



Margins Notice

Operational Guidance Material
January 2021

nationalgrid

Operational Guidance Material

This document forms part of a suite of documents created to provide operationally focused guidance material; the aim of which is to support Shippers in increasing their understanding of non-routine commercial tools utilised by National Grid so that Shippers can be suitably prepared and ready to participate ahead of an event.

The Operational Guidance Documents detail the optimum way to perform the relevant process based on the current systems available. Where there are alternative ways in which the process could be completed the associated risks and benefits are explored. These documents are not intended to be used as detailed operating process / procedure; however, can be used by each Shipper organisation to assist in creating the operational process steps that are right for them.

These documents do not preclude changes or development to commercial tools in collaboration with industry in the future.

Margins Notice Information Overview

This document outlines the circumstances in which the Gas National Control Centre (GNCC) may issue a Margins Notice (MN) and details the practicalities for users in receipt one. The following topics are covered below:

- The objective of a Margins Notice
- Circumstances where a Margins Notice occurs
- Overview of the Margins Notice Process
- Shipper / User Action
- Additional Information

Objective of a Margins Notice

The intent of a Margins Notice is to provide an early, high level notice to NTS users of a potential physical imbalance for the upcoming gas day, encouraging them to consult the rolling Daily Margins Report to reassess their position and ability to balance.

Circumstances where a Margins Notice occurs

A Margins Notice will be issued if the day ahead (D-1) total NTS forecast system demand is equal to or greater than the Expected Available Supply (EAC). EAC comprises of the sum of the NTS' Non-Storage Supply (NSS) assumptions plus Liquefied Natural Gas (LNG) and Storage Deliverability (SD) that qualifies under the prevailing Safety Monitor requirements.

Should the day ahead (D-1) total NTS forecast system demand be within 95% of the Expected Available Supply (EAC) than alert will also be sent to industry informing them of this.

Safety Monitor requirements are in place so that if required, storage withdrawals can be curtailed, to maintain a buffer for customers who cannot be safely isolated from the gas network for physical balancing.

A Margins notice will not be withdrawn for the remainder of the applicable gas day but can be superseded by a Gas Balancing Warning.

Overview of the Margins Notice Process

The Daily Margins Report is run by the GNCC after 14:00 each day and available online at: <https://www.nationalgrid.com/uk/gas-transmission/balancing/margins-notice-and-gas-balancing-notifications>

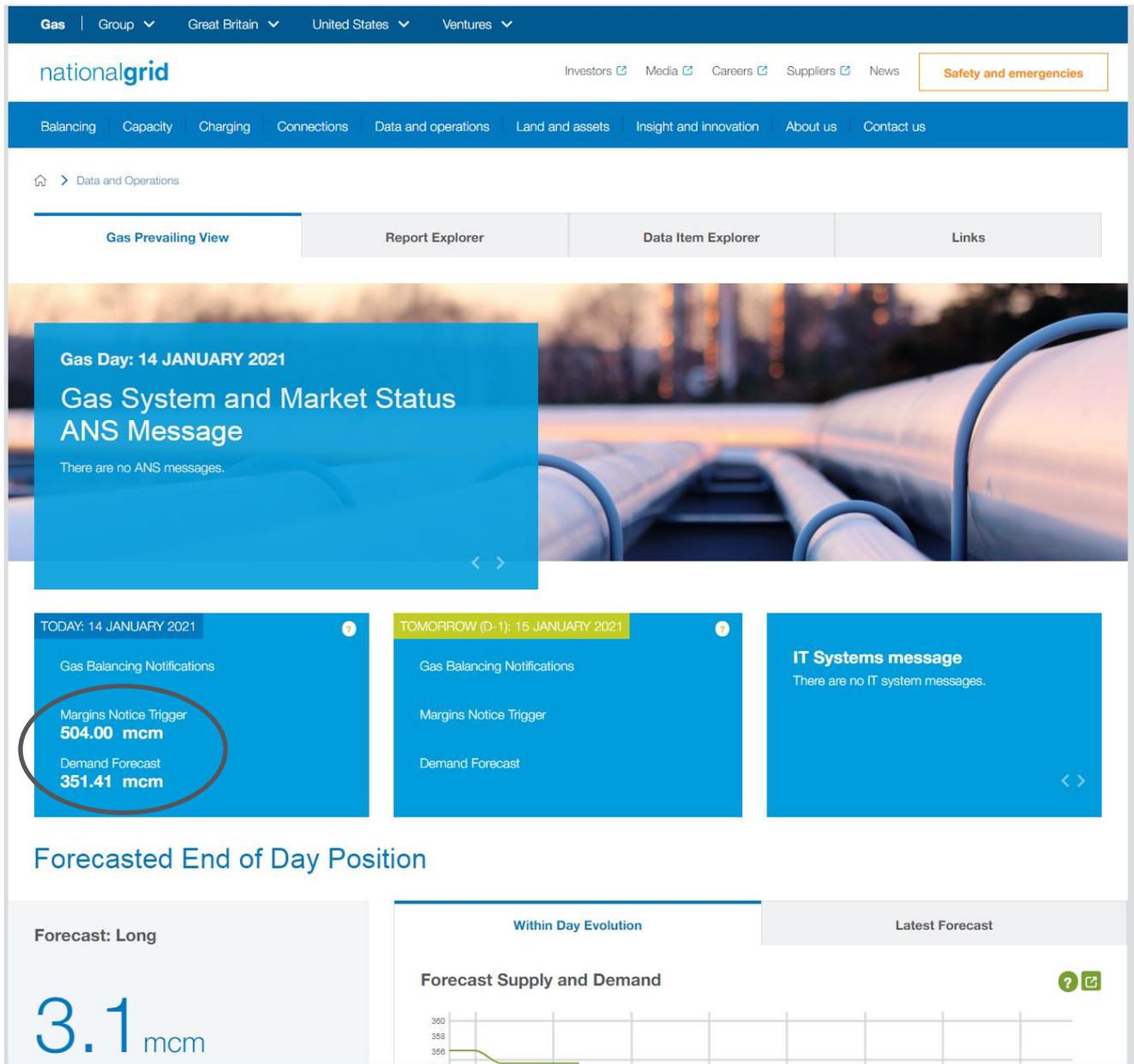
All current information about gas balancing is available on the Prevailing View site; <http://mip-prd-web.azurewebsites.net/>

