

## Locational Sell Actions Carried Out at Milford Haven ASEP on the 1<sup>st</sup> and 16<sup>th</sup> April

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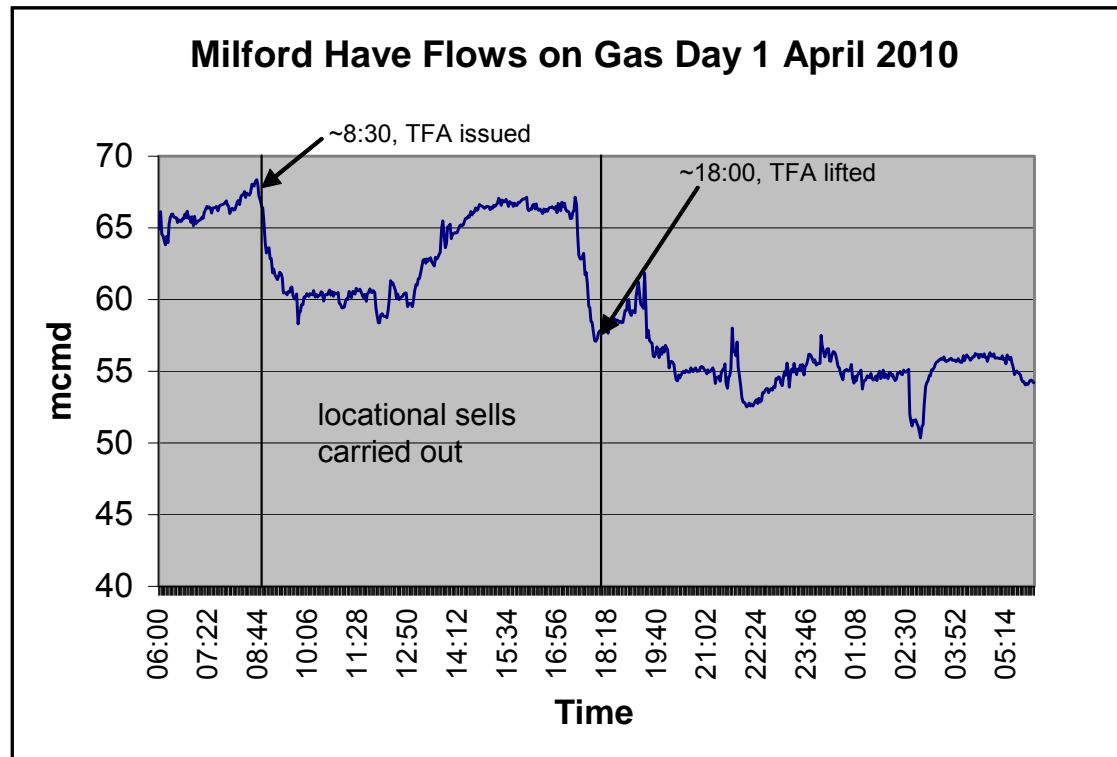
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# Entry Constraint Management by Locational Actions

- ◆ In the event of an entry capacity constraint on the network, locational actions and entry capacity buybacks are the primary tools available to NGG to manage the constraint.
- ◆ NGG may decide to use locational actions or buybacks to resolve constraints based on its estimate of likely costs to the community. If locational actions are considered to incur less cost to the community then they will be the preferred choice.
- ◆ Capacity Constraints were experienced at Milford Haven ASEP on the 1<sup>st</sup> and 16<sup>th</sup> April.
- ◆ On both days locational sells were considered to incur less costs to the community than entry capacity buyback. Therefore locational sells were carried out.

