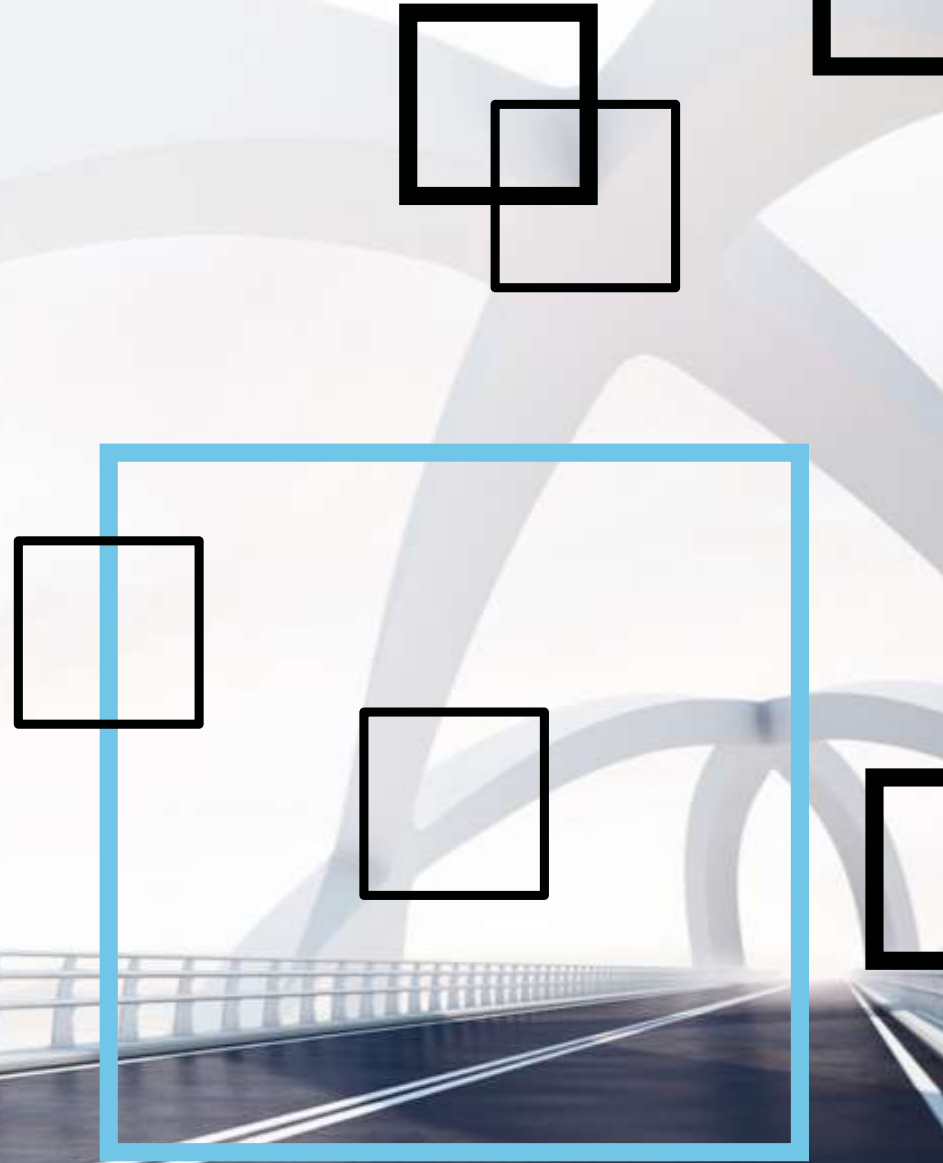




Webinar UK OCM Gas Spot Market

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May 2021



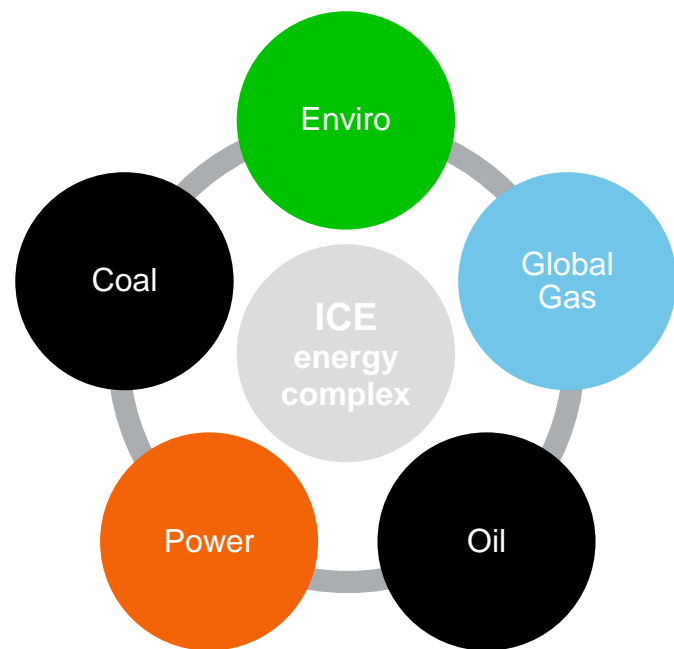
Content

Webinar UK OCM Gas Spot Market

- Market update
- UK OCM gas spot market products & indices
- Key features of ICE Trade (WebICE)
- OCM indices (SAP, SMP)
- Real world example - network constraint in the Milford region
- Resources
- Contact details

ICE Utility Markets

Global Gas	Global Gas	Enviro	Coal	Power	Oil
TTF	JKM	EUA	API2	German Power	Brent
NBP	NBP 1 st line	EUAA	gC Newcastle	Nordic Power	Dubai
Henry Hub	TTF 1 st line	UKA	API4	UK Power	Gasoil
PSV	GCM	CCA	gC Richards Bay	French Power	Fuel oil
VTP	WIM	RGGI	M42	Italian Power	Permian WTI
NCG		RECs	gC Indonesian	Spanish Power	WTI
Gaspool		LCFS	API8	Dutch Power	
ZTP		RINs		Belgian Power	



ICE Gas Prompt portfolio

Gas Spot
Mon-Sun 04:00
to 03:40 (GMT)

Daily Futures
Mon-Fri 07:00 to
17:00 (GMT)

Next Hour (TTF)
 Within Day (TTF, UK
 OCM)
 Day Ahead (UK OCM)
 Locational Days (UK
 OCM)

Day Ahead
 Monday -Friday
 Saturday, Sunday
