



Industry Workshop

Nominations Business Rules

18th November 2014

Agenda

- Context
- New Concepts
- Contents and Timing of IP Nominations
- Contents and Timing of IP Renominations
- Processing rules for IP (Re)Nominations
- Rejection and Revision of IP (Re)Nominations
- Matching of IP (Re)Nominations
- Trade Nominations
- (Re)Nominations at Exit Points which are not IPs
- Transition Details

Context

- Third Package Regulation EU 715/2009
 - Requirement for Entry-Exit Regime
- Introduced 'Network Codes'
 - Balancing Code (EU 312/2014)
 - CAM (Capacity Allocation Mechanisms) Code (EU 984/2013)
 - Interoperability Code (currently in Comitology)
- Nominations Requirements specified in all of the Codes
 - These Business Rules cover all requirements concerning Noms

Context

- Introduction of Entry Capacity into NI for the first time
- IP Entry Noms to be made separately by Shippers
 - No longer deemed equal to exit nom
- Introduction of CAM capacity bundled products
 - Requirement for Single Sided Noms and Double Sided Noms
 - Nom for each counterparty/ product type
 - i.e. Multiple Entry Nominations per Shipper in respect of a day
- Withdrawal of Moffat Agent
 - TSOs to perform nominations matching directly
- Introduction of Trade Nominations
- References in the NI Codes to VRF noms at non-virtual exit points shall be removed

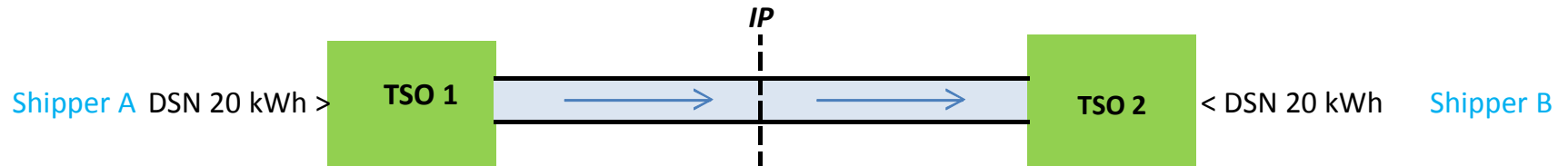
New Concepts (Re)Nominations at an IP: Entry and VRF Exit

IP Entry Nomination Types

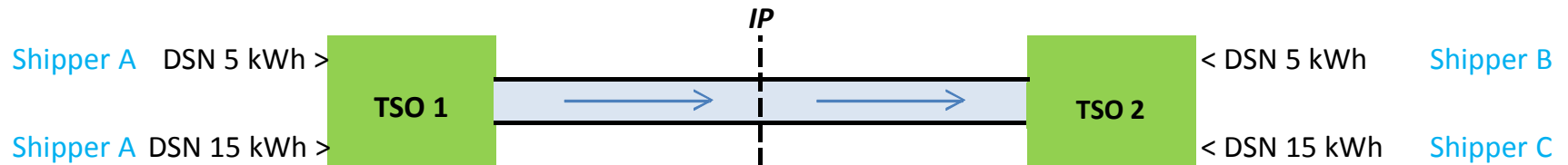
- Single Sided IP Entry Nomination
 - For bundled capacity products
- Double Sided IP Entry Nomination
 - For unbundled capacity products
- Nomination per counterparty and per product
- VRF Exit Nominations/Re-nominations
 - Will be Double Sided
 - since VRF capacity will only be sold Interruptible and Unbundled
 - Per counterparty
 - Shipper may have more than 1 VRF Exit Nom if it has more than one counterparty for VRF
 - Processes/rules described on following slides, including matching, apply for VRF Exit Nominations and Re-nominations as for Entry Nominations/ Re-nominations