If a GBN is in place, this will be displayed at the top left under "Gas System and Market Status", the ANS message will also be available on that page.

Under "Gas Balancing Notifications" is the level of forecast demand which would be sufficient to trigger a Margins Notice; this can be compared against the forecast demand to give an indication of the current relative conditions of the NTS.

Should the daily process identify that a Margins Notice is required, it will be issued to all NTS users during D-1 in the format of an ANS, including the date of the following gas day for which the notice applies and information regarding further data for users.

Figure 1. Margins Notice on Prevailing View



Margins Notice Tool Input data

Demand forecasting errors from previous season

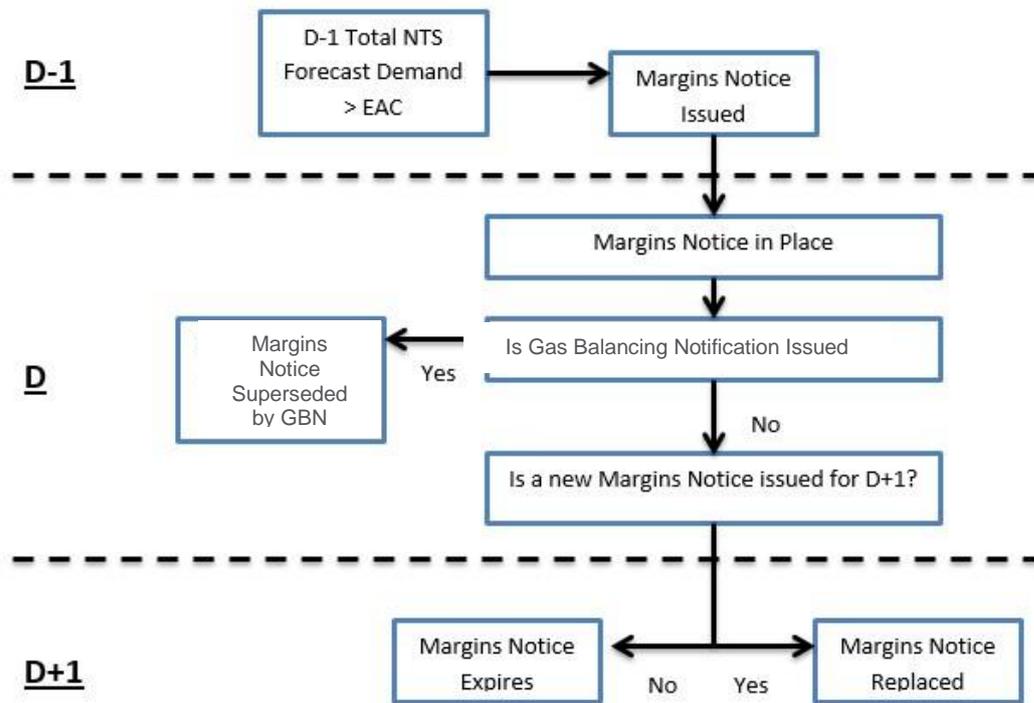
Storage Decay curves

Site Constants

Non-Storage Supply (NSS) values - updated each September but revised throughout Gas Winter where appropriate. Values can be found via the Winter Outlook Document. <https://www.nationalgrid.com/uk/gas-transmission/insight-and-innovation/winter--outlook>

Safety Monitor profiles - updated each September but revised throughout Gas Winter where appropriate

Figure 2. MN Issuance Process



Shipper/ User action

All NTS users will receive a Margins Notice via ANS if one is issued. Upon receipt, users are expected to evaluate their current positions and rectify any expected imbalance. For the Margin Notice commercial tool to function correctly it is expected that all parties in the gas industry will act as follows:

- Shippers to maintain their ANS contact details.
- Shippers to monitor prevailing view and understand likelihood of a Margins Notice.

Shippers to balance their portfolios promptly in accordance with UNC obligations should a Margins Notice be called.

Additional Information

National Grid Margins Notice Web Page

<https://www.nationalgrid.com/uk/gas-transmission/balancing/margins-notices-and-gas-balancing-notifications>

National Grid Prevailing View Web Page

<http://mip-prd-web.azurewebsites.net/>

Contact for more information

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