 W/END
 WK/DY NW
 BOW
 BOM
 Month (of daily futures)

	TTF	NBP	German THE	CEGH	PSV	PEG
Physical	●	●	●	●	○	●
Financial	●	●	●	●	●	●
Balancing	●	●				

Existing To be introduced

Settlement

- Physically settled contracts are for physical delivery through the transfer of rights in respect of natural gas at the Virtual Trading Point.
- Financially settled contracts are cash settled against the midpoint between the bid and offer quotations for the relevant price assessment as published by ICIS in the European Spot Gas Market report.
- Trade-at-Index-Close (TIC) allows a market participant to place a bid or offer for a daily gas futures contract at a price expressed as a differential between that days midpoint of the bid and offer quotations for the relevant price assessment as published by ICIS and the daily futures price. Available for physically and financially settled contracts.

UK OCM Gas Spot

■ 1,140 million therms traded volume (YTD)

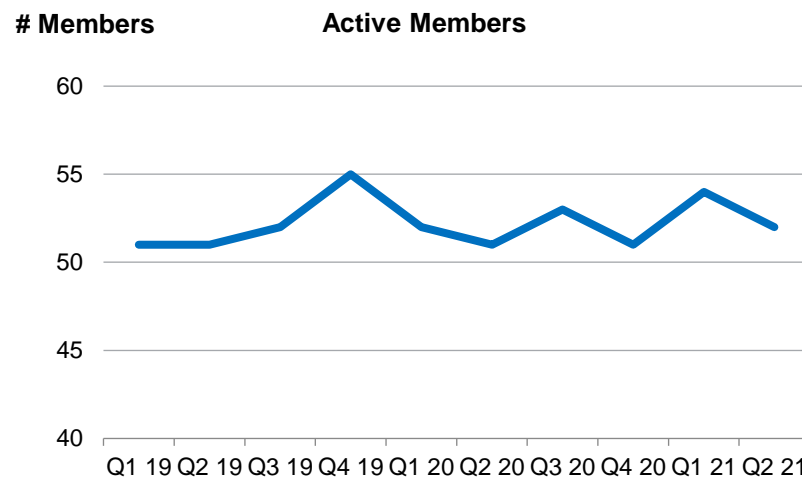
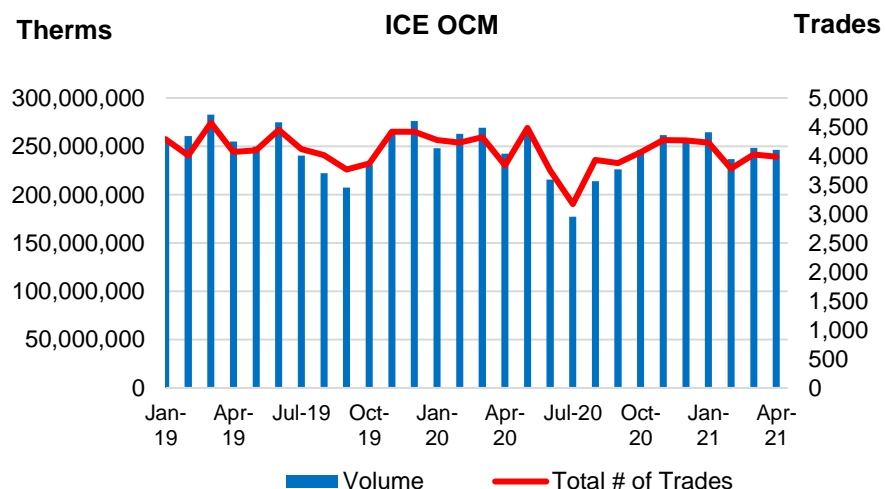
■ 55 active trading participants (YTD)

