

ECPG: Methodology Consultation Report

January 2024

**we are
the network**

Contents

Introduction	3
A57 Section 3.22 requirement	4
Notification of ECPG methodology statement publication	4
Consultation responses for 2022/2023 planning cycle	4
Our replies to the consultation responses	4
Subsequent changes to our methodology	4

Introduction

In December 2020 OFGEM published their RIIO-2 Final Determinations for the transmission and gas distribution price controls. These set out the key elements of the price control from 1 April 2021 to 31 March 2026. This included a new licence obligation for the gas transporter licence holders to comply with an enhanced obligations framework in relation to the exit capacity booking process.

Standard Special Licence Condition (“SSC”) A57 (Exit Capacity Planning) of the gas transporter licences requires the licence holder (“licensee”) to comply with the Exit Capacity Planning Guidance (“the Guidance”) which is available here: [Exit Capacity Planning Guidance](#)

The Guidance comprises a set of requirements relating to the following areas of capacity booking activity. However, in this initial year specific transition arrangements are in place to confirm a reduced set of requirements.

- **Methodology:** Gas Distribution Networks (GDNs) must provide information on the structure of their networks known as Network Topology, and both GDNs and National Grid Gas Transmission (NGGT) must provide information on their forecasts of demand and the details of the processes in place to calculate these forecasts.
- **Engagement:** The GDNs and NGGT must collaboratively work with each other and with other stakeholders to maximise booking efficiency across the gas transportation network as a whole.
- **Reporting:** licensees must report annually to the Authority on capacity booking methodology, stakeholder engagement, decision-making and data to demonstrate efficient booking outcomes.

A57 Section 3.22 requirement

A DN's Methodology must be reviewed and consulted on with industry annually. Finalised methodology documents, with an accompanying consultation report (to be provided as a separate document), must be provided to Ofgem before the end of January.

Notification of ECPG methodology statement publication

In November 2023 in compliance with section 3.22 of the Exit Capacity Guidance the notice below was issued to our stakeholders on our behalf by the Joint office.

Dear Colleagues,

Engagement of the Exit Capacity Planning Guidance (ECPG)

Under Standard Special Condition A57: Exit Capacity Planning, which has been introduced as part of the RIIO2 Gas Transmission and Gas Distribution Price Control, all Licensees are required to comply with the Exit Capacity Planning Guidance (ECPG) document.

In accordance with Section 3(B): Engagement of the ECPG, this notification is to inform industry of the publication of NGN's ECPG methodology as part of the NTS Exit Capacity booking process for the 2023/24 cycle. Link to the document attached below.

<https://www.northerngasnetworks.co.uk/document-library/>

If you have any comments / feedback please respond back to the email below by the 30th December 2023:

Email: akapeni@northerngas.co.uk

Consultation responses during the 2023/2024 planning cycle

We have not received any responses as a result of the above notice.

Our replies to the consultation responses

None

Subsequent changes to our methodology

We do not intend making any changes to our 2024/2025 methodology.