



Market Change Newsletter

Issue 19
September 2024



Welcome

Welcome to the latest edition of our Newsletter!

In this issue:

[A Message from Liz](#), Head of Market Change
[Gas Charging Update](#)
[Gas Capacity Update](#)
[Market Development Update](#)

[Security of Supply Update](#)
[Market Change Team Update](#)
[Team Chart](#)
[Team Accountabilities](#)

A Message from Liz Ferry – Head of Market Change

Welcome to our September Market Change Newsletter.

The eagle eyed will notice a small change to our introduction in that we are now the 'Market Change' function. That being said, we continue to remain part of the System Operations department. More information is detailed below however, we feel that this better reflects the activities underway in our team and hopefully provides more clarity to our stakeholders.

We continue to progress a number of important industry initiatives including reforms to the Transmission Services Charging methodology, 'Unbundling' the CCUS commercial and regulatory framework, development of the blending and 100% hydrogen frameworks and so much more. Our annual Demand Side Response tender has also closed which we are in the process of evaluating and expect to share more information in due course.

This is our last edition before we head into the gas winter period which is a busier time for us, and industry. Please do look out for our Winter Outlook 24/25 which will be published imminently.

On behalf of Market Change, thank you for your continued engagement and input. Please do reach out to myself, or any of the contacts cited below if you have any views or questions on the content covered in our newsletter.

[Liz Ferry](#)

Gas Charging Updates

Publication of Non-Transmission Charges

On 31 July we published the [General Non-Transmission Services Charge that will apply from 01 October 2024](#). This charge has been calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC), and UNC Code Modification 0857 which was approved in April 2024 with an implementation date of 01 October 2024. Included in the publications are an additional 4 years' worth of future indicative prices.

The final General Non-Transmission Services Charge for October 2024 is set at 0.0075 p/kWh. The indicative values for Gas Years 25-26 to 28-29 are contained in the table below.

	Final	Future Year Indicatives			
General Non-Transmission Services Charges (p/kWh)	Oct 24 – Sep 25	Oct 25 – Sep 26	Oct 26 – Sep 27	Oct 27 – Sep 28	Oct 28 – Sep 29
	0.0075	0.0208	0.0211	0.0210	0.0215

We have also published the St Fergus Compression Charge that will apply from 01 October 2024. This charge is levied at the North Sea Midstream Partners (NSMP) sub-terminal at St. Fergus and is set at 0.0133 p/kWh.

For more information, please contact us at box.ntsgascharges@nationalgas.com.

Transmission Services Charging: Future Developments

Transmission Services and Entry/ Exit pricing is an agenda item currently being discussed at [NTS Charging Methodology Forum](#) where we continue to seek industry views. The forum is exploring the impact and benefits of amending the Entry/ Exit split from the current arrangements, where 50% of revenues are levied to Entry and 50% levied on Exit Customers. We have presented analysis showing the revenue and price implications of making a change under a range of different scenarios, facilitated discussions around relevant objectives and received views on rationale for potential change. This has all enabled the gathering of industry views on the potential impacts and benefits of making a change to help all Stakeholders consider the merits of a change in this area of the charging methodology.

For more information, or to share your views, please contact [Kirsty Appleby](#).

Industry Stakeholder Engagement

NGT will continue to engage industry stakeholders using the NTSCMF and NGT led webinars (where required). Relevant publications and material are published on our [website](#) to share charging related updates and provide the opportunity to discuss outputs.

The next industry webinar will be on the topic of Capacity Neutrality. Details on how to sign up will be shared via the Joint Office soon.

For more details, please contact [Colin Williams](#).

Gas Capacity Updates

Capacity Methodologies Review

In our last newsletter we highlighted that the 5 capacity methodology statements that we are obligated to publish under the Gas Transporter Licence are due to be reviewed by April 2025:

- ECR- Entry Capacity Release
- ExCR- Exit Capacity Release
- ECS – Entry Capacity Substitution
- ExCS- Exit Capacity Substitution and revision
- ECTT – Entry Capacity Trade & Transfer

At August Transmission Workgroup we gave an update on the scope and phased approach to the review which can be found in the attached link.

[7.5 Capacity Methodologies \(29 July 2024\).pdf \(gasgovernance.co.uk\)](#)

Ofgem have now published their decision to consent to our request for a derogation from independent examination, which can be found here.

[Decision on derogation request from NGT on the Capacity Methodology Statements | Ofgem](#)

The next step is to commence an informal consultation which is planned for early September before the required formal consultation and submission to Ofgem in early 2025.