# Milford Haven Constraint Management on 1<sup>st</sup> April 2010



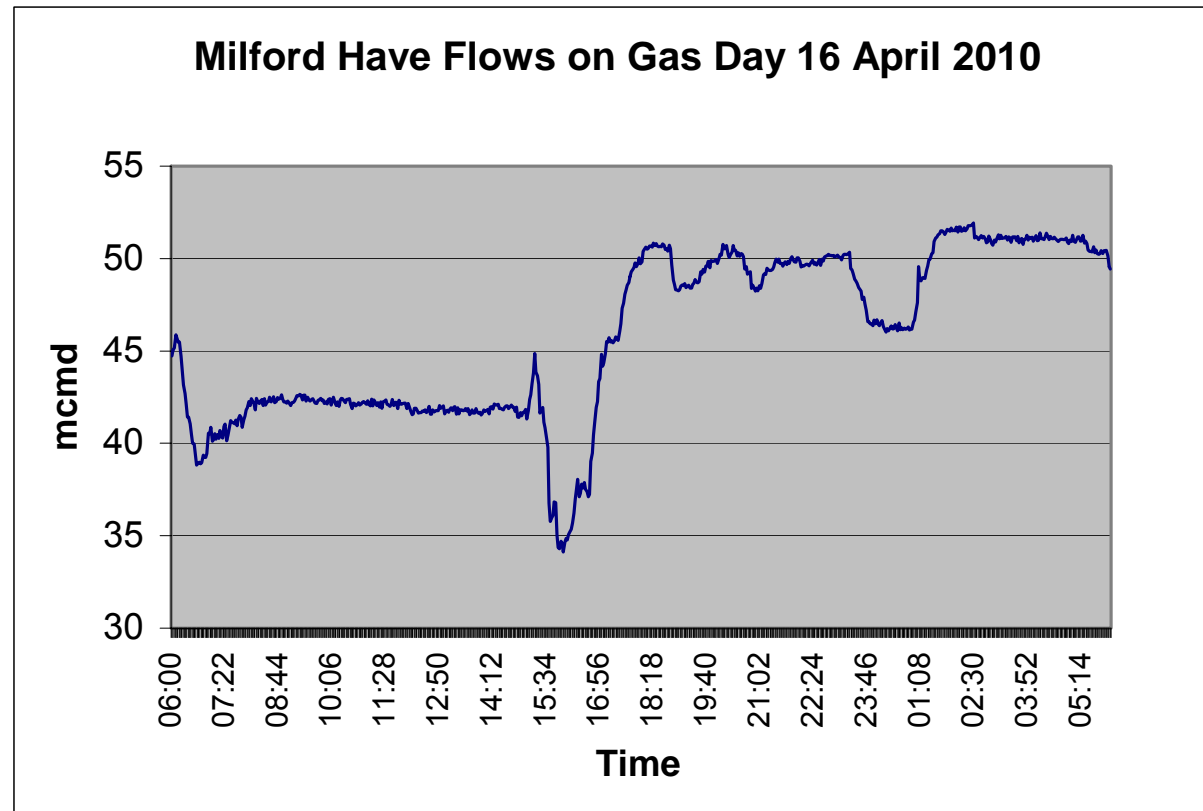
## System Conditions

- System was heavy
- High nominated end of day flows from Milford Haven
- Rising pressures at Milford Haven

## Actions Taken

- At ~08:30 Pressure TFA issued to Milford Haven terminals
- Locational Sells estimated to incur the least cost to the community
- Locational sell actions carried out to reduce flows coming into system at Milford Haven
- TFA lifted at ~18:00

# Milford Haven Constraint Management on 16<sup>th</sup> April 2010



## System Conditions

- ◆ System was heavy
- ◆ Essential maintenance work being carried out on Feeder 28
- ◆ high nominated end of day flows at Milford Haven

## Actions Taken

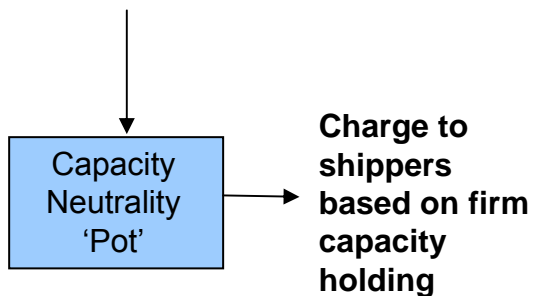
- ◆ Constraint forecast to occur at Milford Haven
- ◆ No TFA was issued
- ◆ Locational sells estimated to incur the least cost to the community
- ◆ Locational sell actions were carried out

# Cashflow Effects

- ◆ Costs/Revenue for both Locational Energy Actions and Capacity Buybacks go through Daily Neutrality

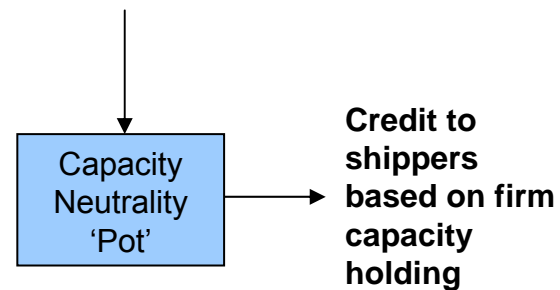
## Capacity Buyback

Cost of Capacity Buyback



## Locational Sell Action

Revenue from Locational Sell Actions



- Costs/Revenues also feed into the Operational Buyback Incentive Scheme

# Process Overview

NGG issues ANS requesting for locational sell at the affected ASEP/area. Shippers make offers in response.

Once an offer has been accepted by NGG, the shipper must make an appropriate renomination against the forward flow activity on the meter at the SEP.

The shipper also must confirm the renomination on Gemini for the trade to be complete.

Failure to do so will result in the shipper incurring a **Physical Renomination Charge** (PRI) under UNC Section D 2.3.8 of the UNC. The charge is the greater of:

- **TNQ\*0.005 pence (TNQ is the Trade Nomination Quantity)**
- **£200**