Nominations for New Entry Products - Examples

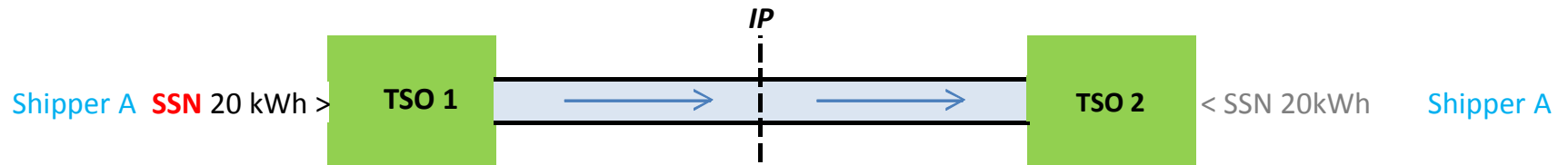
Example 1



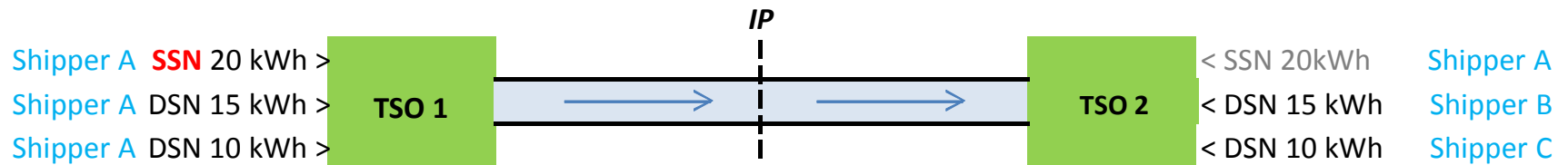
Example 2



Example 3



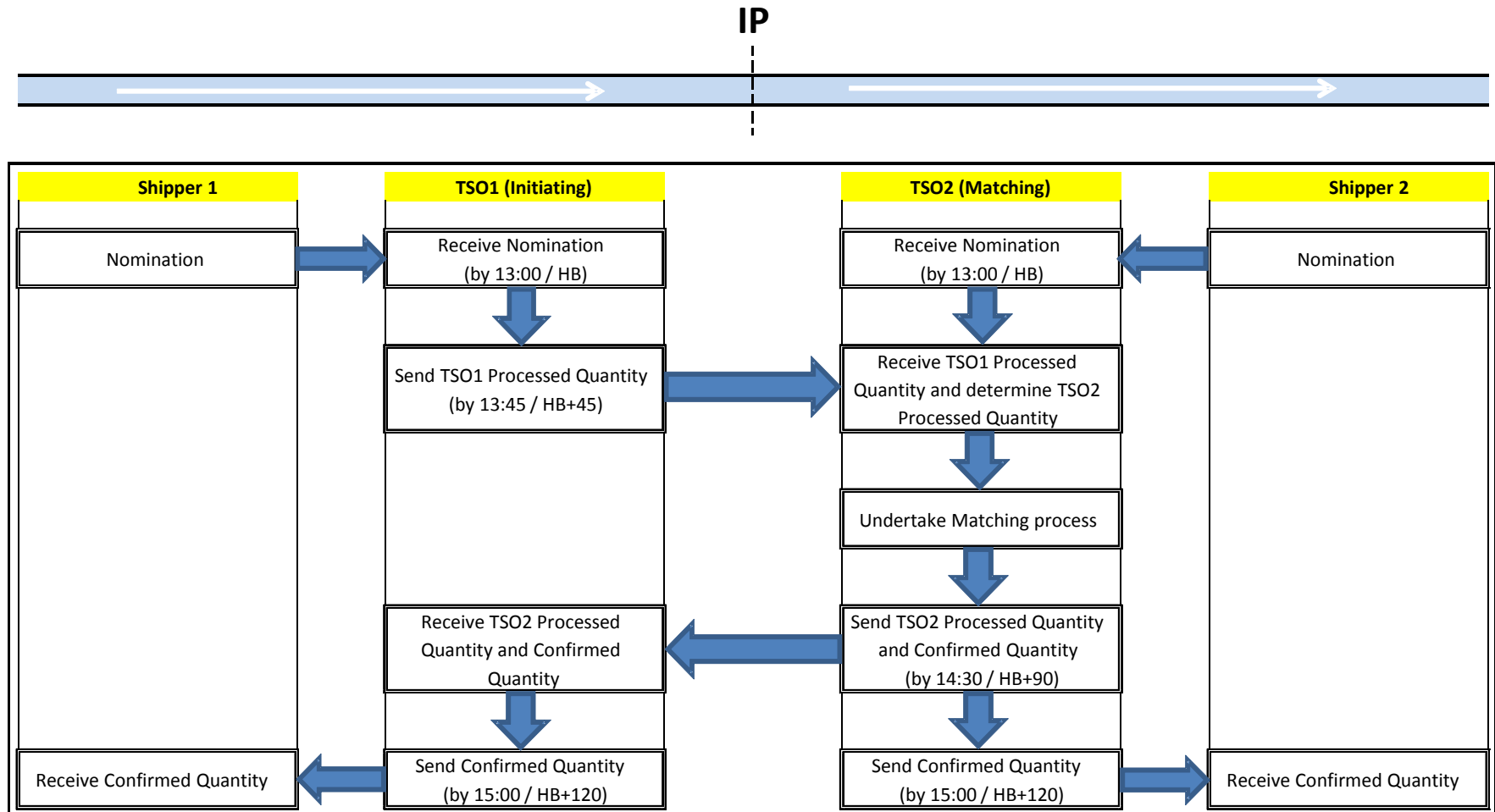
Example 4



Matching and Initiating TSOs

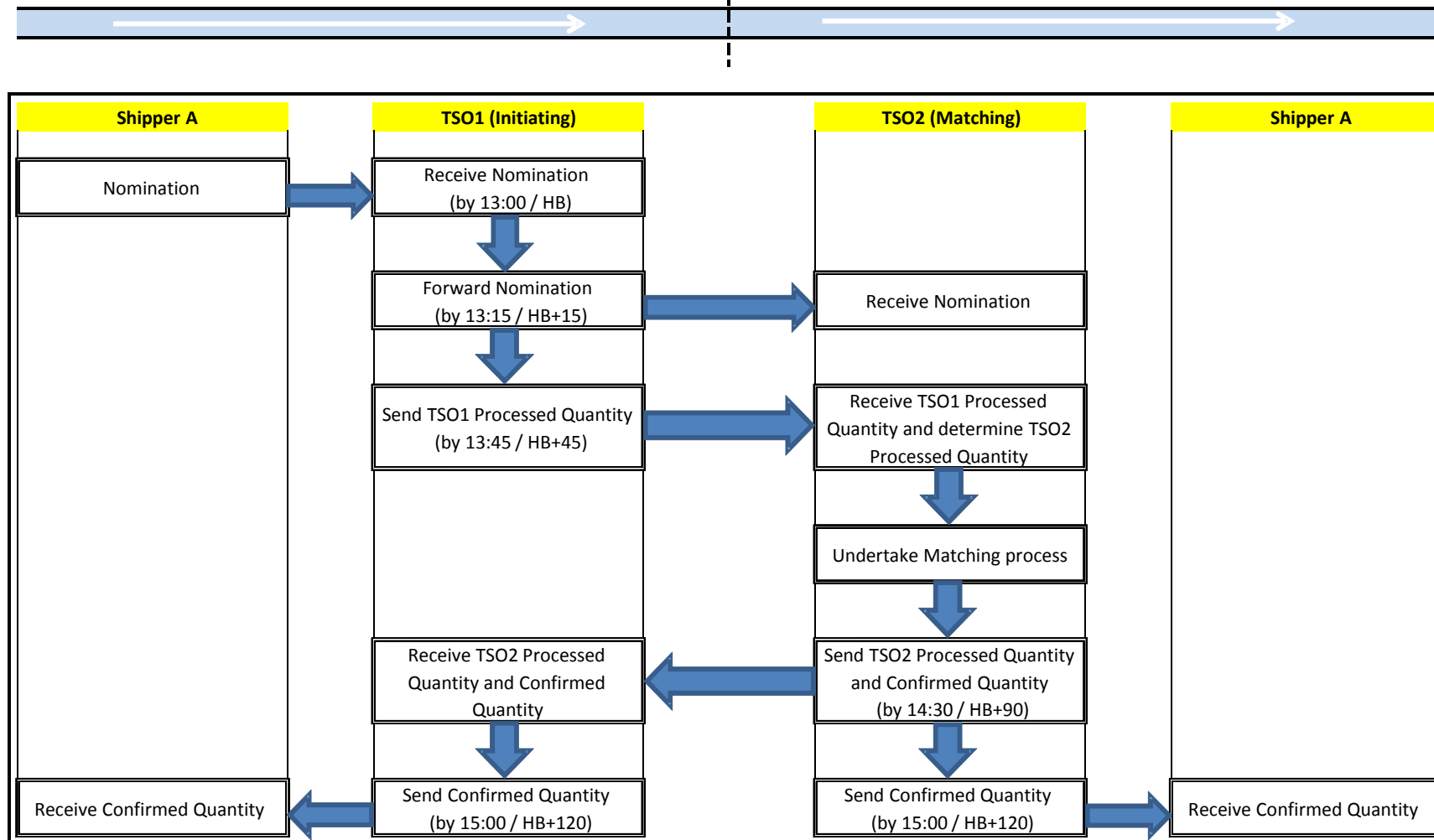
- The Interoperability and Data Exchange NC specifies that Transporters should identify which of them will be :
 - Matching Transporter
 - Initiating Transporter
- Initiating Transporter
 - Receives Single Sided Noms
 - Forwards Single Sided Noms to Matching Transporter
 - Receives own-side Double Sided Noms
 - Processes Noms according to own rules
 - Determines 'Processed Quantities' (PQs) for each Nom
 - Passes PQs to Matching Transporter (who does the matching)
 - Receives Confirmed Quantities (CQs) for each Nom
 - Send CQs to its own Shippers
- Matching Transporter
 - Receives own-side Double Sided Noms from Shippers and Single Sided Noms from Initiating Transporter
 - Determines its PQs for each of those Noms
 - Receives Processed Quantities from Adjacent TSO
 - Carries out matching according to agreed rule(s) to determine CQs
 - Sends CQs to Adjacent TSO , and to own Shippers