For further information or to provide any feedback on this subject please contact [Nicola Lond](#).

Market Development Updates

Carbon Capture, Utilisation and Storage

In April, a workstream focussing on “Unbundling” the commercial and regulatory framework for Carbon Capture, Utilisation and Storage (CCUS) kicked-off. As currently drafted, these frameworks allow for multiple users (or carbon dioxide producers) to connect to a single transport and storage network, operated by a single transport and storage company, allowing carbon dioxide to be transported from its source to permanent offshore storage.

“Unbundling” would look to introduce a dual operating model, by which different parts of the transport and storage system are operated by different entities.

The aim of this workstream is to produce requirements of how the current commercial and regulatory framework might need to change, if “unbundling” were to be adopted by Government as a formal policy position and implemented into relevant Licenses and Network Codes.

As of August, the T&S License and CCS Network Code development is on-going, but initial options are expected to be produced by November 2024.

If you are interested in any further information about CCUS or this workstream in particular, please contact [Phoebe Nixon](#).

Security of Supply Update

CAM Network Code Amendments

The EU Network Code on Capacity Allocation Mechanisms (CAM NC) harmonises the means by which shippers can book capacity at EU interconnection points. Post-Brexit, it still applies to GB IPs in a slightly modified form as ‘retained EU law’. Following initial discussions, analysis and two consultations, the EU Association for the Cooperation of Energy Regulators (ACER) is now in the process of undertaking a final review of the CAM NC and drafting proposed amendments for consideration by the European Commission.

In June 2024, we submitted our response to ACER’s consultation on the potential areas of change to the CAM Network Code, which can be viewed [here](#). ACER subsequently held a workshop for all participants that responded to its consultation during July, where certain key topics were focused on in detail.

ACER plans to hold a further, and likely final, consultation on the proposed amendments to the CAM NC in autumn 2024 and we will communicate further on this in due course via Transmission Workgroup. We plan to respond to this consultation, to share our views as a ‘third country’ on the proposals with a focus on ensuring the continued stable and secure flow of gas between the UK and our European neighbours with whom we are interconnected.

For more information, please contact [Conor McClarin](#).

Demand Side Reduction (DSR)

Following the implementation of our latest DSR reform package via Modification 0866 [Amendments to Demand Side Response \(DSR\) Arrangements](#), we have been working with industrial consumers and shippers to communicate those changes and invite participation in our annual tender process. The tender closed on 30 August 2024, we are currently evaluating the results and will be sharing the outcomes later in the Autumn.

For further information please contact [Phil Hobbins](#).

Market Change Team Update

The Markets team has become the Markets Change team!

We feel that this new name better defines our function in National Gas and the wider industry. Additionally, we have undergone some internal re-organisation into 4 distinct sub-teams, reflecting our different focusses. More information can be found in the [team chart](#) below.

Malcolm Montgomery's team will continue to primarily focus on the management of the UNC, ensuring it remains fit for purpose while also picking up the progression of capacity and balancing relating projects. Phil Hobbins will lead a team with a split focus, responsible for EU delivery and gas quality amongst other topics. Colin Williams' team will continue to focus on revenue and charging, while also running our charging reform programme to ensure GB is, and continues to remain, an attractive place to land gas. Finally, Matt Newman's team will continue to develop the future regulatory and commercial frameworks for low-carbon gases. We do have vacancies in our team which we will be advertising shortly so please encourage those in your network looking for a change to get in touch for further information.

New Team Members

Welcome Nicola Lond!

Nicola Lond has joined the Market Change team working for Malcolm Montgomery as Senior Code Change Lead. Nicola (or Nic) joined the team in April after completing a secondment as Operational Liaison Team manager working with our connected customers in support of the National Control Room. Before this Nic was a Contract Manager in the Connections Contract team for 5 years. Nic has worked in the business for 31 years starting with British Gas in a wide variety of roles with varied customer & stakeholder and commercial experience, particularly in System Operation. She has also worked in National Grid Electricity leading on electricity commercial services and electricity Connections. Nic is eager to bring her experience and knowledge to the Market Change team and continue to learn and develop, especially considering the change landscape of the energy industry ahead of us.



Welcome Kris Jacob!

