

# Final Modification Report

**Code Modification A067:**

***'Congestion Management Procedures'***

**22 May 2015**

*Issued to CER for Approval*

*Issued to Industry for Information*



## Contents

1	Introduction, Background & Related Documents .....	3
1.1	Background .....	3
1.2	Purpose of Document .....	3
2	Summary of Consultation Responses .....	3
3	Estimated System Impacts, Costs, and Implementation Timelines .....	3
4	Transporter’s Assessment of the Proposed Modification .....	4
5	Implementation Timelines: Current Status and Next Steps .....	4

## **1 Introduction, Background & Related Documents**

### **1.1 Background**

Code Modification A067 '*Congestion Management Procedures*' addresses the Transporters proposal in relation to changes required to the Transporters Congestion Management Procedures, as a result of Code Modification A063 '*Capacity Allocation Mechanism*'.

The modification deals with the following mechanisms of the Congestion Management Procedures (CMP);

1. Surrender of Contracted Capacity
2. Long Term Use It Or Lose It (LT UIOLI)
3. Oversubscription & Buyback (OS & BB)

The Transporter has made a submission to the CER that the fourth mechanism, Firm Day Ahead Use It Or Lose It (FDA UIOLI), not be implemented. The Commission Guidelines state that the FDA UIOLI mechanism is an alternative to OS & BB where OS & BB proves to be ineffective. This coupled with the wish to align with the approach taken by National Grid has resulted in the aforementioned submission to the CER. As such the FDA UIOLI mechanism has not been dealt with in this modification.

The majority of the changes proposed in this modification are related to the 'Surrender of Contracted Capacity' mechanism, with minor changes required to the other two mechanisms.

This Code Modification was first presented at the Code Modification Forum on 4 March 2015, with the Business Rules subsequently published for consultation on 14 April 2015.

The Code Modification was presented again at the Code Modification Forum on 22 April 2015. There were no major comments from industry at either Forum.

### **1.2 Purpose of Document**

This report provides an indication of system impacts, and next steps towards implementation of this modification. The purpose of the document is to inform the CER regarding its decision as to whether it directs the Transporter to progress with the development of Code legal drafting on the basis of the business rules.

The report is issued to Industry for information. There is no formal consultation period in respect of the Final Modification Report.

## **2 Summary of Consultation Responses**

While there were no direct responses from industry regarding this Code Modification, a number of discussions were held with National Grid and the CER with a view to ensuring that where possible, CMP mechanisms were aligned across IP's.

## **3 Estimated System Impacts, Costs, and Implementation Timelines**

It is not envisaged that there will be contractual congestion at an Irish IP in the short to medium term future. As such it is not proposed that these mechanisms will be systemised, until such time as it is deemed necessary that they should be so.

Accordingly the system impacts, and the associated costs to implementing this Code Modification will be minimal.

It is proposed that this Code Modification will be approved and Legal Drafting be completed by June 2015.

#### **4 Transporter's Assessment of the Proposed Modification**

It is the Transporter's view that the proposed modification addresses the requirements of the Network Codes in a practical manner with due consideration given to the specific characteristics of the Irish gas market.

#### **5 Implementation Timelines: Current Status and Next Steps**

The implementation date in respect of Capacity Allocation Mechanisms (CAM) Regulation EU No. 984/2013 is 1 November 2015 and thus the implementation date of CMP is also 1 November 2015.

However given the volume of Code Modifications currently under way the Transporter will endeavour to have a final decision on this modification by the end of May 2015, with Legal Drafting to follow.