

Chapter 8

Information provision

I want all the information I need to run my business and to understand what you do and why

**Gas
Transmission**

nationalgrid

8. I want all the information I need to run my business and to understand what you do and why

Summary

Our information and insights provide value for consumers by ensuring that the gas market runs smoothly. Our work in this area also promotes competition – allowing participants to plan, prepare and operate effectively.

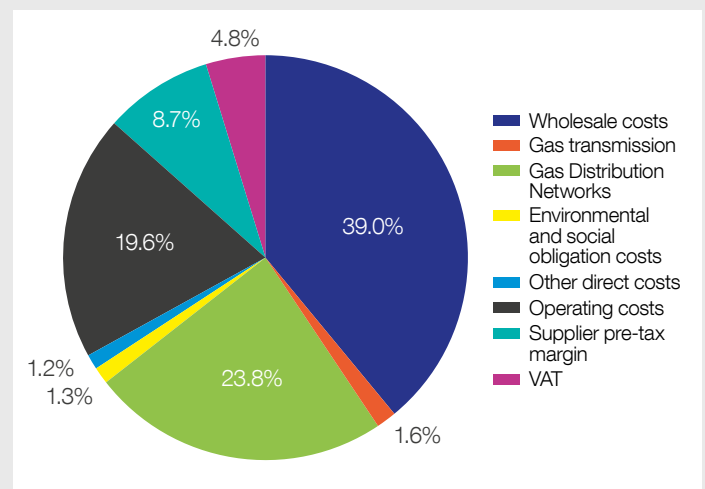
We have a central role in providing information. This is particularly true of information that has a potential impact on elements of the average consumer energy bill.

The operational data we share allows market participants to make informed decisions. This might be about how they trade in the market. It could be the effects on wholesale costs, or how they run their plant and equipment.

The chart below explains the breakdown of the typical domestic gas bill based on the 2016–2017 financial year. It shows that wholesale cost and operating costs contribute more than half of the total bill.

National Grid's contribution to the network cost is less than 2% of the entire typical gas bill, and information provision is a small proportion of our costs. We believe the benefits to gas consumers of the information we provide are many times greater than the costs we incur to provide it.

Figure 8.1: Breakdown of a typical gas bill¹



What our stakeholders tell us

Our stakeholders tell us they value the information we provide. They see the data we supply as crucial in managing their commercial processes.

For the future, stakeholders would like to have more information, as well as continued improvements in data quality. They want to be able to extract the data they need as required.

During our engagement so far, it is clear that data, information and insights are some of the most important outputs that we produce.

The gas industry faces uncertainty and ongoing change. This means more effective information could be of growing use for our customers and stakeholders. It will help them to manage their activities and to make the right choices.

¹ Source: <https://www.ofgem.gov.uk/consumers/household-gas-and-electricity-guide/understand-your-gas-and-electricity-bills#thumbchart-c6544416133875424-n100629>

Direct stakeholder feedback:

“Data quality is significantly important to us as we have key business decisions being made off the back of it.”

“There are a number of additional areas we would value greater levels of data in, namely pressure, quality and demand.”

Our activities and current performance

The information we provide covers a broad range of areas and timescales. Our long-term insights present the possible future pathways. They describe the role of gas and the steps we could take to be ready for different outcomes.

Our ‘year ahead’ information aims to inform the energy industry and support its preparations. This improves the visibility of how participants could use the system and the cost of doing so.

The role of our ‘on day’ and ‘after the day’ information is to increase efficiency in the capacity and energy markets. It does this while providing fair and timely access to operational and market information.

Figure 8.2: Time horizon of information provision

After the day	2/3 days	1 year	10 yrs
Post event	Short term	Mid term	Long term
<ul style="list-style-type: none"> • What happened? • How did the market perform? • How did the network perform? 	<ul style="list-style-type: none"> • Transparency of market activities • Demand forecasts • Real-time data 	<ul style="list-style-type: none"> • Being transparent about our planned operations • Charging forecasts 	<ul style="list-style-type: none"> • Possible futures and planning for them

To find out more, visit our data and operations page [here](#) or explore any of the publications below.



Winter Outlook Report

October 2018

Our view of the gas and electricity systems for the winter ahead.



Summer Outlook Report

April 2018

Our view of the gas and electricity systems for the summer ahead.



