

**UNC Transmission Workgroup Minutes**  
**Thursday 04 February 2021**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	NGN
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
Lucy Manning	(LM)	National Grid Grain
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Victoria Bishop	(VB)	Sembcorp
Yvonne Reid-Healy	(YR)	Cadent

Copies of all papers are available at: [www.gasgovernance.co.uk/tx/040221](http://www.gasgovernance.co.uk/tx/040221)

**1. Introduction and Status Review**

Rebecca Hailes (RHa) welcomed all parties to the meeting and explained that 0705R Workgroup is also being held at this meeting instead of 10 February 2021.

**1.1. Approval of minutes (07 January 2020)**

The Transmission Workgroup minutes from the 07 January 2021 were approved.

**1.2. Approval of Late Papers**

RHa advised the Workgroup of the following late papers:

- Industry Update from Ofgem.
- Analysis for 0745.

RHa advised the paper for 0705R Workgroup will not be labelled as late as this is due to the reorganisation of the meeting date at short notice.

Workgroup agreed to accept the papers.

### 1.3. Review of Outstanding Actions

**Action 0101:** Joint Office (RH) to establish the status of Modification 0276 and discuss with National Grid the appropriate way forward.

**Update:** The update for this action was provided at last month's meeting. **Closed**

**Action 0102:** National Grid (DH) to investigate if RRC would need to be applied when an assignment of an existing contract is completed.

**Update:** Jennifer Randall (JR) confirmed she has liaised with Nick Wye (NW) who raised the question. **Closed**

**Action 0103:** Ofgem (ML) to compare Modification 0276 and the solution proposed by National Grid going forward and provide a view on the best way forward. To be provided ahead of January UNC Panel.

**Update:** Please refer to the update on agenda item 5.0. **Closed**

**Action 0104:** National Grid (PH) to impact assess digitalisation and how this impacts on the publication of data quality.

**Update:** Phil Hobbins (PH) clarified this will be covered by the GMaP project. **Closed**

### 1.4. Ofgem Industry Update

Max Lambert (ML) provided an overview of the update which is published on the meeting page and covers the following areas:

#### **Project Direction: H100 Fife – SGN**

Scotland Gas Networks Plc (SGN) submitted to Ofgem the project H100 in July 2020 to be considered for funding through the Gas Network Innovation Competition (NIC), and in the 2020 NIC decision the Project was selected for conditional funding.

This direction sets the conditions of funding for SGN's NIC project, H100 Fife.

<https://www.ofgem.gov.uk/publications-and-updates/project-direction-h100-fife-sgn>

#### **RIIO-2 consultation on Associated Documents**

Alongside Ofgem's RIIO-2 formal Licence Drafting Consultation, Ofgem are consulting on proposed drafts of a number of Associated Documents. These are documents created under the licence conditions that supplement those conditions and are subordinate to them.

Ofgem would like your views on the following two documents. These documents are working drafts and the content is in line with Ofgem Final Determinations. Ofgem will ensure that all comments received will be appropriately reflected within the final versions. The associated documents are provided at the links below:

*Large Onshore Transmission Investments (LOTI) Reopener Guidance:*

<https://www.ofgem.gov.uk/publications-and-updates/large-onshore-transmission-investments-loti-reopener-guidance>

*RIIO-2 NIA Governance Document:*

[https://www.ofgem.gov.uk/system/files/docs/2021/01/riio-2\\_nia\\_governance\\_document\\_-\\_draft\\_for\\_consultation\\_250121.pdf](https://www.ofgem.gov.uk/system/files/docs/2021/01/riio-2_nia_governance_document_-_draft_for_consultation_250121.pdf)

The LOTI reopener guidance document sets out the submission requirements, timings and assessment considerations for applications under the RIIO-2 LOTI Reopener Mechanism. The RIIO-2 NIA Governance document sets out the regulation, governance and administration of the RIIO-2 Network Innovation Allowance. Both will take effect from 01 April 2021. Ofgem

welcome responses on any aspect of Ofgem's proposed drafts, and whether anything else should be included in the documents.

The links above outline each guidance document being consulted on, and both document's respective specific contact details for providing responses. Please send responses to these consultations, including any attachments, before or on 23 February 2021.

### **Review of the GB energy system operation**

This report sets out the key findings of GB energy system operation and provides a recommendation to government. The aim of the review is to consider the current and future challenges facing GB system operation and assess whether we have the right governance framework in place to deliver the UK's net zero emissions targets.

In the report Ofgem consider:

- The energy system changes associated with achieving net zero;
- The roles and functions the GB electricity and gas system operators could be required to perform to facilitate net zero;
- The suitability of current system operation arrangements; and
- Potential options for alternative system operation models.

Richard Fairholme (RF) advised that he felt the observation on the gas side has not been particularly well thought through. He said he would be interested to hear more detailed thoughts and asked if Ofgem are interested in further views.

ML confirmed he is happy to accept further views and stated it was not Ofgem's intention to sideline gas.

RHa asked if Workgroup would find it useful if Ofgem present their thoughts at this Workgroup in March 2021, RF would welcome an appreciation of Ofgem views, but focused on the gas topic.

Ritchard Hewitt (RHe) advised that he also found the report to be very biased.

JCx echoed the views made and advised she has sent an email requesting a meeting with Energy UK and would welcome an update at the next Transmission Workgroup, however, she feels that when it is presented there is likely to be more discussion and it may require a standalone meeting.

