

**UNC Transmission Workgroup Minutes**  
**Monday 21 January 2019**  
**At Elexon, 350 Euston Road, London NW1 3AW**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield*	(AN)	Storengy UK
Andrew Blair	(AB)	Interconnector UK
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping S.p.A
Angharad Williams	(AW)	National Grid NTS
Bill Reed	(BR)	RWE Supply & Trading GmbH
Graham Jack	(GJ)	Centrica
Jennifer Randall	(JR)	National Grid NTS
John Costa*	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KN)	ESB
Lea Slokar*	(LS)	Ofgem
Malcolm Montgomery	(MM)	National Grid
Mark Carolan*	(MC)	Ofgem
Nick Wye	(NW)	Waters Wye Associates Ltd
Phil Hobbins	(PH)	National Grid
Sinead Obeng	(SO)	Gazprom
Steve Britton*	(SB)	Cornwall Energy
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Equinor
William Webster	(WW)	Oil & Gas UK

*\*via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/tx/210119>

**1. Introduction**

In welcoming everyone to the meeting RH explained that this follows on from the previous 08 January 2019 Transmission Workgroup meeting and as a consequence would not include a review of the previous meeting minutes, as would be the normal approach.

RH then went on to provide a brief onscreen overview of the timetable of potential UNC Modification 0678 'Amendments to Gas Transmission Charging Regime' (which is currently with Ofgem awaiting a decision on urgency) and proposed Workgroup meeting arrangements.

**2. Workgroups**

**2.1. 0669R – Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements**

*(Report to Panel 21 March 2019)*

<https://www.gasgovernance.co.uk/0669>

**2.2. 0675S – Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow**

(Report to Panel 21 February 2019)

<https://www.gasgovernance.co.uk/0675>

**3. Issues**

None.

**4. Any Other Business**

**4.1. Adding new points to Licence Update (NL)**

In the absence of his colleague Nicola Lond (NL), MM apologised explaining that events had now overtaken this AOB item and National Grid NTS has run a consultation process which has now closed, where two (2) responses had been received. The matter is now with Ofgem for their consideration.

**4.2. Review of Capacity Methodology Statements (MM)**

In introducing a copy of the 'National Grid Gas's Preliminary Consultation on Capacity Methodologies and Statements' letter (as notified to the industry in a recent ENA email communication), MM focused attention on the 'Changes' outline at the bottom of page 2, suggesting that there should be no significant surprises involved – in short, the proposed changes relate to a general tidy up and future proofing of licence obligations exercise.

When asked, MM confirmed that as far as the Wales & West Utilities modification (0671) was concerned, he would expect that any provisions associated with the implementation of that modification would not be included within this round of proposed changes and would be incorporated in a future set of amendment proposals.

A brief debate was undertaken by the Workgroup around whether or not, there are any (direct/indirect) relationships and overlaps between this National Grid NTS initiative and UNC Modification 0667 'Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC' provisions. It was noted that both items could be with Ofgem for a decision at around the same time, which could potentially complicate matters.

**New Action 0103: Reference Review of Capacity Methodology Statements - South Hook Gas (AB) & National Grid NTS (MM) to consider potential areas of overlap / duplication between the National Grid NTS preliminary consultation on the Capacity Methodology and Statements changes and UNC Modification 0667 and provide a comparison update at the February Transmission Workgroup meeting.**

**New Action 0104: Reference Review of Capacity Methodology Statements - Ofgem (LS) to also consider potential areas of overlap / duplication between the National Grid NTS preliminary consultation on the Capacity Methodology and Statements changes and UNC Modification 0667 and how this might impact upon its (Ofgem's) decision(s).**

Moving on, MM pointed out that as far as the ad-hoc applications received during the PARCA window are concerned, National Grid NTS are looking to 'mirror' the Entry provisions. MM went on to advise that there are no 'live' ARCAs in existence any more.

In referring to the proposed text additions to the 'Exit Capacity Release Methodology Statement' elements, the Workgroup debated whether a new UNC Modification would be a better vehicle under which to address the changes – in recognising that views remain divided, GJ voiced his disappointment that this heavily debated matter once again appears unresolved. Responding, MM requested that parties provide their views in responses to the consultation.

MM then provided a brief explanation behind the content of the Appendix including associated examples and pointed out that National Grid would be looking to develop a simpler tool set to support the proposed changes.

Responding to a question from AN, MM confirmed that whilst there are no current plans to review the incremental capacity aspects as part of the interim charging review, he is keeping an open mind on the matter.