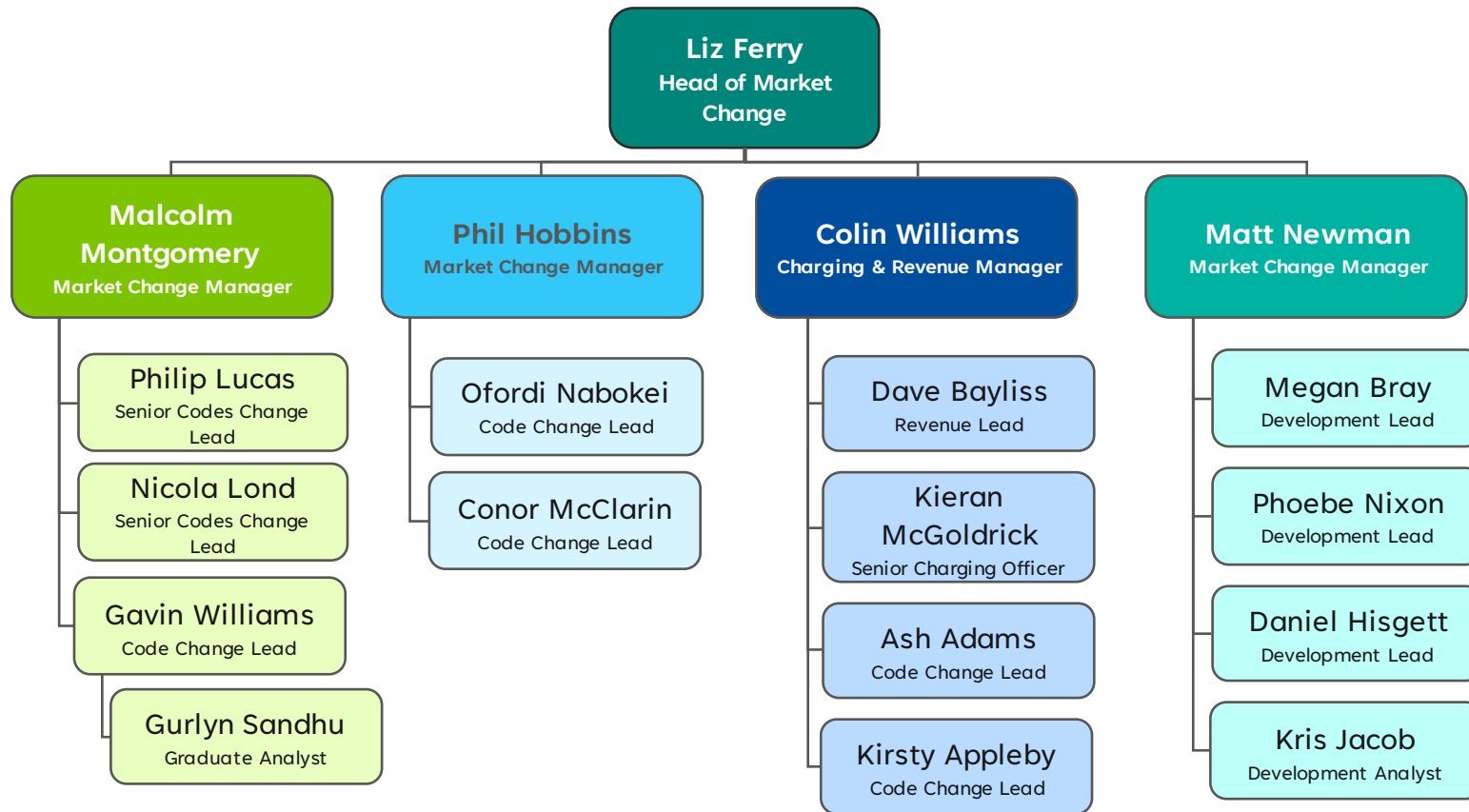
Kris joined the Market Development team in July as an Analyst. He was part of the 2022 cohort of National Gas' graduate scheme and has experience of working in the NTS Capacity, Hydrogen Policy, and Regulatory Submissions teams. Prior to this, he worked as a healthcare assistant at a dementia care home. He holds a bachelor's degree in English Language & Literature and a master's in management. His current work includes evolving the findings of the GETIO (Gas & Electricity Transmission Infrastructure Outlook) report to actualise projected efficiencies.

Welcome Gurlyn Sandhu!