A Double Sided Nomination – for an Unbundled Capacity Product



A Single Sided Nomination – for a Bundled Capacity Product

IP



Contents and Timings of IP Nominations

Information in an IP (Re)Nomination

- Identity of IP
- IP (Re)Nom Type (Single sided or double sided)
- Direction of gas flow (Forward Flow/ VRF)
- Identity of Shipper
- Identity of Shipper's Counterparty
- [Start and end time of gas flow]
- Gas Flow Day
- IP (Re)Nomination Quantity (kWh/d)

And in addition, for Renoms only:

- No Implied Negative Flow Rate
 - i.e. can't flow less than what has already flowed

Noms Timescales Summary and Comparison

Feature	Current (Exit) Rules	EU Required IP Rules
Earliest Nomination submission time	None specified	D-30
Nomination deadline	Noms between 08:00 and 18:00 considered Re-noms	13:00 (UKT) on D-1
Re-nomination period start time	18:00 D-1	15:00 (UKT) on D-1
Re-nomination period end time	01:00 D	02:00 (UKT) on D
Nomination Effective Time	Hour bar + 4 hrs	Hour bar + 2 hrs
Default nomination rule (no nomination submitted)	Nom = Zero	Nom = Zero
VRF latest (exit) Nom time	22:00 D-1	02:00 (UKT) on D

Processing Rules for IP (Re)Nominations

Processing of (Re)Nominations

Validation Checks

- Nominations
 - Administrative (complete information, valid date etc)
 - Single sided noms counterparty = same Shipper
 - Application of rules to enable overall compliance with upstream operational requirements
- Renominations
 - No implied negative flow rate
 - Effective Time = at least 2 hours after the hour bar after the relevant hour bar
- No nomination received = deemed to be zero

Rejection and Revision of IP (Re)Nominations

Rejection and Revision of (Re) Nominations

Rejection if Noms /Re-noms fail validation checks

- Where Noms are rejected, TSOs will notify the Shipper by 15:00 on D-1.
- Where Re-noms are rejected,
 - TSOs will notify the Shipper within 2 (two) hours
 - Revert to prevailing CQ

Revision of Noms / Re-noms:

- To maintain OPN within the allowed boundaries at the relevant IP
 - Then Nom/Re-nom may be revised up or down;
- In an Exceptional Event
 - in which case the revised Nominations (CQs) will constitute a Flow Order
- In the event of interruption of VRF IP Exit Interruptible Capacity
 - Where Noms/Re-noms revised in these circumstances, TSOs will notify the Shipper via the (adjusted) Confirmed Quantities

Matching of IP (Re)Nominations

Matching of IP (Re)Nominations

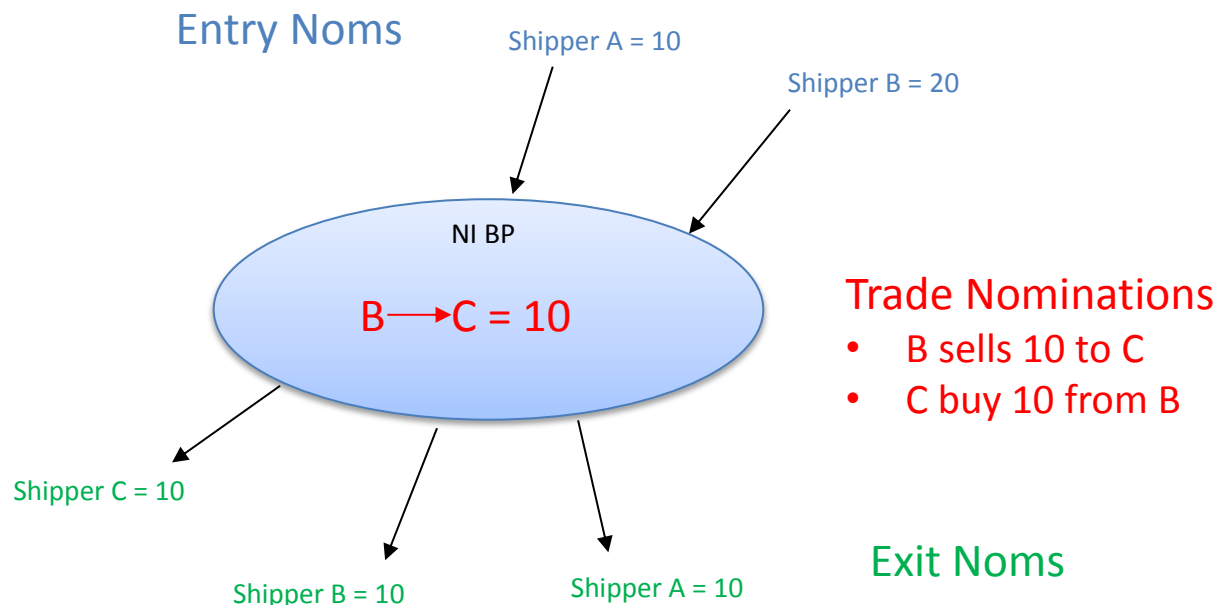
- NI TSOs will publish which party is to take the role of Initiating Transporter and Matching Transporter at each IP on their websites, along with the relevant matching rule which will apply at each IP
- The NI TSOS anticipate that for NI from 1st October 2015, the matching rule shall be the 'lesser of' rule
- TSO will submit Processed Quantities to the Matching Process at the relevant IP
- Matching Process performed, and the relevant Matching Rule(s) applied, by the Matching Transporter

Matching of IP (Re)Nominations Continued

- The Matching Process will result in Confirmed Quantities for each of the IP Nominations received
- The NI TSOs will pass the Confirmed Quantities to the relevant Shippers by 15:00 on D-1
- In respect of IP Renominations the Matching Process will result in Confirmed Quantities for each of the IP Renominations received
- The NI TSOs will pass the Confirmed Quantities to the relevant Shippers within 2 (two) hours of the hour bar after the IP Renomination was submitted
- The Matching Rule to be applied in Exceptional Events may vary from the Matching Rule to be applied in normal circumstances