When asked, whether or not National Grid NTS have any plans to review the methodology in order to enable customers to 'sell back' capacity to them, MM responded by referring to the two (2) tests before explaining that at the moment National Grid NTS does not have any plans to develop such an option.

When asked, MM confirmed that the fixed price capacity mechanism would require the raising of a UNC Modification in order to facilitate changes and requested parties to provide their views on this matter within their respective consultation responses.

When asked whether Users are always going to have to opt for a larger baseline / reserved price commitment, MM explained that National Grid NTS are aiming for a consistent rule across all PARCAs (i.e. buy up all 16 quarters), although what would be the most appropriate rule had yet to be decided.

When asked, MM provided an explanation as to why the unsold baseline that is signalled does not contribute towards the NPV (economic) test, and whether or not the existing (and substitution) tests have a financial aspect associated with them, or just duration.

#### 4.3. Status Update for UNC Modification 0667 (AB)

AB advised that South Hook Gas would be looking to provide an amended version of the modification by the end of week commencing Monday 28 January 2019.

#### 4.4. SMPS Review (JR)

JR advised that the SMPS Review would be out in February supported by a consultation that is scheduled to run between 11 February and 11 March 2019, with a report then being sent to Ofgem by no later than 18 March 2019.

**New Action 0105: Reference the SMPS Review – Joint Office (RH/MB) to ensure that an AOB item is added to the 07 February 2019 Transmission Workgroup agenda.**

### 5. Review of Outstanding Actions

**Action 1101:** Ofgem (MC) to provide information regarding the efficiency of the remit notifications.

**Update:** In MC's absence the Workgroup agreed to defer consideration. **Carried Forward**

**Action 1201:** National Grid NTS (CH) to investigate where the NRA final decision details can be viewed.

**Update:** It was noted that an update is due at the February meeting. **Carried Forward**

**Action 0101:** Joint Office (RH) to publish a copy of the Ofgem letter in relation to EU Exit preparedness.

**Update:** RH advised that this action had been completed. **Closed**

**Action 0102:** Joint Office (RH) to include an agenda item on the review of capacity methodology statements for the February meeting.

**Update:** RH advised that this action had been completed. **Closed**

### 6. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10.00, Thursday 07 February 2019	Radcliffe House, Warwick Road, Solihull, B91 2AA	Transmission Workgroup standard Agenda + Workgroups 0662, 0667, 0669R, 0671 and 0675S.
10.00, Thursday 07 March 2019	Elexon, 350 Euston Road, London NW1 3AW	Transmission Workgroup standard Agenda

**Action Table (as at 21 January 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	01/11/18	2.0	Ofgem (MC) to provide information regarding the efficiency of the remit notifications.	Ofgem (MC)	<b>Carried Forward</b>
1201	06/12/18	2.1	National Grid NTS (CH) to investigate where the NRA final decision details can be viewed.	National Grid NTS (CH)	<b>Carried Forward</b>
0101	08/01/19	4.0	Joint Office (RH) to publish a copy of the Ofgem letter in relation to EU Exit preparedness.	Joint Office (RH)	Update provided. <b>Closed</b>
0102	08/01/19	6.1	Joint Office (JO) to include an agenda item on the review of capacity methodology statements for the next meeting on 21 January 2019.	Joint Office (JO)	Update provided. <b>Closed</b>
0103	21/01/19	4.2	<i>Reference Review of Capacity Methodology Statements</i> - South Hook Gas (AB) & National Grid NTS (MM) to consider potential areas of overlap / duplication between the National Grid NTS preliminary consultation on the Capacity Methodology and Statements changes and UNC Modification 0667 and provide a comparison update at the February Transmission Workgroup meeting.	South Hook Gas (AB) & National Grid NTS (MM)	<b>Pending</b>
0104	21/01/19	4.2	<i>Reference Review of Capacity Methodology Statements</i> - Ofgem (LS) to also consider potential areas of overlap / duplication between the National Grid NTS preliminary consultation on the Capacity Methodology and Statements changes and UNC Modification 0667 and	Ofgem (LS)	<b>Pending</b>

---

			how this might impact upon its (Ofgem's) decision(s).		
0105	21/01/19	4.4	<i>Reference the SMPS Review – Joint Office (RH/MB) to ensure that an AOB item is added to the 07 February 2019 Transmission Workgroup agenda.</i>	Joint Office (RH/MB)	<b>Pending</b>