



OCM Contingency Exercise Report

Energy Balancing

March 2021

nationalgrid

Background

The On-the-day Commodity Market (OCM) is National Grid Gas's primary route to market for balancing trades. In the unlikely event the Gas National Control Centre (GNCC) and/or the market lose access to the OCM a contingency can be invoked. This involves GNCC trading with market participants using forms sent via email. In order to provide both National Grid and wider industry with confidence that the process is fit for purpose and that the National Transmission System (NTS) can be balanced effectively, an industry exercise was conducted on 9th March 2021. This report documents the findings and subsequent actions following the exercise.

Participants

Participants across the industry included:

- ICE – Operator of OCM
- Six external market participants
- National Grid – Gas National Control Centre (GNCC), Duty Officer and the Energy Balancing Team

National Grid would like to thank all participants for their time on the day and the valuable feedback provided.

Exercise Scenario

The scenario presented to GNCC was a loss of access to the OCM with the NTS balance being 5mcm/d light. In the scenario shipper OCM access remained unaffected. All aspects of the contingency were tested as far as reasonably possible under the limitations an exercise presents, these included:

- Testing internal governance and communication with the Duty Officer
- Declaring and notifying the market of a contingency being invoked using ANS (sent via email for exercise)
- ICE providing trades for period prior to loss of OCM and list of active OCM shippers
- Request for bids sent to market participants using ANS
- Market participants returning bids in the required form detailed on the NG website
- Market participants and ICE informed of accepted bids
- ICE recalculate SAP, SMP Buy & SMP Sell accordingly and communicated to shippers
- OCM reinstatement and communication of end of contingency via ANS

Aspects not tested:

ICE entering accepted trades back into OCM and transferring these across to Gemini. In order to test this functionality a connected test environment at both ICE and Correla would be required. It is proposed that a test of this data flow is carried out in the future (Note: this only requires National Grid, ICE and Correla participation)

Locational trades. The scenario presented in this scenario only required the procurement of title gas. Future exercises may consider locational trades.

Outcome

Following a post exercise review and from the feedback received, National Grid believes that the exercise was successful in meeting the outcomes. The GNCC was able to balance the system in the scenario presented and every market participant was able to submit trades. All communication channels were tested successfully, and the combination of email and Microsoft Teams worked well.

Market participants and ICE were able to test their internal procedures and identify any areas for improvement too.

As a result, the contingency arrangements are deemed fit for purpose, with some areas for improvements identified. These are documented below.

Feedback

Following the exercise National Grid has collated 27 pieces of unique feedback provided by internal and external participants. These can be broadly grouped into the below themes:

- Related to improvements to usability and efficiency of forms (17)
- Updates to internal procedures used by GNCC (5)
- Updates on National Grid website (2)
- Feedback and questions for ICE (3)

For a detailed breakdown please refer to Annex 1 at the end of this document.

National Grid has an action plan in place to address the feedback, the majority of which has since been actioned.

Next Steps

National Grid aims to complete all actions on the action plan by summer 2021.

National Grid propose an exercise with ICE and Correla during 2022 to test data flows between the OCM and Gemini during a contingency scenario.

National Grid propose another exercise with shippers in 2023 to ensure the procedures remain fit for purpose. This exercise may include aspects not tested this year such as locational trades.

Contacts

If you have any questions regarding OCM Contingency, please do contact us using the below details.

Energy Balancing

National Grid

box.NTS.EnergyBalance@nationalgrid.com

Annex 1 – Feedback Details

Feedback received were split into 4 different categories, a summary of the 27 pieces of feedback are below.

1. Forms

- Updating the forms to ensure all live Shippers are set up on the OCM 1 form.
- Make the forms simpler to use and when saving and sending to GNCC make the file format more visible.
- On the PDF of offers sent this could be more visible to whether it is a buy or sell.

2. Procedure

- Procedure indicates that Ofgem only need to be informed after the event, should also be made aware beforehand or during.
- ANS messages default wording indicates a complete loss of ICE. This would need adhoc rewording for NG loss of access or have 2 ANS messages to choose from.
- Update procedure regarding sending out Shipper confirmed and rejected bids and prices.

3. Website

- ANS messages website links need to be updated.
- Upload updated CON1 form to National Grid website.

4. Feedback for ICE

- Will accepted trades be entered into the ICE system?
- If so will this send the trade to Gemini in both instances where NG lose access and total access? Clarify if ICE's manual process pushes through the trade info in full.
- Will shippers' trades continue to be automatically captured in their trade capture systems via ICE API during contingency scenarios or will manual logging be required?