■ 64 members

■ In the past 28 months:

- 117,017 OCM title trades
- 66 OCM locational trades
- No OCM Physical and DSR locational trades

■ 716 registered user IDs with trading access to the OCM with 475 users traded (YTD)



UK OCM Gas Spot Market products

ICE Endex Gas Spot Ltd is designated by OFGEM and appointed by National Grid Gas as the market operator of the independent market for balancing (OCM)

OCM Products

- OCM TITLE
- OCM PHYSICAL
- OCM LOCATIONAL
- OCM DSR LOCATIONAL

Physical and Locational

- Transfer of the title on natural gas from seller to buyer takes place at the National Balancing Point (NBP).
- A trade in an OCM Physical or OCM Locational product, results in an obligation on the market participant who placed the Originating Bid or Offer to alter the nominated rate of delivery or offtake of natural gas to or from a System Point (or specific Location).
- Physical delivery obligations are set forth in UNC-TPD- Section D (article D.2.3).

OCM DSR LOCATIONAL

- National Grid is the only party that can buy in the OCM DSR Locational markets. All other parties are only allowed to submit offers.
- OCM DSR Locational markets are only open during a DSR Period, as notified by National Grid.
- Only during a DSR Period live offers can be submitted. Outside a DSR Period non-live order can be submitted.

UK OCM Gas Spot Market products

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OCM Products

- OCM TITLE
- OCM PHYSICAL
- OCM LOCATIONAL
- OCM DSR LOCATIONAL

Product definition

- 0.01 GBPP/therm
- 1 Lot = 1,000 therms
- Minimum order qty = 4 lots
- Support for negative prices
- Limit orders, market orders, AON orders, ICE berg orders, Day Rate orders, FAK, FOK, GAL
- Supports 'Lead Time' for physical and locational products, Locations and meter numbers.
- Contracts not adjusted for Bank Holidays
- Delivery volume adjusted for clock changes
- Trading Hours 7 days per week from 08:00- 02:35 (LLT)

UK OCM Gas Spot Market indices

■ OCM Indices

- System Average Price (SAP)
- System Marginal Buy Price (SMP-Buy)
- System Marginal Sell Price (SMP-Sell)

■ Default System Marginal Price

- 0.0385pence/kWh
- Valid 1 October 2020 / 31 September 2021

■ 2 sets of indices; current day and next day

■ Status (Default, Current, Final)

■ Calculated and published in real time on WebICE, ICE Mobile and iMPact Market Data API