Gas Ten Year Statement

November 2018

How we will plan and operate the gas network, with a ten-year view.



Gas Future Operability Planning

Quarterly

How the changing energy landscape will impact the operability of the gas system.



Future Energy Scenarios

July 2018

A range of plausible and credible pathways for the future of energy from today out to 2050.

We recognise that the information we provide plays an important role in enabling society's transition to a low carbon future and the shift to a 'whole energy system' approach.

We are supporting initiatives like the Energy Data Taskforce. It brings together industry and the public sector to reduce costs and promote competition, innovation and new business models. It does this by improving data availability and transparency.

We are undertaking a significant piece of work to engage with industry on ways to improve our operational data provision. We are also putting in place new streams of information where demand from stakeholders is clear. One example is the week-ahead pressure forecast launched in August 2018².

Our direction of travel

Facilitating an efficient gas market

The gas market we support continues to evolve. Information provision will therefore become even more important.

Greater uncertainty and variability in gas flow patterns and commercial drivers will affect stakeholders' ability to balance supply and demand. This makes timely and accurate industry information even more critical for the healthy functioning of a competitive wholesale GB gas market.

We are setting up a community approach. This will allow us to work together with stakeholders and to prioritise the information we publish. This work is currently focused on operational data (day ahead and within day).

We will strive to meet the growing needs of our stakeholders at minimal cost. We will do this by finding new ways to make our processes more efficient. This will enable us to continue delivering a value for money service.

Our priorities are:

- Continually improving efficiency in our processes.
- Focusing on and advocating for stakeholder needs.

Adding value for our stakeholders

We want to better understand our customers and their needs. This will ensure we provide a 'level playing field' without blockers. We expect to explore the type of information that is most valuable in the smooth running of the wholesale gas and electricity markets.

In the upcoming price control period it will be a priority for us to provide the right information in a way that is in the best interests of consumers.

We will do this by:

- Continuing to engage with our stakeholders to understand their data, information and insight requirements.
- Ensuring we meet customer expectations for the information they need.
- Exploring new data and information products.


Incentivising us to go further

A significant amount of the information we provide is required either by our gas transporter licence or the network code governing the industry.

We believe incentives are an effective way to encourage continual improvement. Information provision could be a particularly effective area to incentivise. Stakeholders tell us that reliability, availability and usability of the information we provide is vitally important to them. We must respond to their needs in a flexible way.

Aligning incentives to these areas could improve the way the gas market operates. This would benefit consumers too. We want to work with stakeholders to identify what these potential incentives should look like.

² <https://www.nationalgridgas.com/data-and-operations/transmission-operational-data#tab-4>




What it could cost

T1 annual spend
£6m

Low £6m **T2 annual spend range** **High £10m**

Key drivers for the changing trend and range:

- Ensuring our data and information is provided in a way that meets the needs of stakeholders.



We welcome your views:

Chapter:
Information provision

Question:
12. What information could we provide that would increase benefits for our customers and consumers?

Submit your feedback online [here](#):

Initial planning assumptions

Our starting assumptions for information provision include:

- **Market information:** The information we provide to the market will continue to play a crucial role in the healthy functioning of the wholesale energy markets. The obligations around certain information will stay the same as we start the RIIO-2 period.

How to use this document

We want your feedback

Who is this consultation aimed at?

We are interested in the views of all stakeholders who are impacted by what we do and shaping the future of gas transmission. This includes the views of gas consumers, government and regulatory bodies, energy industry professionals and members of the public.

Tell us what you think

This consultation is open until 31 March 2019. You may give us feedback in the ways outlined below. We particularly seek your views in response to the specific questions we have posed. These are summarised on page 12. You may respond to all questions or just those relevant to your specific views.

Ways to feed back:

Make notes

Throughout the document, we have provided space for you to read and make notes at the start of each chapter (opposite). You can then type up your notes and send them in an email or submit them online.



Interactive pdf notes

Alternatively, we will be sending out editable pdf versions of this document with note fields for you to type directly into.

Email

We have a dedicated email address specifically for your feedback to this document. We welcome your thoughts at:

jennifer.pemberton@nationalgrid.com



Alternatively, you can put your thoughts in writing and send to: Jennifer Pemberton, National Grid House, Warwick Technology Park, Gallows Hill, Warwick. CV34 6DA.

Online

You can go directly to the website and submit your comments [here](#).



**Please share
your thoughts:**