Trade Nominations at the NI BP

The Northern Irish Balancing Point – Trade Nominations



- Shippers (and Traders) will be able to make trade nominations to each other on PTL system
- Within the NI Network, i.e. 'At the NI Balancing Point'
 - In EU terms, the NI BP is a trading 'hub'
- Trades specify quantities to be traded in respect of a Gas Day
- The trading parties need to submit matching and opposite Trades for them to be accepted
- Trades need to be submitted before or within day (not after the day)

Trade Nominations Rules

- Trade Noms may be submitted from the start of the 30th Gas Day prior to the Gas Day and 02:00 on D

Trade Noms must specify:

- Gas Day for which gas is transferred
- Identity of the Shipper
- Identify of the Trading Counterparty
- Whether the Trade Nom is a Trade Buy or a Trade Sell Nom
- Effective Time of the Trade
- Trade Notification Quantity in kWh/d
- Effective Time of the Trade may be either one or two hours from the next hour bar after the Trade Nomination was submitted, as specified by the Trading Parties
 - [, or if unspecified by the Shipper, shall be one hour from the next hour bar after the Trade Nomination was submitted] .
- The NI TSOs will process Trade Nominations normally within 30 minutes [and no later than 30 minutes before the Effective Time].
- Both Trading Shippers/Parties must submit a matching and opposite Trade Noms
- Trading Parties (who are not otherwise Shippers) can submit Trade Noms

Trade Nominations continued

- Parties don't have to have submitted any other Entry /Exit Noms in order to make trade noms
- Third party service providers/Agents can submit Trade Noms on behalf of a Shipper/Trading Party
- Trade Noms not containing required info will be rejected
- Non-matching Trade Noms will be rejected.
- Trade Nominations which are not rejected shall be [deemed to be] confirmed as at the end of the processing time.
- Accepted Trade Noms
 - Allocated whole
 - Count towards imbalance position for D

(Re)Nominations at Exit Points which are not IPs

(Re)Nominations at Exit Points which are not IPs

- Currently Shippers making a (Re)Nomination at an Exit Point are deemed to have a matching (Re)Nomination at the Entry Point
- From October 2015 Shippers will have to nominate separately at each Entry and Exit
- The current rules which provide for amendment of an (exit) Nomination or (exit) Renomination when there is a Moffat mismatch will be removed
- Propose to align the timings for the provision of Exit (Re)Nominations with those for IP (Re)Nominations (and the new Gas Day)
 - With effect from 1st October 2015

(Re)Nomination Timings and Summary

Feature	Current (Exit) Rules	EU Required IP Rules
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(Re)Nominations at Exit Points which are not IPs

- Currently Shippers may submit a Nom in respect of an Interruptible Nominated Quantity, as a deemed application for a corresponding amount of Interruptible Capacity
- From Oct 15 the quantity by which a Nomination exceeds the Firm Exit Capacity booked at an Exit Point will attract a charge for the capacity
 - UR will determine the charges

VRF (Re)Nominations at Exit Points which are not IPs

- Currently, Shippers can submit Interruptible VRF Nominations at all Exit Points
- From Oct 15 Exit noms will no longer need to relate to the specific contract path
- VRF IP Exit Noms will be required only at IPs
 - VRF will only apply in respect of Moffat and South North IPs
 - The NI TSOs will no longer need to address VRF flows on contract paths between themselves (Carrickfergus)
 - Rules for VRF IP Exit Nominations at Moffat and South North (i.e. operating as Virtual Exit Points), will be simplified and adapted to comply with the EU requirements for IPs
 - Interruptible VRF Nominations (for non IP Exit Points) will be removed from Code

Transition/Implementation Nominations and Re-nominations at an IP & Trade Nominations

Transition/Implementation Details

- New Rules to be effective from 1st October 2015
- Noms at IPs for the Gas Day 1st October 2015
 - Earliest Submission = 30 days in advance
 - 06:00 on 1st September 2015
- Re-noms at IPs for the Gas Day commencing 05:00 1st October 2015
 - Start at 15:00 on D-1 (i.e. 30th September 2015)
- Moffat Agent nominations matching service
 - For Gas Days up to and including 30th September 2015
 - No longer used thereafter
- Trade Noms for Gas Days starting from 1st October 2015
 - Earliest Submission = 05:00 on the 30th (thirtieth) Gas Day prior to the Gas Day

Questions?