NI Network Code, as shown below:

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

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 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 Final DBEP Entry Allocations_D means the sum of a Shipper's Final DBEP Entry Allocation at each DBEP in respect of the Gas Flow Day; and

\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.

except for the Stranraer Shipper where the Aggregate NI Entry Allocation_D shall be determined as:

Aggregate NI Entry Allocation_D = Final Non-IP Entry Allocation_D + \sum Trade Buy Allocations_D.

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

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

where:

\sum Final Power Station Exit Allocations_D means the sum of a Shipper's Final Power Station Exit Allocations at each Power Station Exit Point in respect of the Gas Flow Day;

\sum Final DN Exit Allocations_D means the sum of a Shipper's Final DN Exit Allocations at each DN Exit Point in respect of the Gas Flow Day;

\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 reflects 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

- 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 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.

14. Title to Gas on the Transmission Network

- 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.

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

- 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.

18. Charges Payment & Tax

- 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. There shall be no balancing or scheduling tolerance associated with a Biomethane Non-IP Entry Point.

19. Credit

- 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.

20. Liabilities and Indemnities

- 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

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.

22. Termination

- 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*).

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. A Shipper at a Biomethane Non-IP Entry Point 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

- 24.1. These Business Rules set out principles for the NI Network Code needed to accommodate new connections to the Transmission Network
- 24.2. Limited 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.

Appendix 1: Glossary

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 (equal to 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 (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.

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

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

DSO – Distribution System Operator

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 – a point at which gas is can flow into a Distribution Network

System Daily Quantity Delivered – is the aggregate quantity of gas delivered into a Distribution Network that Gas Flow Day determined as the sum of the Total Transmission Daily Quantity Delivered and the Total Biomethane Daily Quantity Delivered in respect of that Gas Flow Day

Transmission Daily Quantity Delivered (TDQD) – the 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) – means the User's share of the quantity treated as being delivered to the Distribution Network

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 is clarified in the Distribution Network Code.