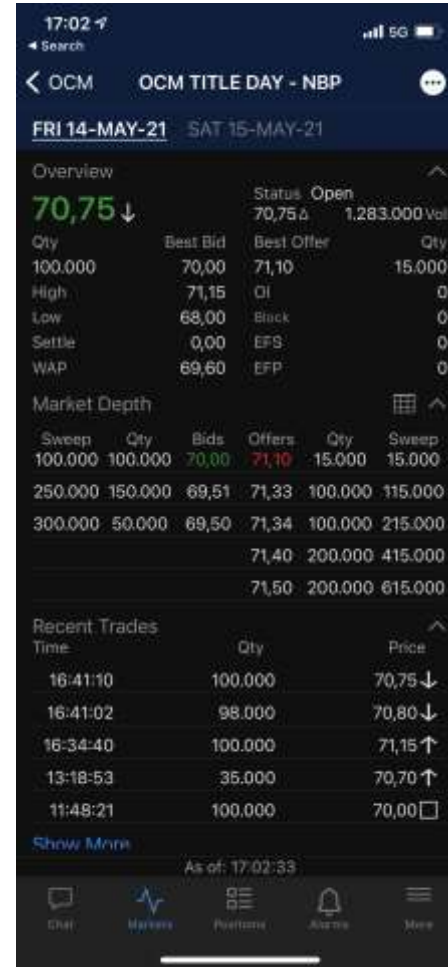
■ Calculation is prescribed in UNC – TPD – Section F – article 1.2 (“System prices”)



Key features of ICE Trade (WebICE)

Topics

- Portfolio setup
- Order and trade workflow
- OCM specificities
- SAP & SMP Indices
- Notifications
- ICE Mobile



Real world example - constraint in Milford region



20 – 24 March 2021

- National Grid Gas (NGG) is obliged under its licence to make capacity available, which **may at times be beyond the levels of network capability**. At times when certain areas of the network are operating towards maximum capabilities, NGG is likely to **use commercial and physical tools to reduce the risk of a network constraint** (e.g. a pressure breach).
- Due to a combination of **sustained high supply at South Hook and Dragon LNG**, and other supply and demand factors, there was an **increased risk of a network constraint in the Milford region**. Without any action taken it would be possible that pressures would approach the maximum operating pressure of the pipeline.
- In response to this increased risk, NGG looked to **reduce supply or increase demand in the Milford area by selling gas** on the locational market ('Primary Action').
- In addition to this, NGG attempted to take a '**Secondary Action**' on some of these days, requesting to **buy gas at any location except Milford haven (MH) and Exit Zones 14 and 17**. The reason for this for a secondary action is to preserve the National linepack balance – one would expect that one of the results of a locational sale is reduction in linepack on a national level as well as locally.

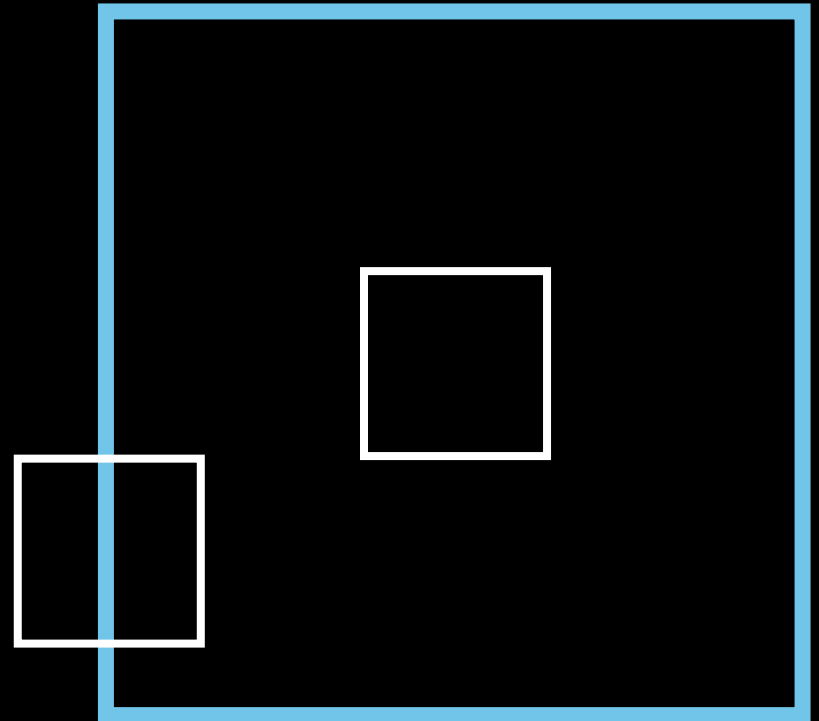
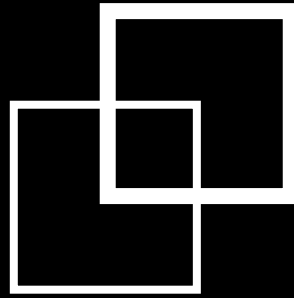
Real world example - constraint in Milford region