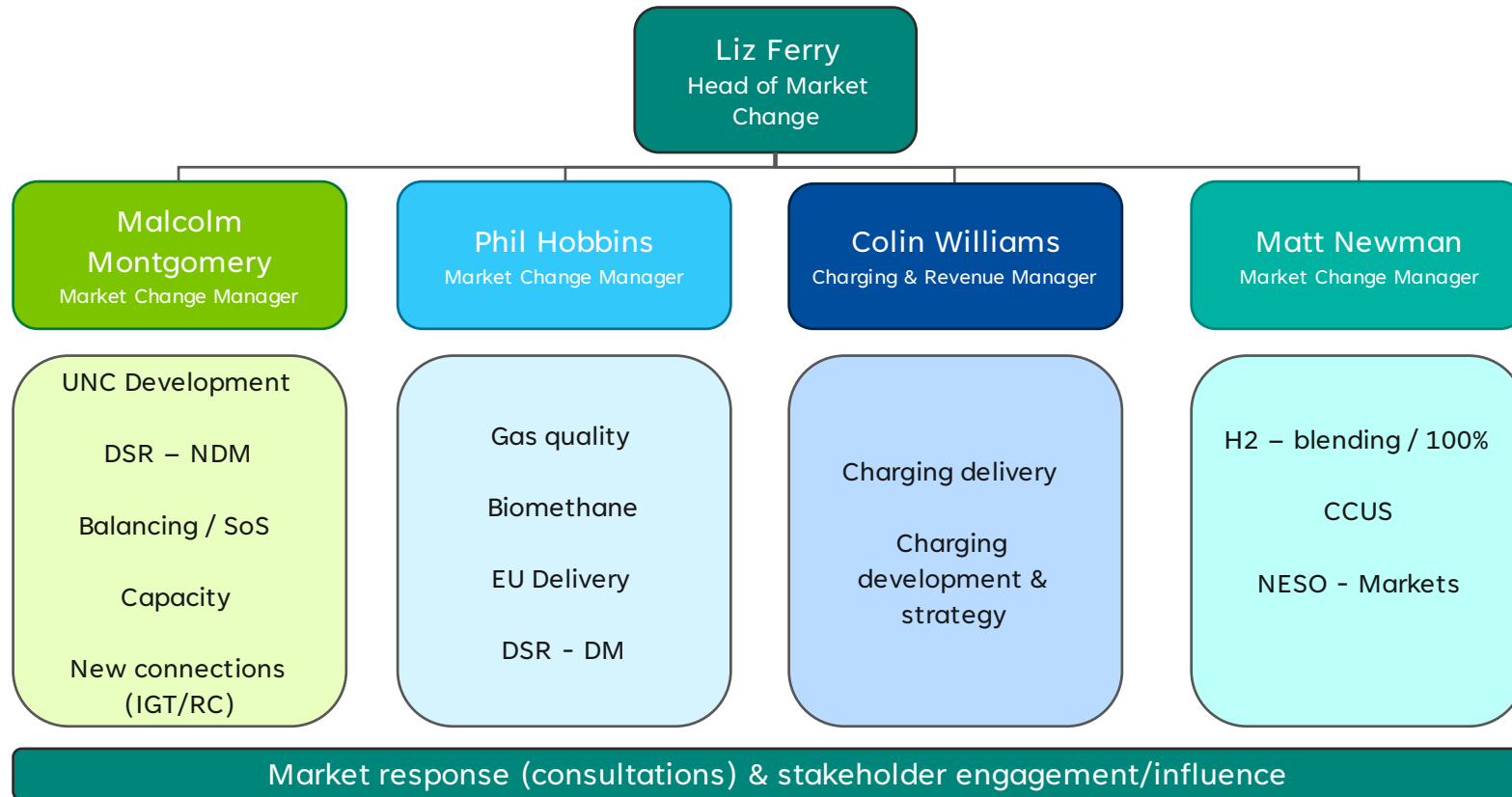
Gurlyn recently joined the Market Change team as a Graduate Market Change Analyst. Gurlyn studied Economics and Management at Aston University and her experience involved working as a finance analyst during her industrial placement year as part of her 'sandwich' style degree. Now in the energy industry, Gurlyn is keen to quickly put the skills developed through her degree into practice, delivering market change both for the energy system of today and the future.



Updated Team Chart



Updated Team Accountabilities



Contact Us

We would love to hear from you! You can contact us by e-mailing:

box.gsoconsultations@nationalgas.com

You are receiving this newsletter because our records indicate that you are part of the NGT Stakeholder Community. If you no longer wish to receive similar e-mails regarding future gas market changes, please contact [Phoebe Nixon](#).