National Grid Gas - Resources

- Gas System and Market Status ANS Message >>
- Constraint management >>

Applicable At	Applicable For	Data Item	Value	Generated Time
24/03/2021 01:35:00	24/03/2021	ANS Messages	01:30 National Grid has a requirement to buy locational gas Day Ahead. Shippers are requested to post offers on the OCM locational market for Wednesday 24th March at any location EXCEPT Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	24/03/2021 01:36:09
23/03/2021 23:13:00	23/03/2021	ANS Messages	23:15 National Grid has a requirement to sell locational gas Day Ahead. Shippers are requested to post bids on the OCM locational market for Wednesday 24th March at Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	23/03/2021 23:14:02
23/03/2021 07:39:00	23/03/2021	ANS Messages	National Grid has a requirement to sell locational gas. Shippers are requested to post bids on the OCM locational market at Milford Haven and NTS Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	23/03/2021 07:40:35
23/03/2021 05:35:00	23/03/2021	ANS Messages	05:30 National Grid has a requirement to sell locational gas. Shippers are requested to post bids on the OCM locational market at Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	23/03/2021 05:35:49
23/03/2021 01:25:00	23/03/2021	ANS Messages	01:20 National Grid has a requirement to buy locational gas. Shippers are requested to post offers on the OCM locational market at any location except Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	23/03/2021 01:25:15
23/03/2021 00:24:00	23/03/2021	ANS Messages	00:20 National Grid has a requirement to buy locational gas. Shippers are requested to post offers on the OCM locational market at any location except Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	23/03/2021 00:25:10
22/03/2021 23:08:00	22/03/2021	ANS Messages	National Grid has a requirement to buy locational gas. Shippers are requested to post offers on the OCM locational market at any location except Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	22/03/2021 23:08:56
22/03/2021 05:27:00	22/03/2021	ANS Messages	National Grid has a requirement to sell locational gas. Shippers are requested to post bids on the OCM locational market at Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	22/03/2021 05:28:01
22/03/2021 01:07:00	22/03/2021	ANS Messages	National Grid has a requirement to sell locational gas Within Day and Day Ahead. Shippers are requested to post bids on the OCM locational market for Sunday 21st March and Monday 22nd March at Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	22/03/2021 01:08:05
21/03/2021 23:26:00	21/03/2021	ANS Messages	National Grid has a requirement to sell locational gas Within Day and Day Ahead. Shippers are requested to post bids on the OCM locational market for Sunday 21st March and Monday 22nd March at Milford Haven (MH) and Exit Zones 14 and 17. NTS Exit Zones details can be found on https://www.nationalgrid.com/uk/gas-transmission/data-and-operations/constraint-management	21/03/2021 23:27:25

**Thank you
for your
attention**



Resources

UK OCM Gas Spot Market

■ UK OCM Gas Spot Market products:

- Exchange Gas Market Rules: <https://www.theice.com/endex/regulation> (ICE Endex Gas Spot Ltd)
- Product specifications: <https://www.theice.com/products/43396041>
- Contract size table: https://www.theice.com/publicdocs/endex/ICE_Endex_UK_OCM_Gas_Spot_Contract_size_OCM.pdf
- Location of an OCM Locational Orders: https://www.theice.com/publicdocs/endex/ICE_Endex_UK_OCM_Gas_Spot_Locational_Products.pdf
- ICE Tip (DSR): https://www.theice.com/publicdocs/ICE_Customer_Release_Notes_13.200_11-2016.pdf
- AON order: <https://www.theice.com/publicdocs/endex/circulars/E16051.pdf>

■ OCM NATURAL GAS SAP/SMP INDEX (WebICE user credentials): <https://www.theice.com/marketdata/reports/177>

■ ICE Trade (WebICE):

- Landing page ICE trade: <https://www.theice.com/market-data/desktop-solutions/trade>
- Release notes ICE Trace – OCM features: https://www.theice.com/publicdocs/ICE_Customer_Release_Notes_13.200_11-2016.pdf (Nov 2016)

■ ICE Mobile

- Landing page: <https://www.theice.com/market-data/desktop-solutions/mobile#demo>
- Apple Store: <https://apps.apple.com/gb/app/ice-mobile/id394677840>
- Google Play: <https://play.google.com/store/apps/details?id=com.theice.android.icemobile>

Contact details

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About Intercontinental Exchange

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