**New Action 0201: Review of the GB energy system operation** – Ofgem (ML) to co-ordinate with Ofgem colleagues to arrange someone to talk through the report.

<https://www.ofgem.gov.uk/publications-and-updates/review-gb-energy-system-operation>

### **GB Gas Storage Facilities (2021)**

This GB Gas Storage Data (January 2021) document contains information regarding the existing, operational gas storage facilities in GB.

<https://www.ofgem.gov.uk/publications-and-updates/gb-gas-storage-facilities-2021>

### **Decision on proposed modifications to BBL Company's Access Rules**

On 28 October 2020, BBL Company (BBLC) proposed modifications to its Access Rules to the Authority for approval, pursuant to Standard Licence Condition (SLC) 11A of the Gas Interconnector Licence (the Licence).

Ofgem's decision, published below on 22 January 2021, is to grant approval for BBLC's proposal. Attached to this letter is a direction to BBLC approving the proposed modified Access Rules on the basis that they meet the relevant Access Rules objectives.

<https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-bbl-companys-access-rules>

### **UNC728/A/B/C/D ('Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS'): minded to decision and impact assessment**

On 22 January 2021, Ofgem published their minded to decision and impact assessment on UNC728/A/B/C/D ('Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS').

Ofgem are consulting on their minded to decision and welcome responses from all interested parties.

Ofgem propose that UNC728/B should be implemented on 1 October 2021. This will be dependent on consideration of responses to this consultation.

ML went on to advised the RIIO 2 Licence conditions were published yesterday (03 February 2021) and following on from the discussion at NTSCMF meeting held 02 February 2021, they were advised that Ofgem published a letter regarding the implementation of the Capacity Constraint Management incentive (03 February 2021).

When asked about the timescales of the Capacity Constraint Management incentive, ML confirmed it is an open and transparent process and Ofgem are working internally on parameters and will keep industry informed.

[JCx asked when the Capacity Constraint Management incentive would be reviewed. ML replied that the work on RIIO-1 and RIIO-2 licence conditions are separate and was not able to give a date when the RIIO-1 work would be carried out.](#)

ML provided the following links to the RIIO 2 Licence conditions and the Capacity Constraint Management incentive:

<https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>

*Decision on the proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences.*

<https://www.ofgem.gov.uk/publications-and-updates/implementing-capacity-constraint-management-incentive-part-national-grid-gas-plc-gas-transporter-licence-riio-gt2>

*Implementing the Capacity Constraint Management incentive as part of*

*Letter setting out Ofgem's intention to review the CCM incentive in light of the effects of the introduction of the UNC modification 678A in October 2020.*

<https://www.ofgem.gov.uk/publications-and-updates/unc728abcd-introduction-conditional-discount-avoiding-inefficient-bypass-nts-minded-decision-and-impact-assessment>

This concluded the Ofgem Industry Update.

## **1.5. Pre-Modification discussions**

### **1.5.1. Changes to Offtake Profile Notice Submission Requirements**

The purpose of this Modification is to change the submission requirements for Offtake Profile Notices (OPN) to allow values to be submitted in either volumes or energy, where currently only energy is specified in UNC.

Daniel Hisgett (DH) provided an overview of the modification and advised the modification is looking to make a small change to TPD Section J – Exit Requirements. He advised that customer feedback has been received where the preferred OPN value to be provided in volume terms rather than energy; MWh is currently used. DH confirmed there will be no system change requirements.

When asked, DH confirmed that whereas this would ordinarily be seen as a housekeeping modification, it is suggested this is referred to a Workgroup in order to assess any GDN impacts.

## **2. European Codes Update**

PH provided a brief update as follows:

### **Post-Brexit National Grid: ENTSOG Relationship.**

PH explained it is envisaged there will be a different relationship between National Grid and ENTSOG following the trade agreement signed on 30 December 2020, in which it requires UK Transporter System Operators (TSOs) to develop new working arrangements.

The Department for Business, Energy & Industrial Strategy (BEIS) have asked UK TSOs to act jointly to provide a Memorandum of Understanding (MoU).

PH advised the areas of cooperation for inclusion in the MoU are expected to include:

- Gas markets
- Access to networks
- Security of gas supply
- Infrastructure planning
- Offshore energy
- Efficient use of gas interconnectors
- Gas decarbonisation and gas quality

The MoU will go to a specialised Commission on Energy for sign off, this will be a few months away.

JCx asked to consider what is not on the list as she is concerned that UK reporting will be removed from the reporting that is done across Europe, for example, the Gas Quality Outlook report.

PH advised, historically, the obligation has been with ENTSOG to produce such reporting ( as part of the EU Interoperability Code) and it was therefore likely to continue; National Grid have fed UK data into ENTSOG to enable the analysis to be done.

JCx commented that a pan-European view is extremely useful.

### **Other EU Consultations**

PH advised of the EC Consultation which aims to revise EU rules to facilitate the market entry of renewable and low carbon gases, details can be found here:

[ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12766-Revision-of-EU-Rules-on-Gas-](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12766-Revision-of-EU-Rules-on-Gas-)

Also, the ENTSOG/ACER Functionality consultation on 'Greater flexibility to book firm capacity at interconnection points' is currently live and closes on 19 February 2021, details can be found here:

[www.gasnfunc.eu/gas-func/public\\_consultations/list?pageNumber=0&pageSize=6&networkCode=&isFinished=false&year=&sortBy=ISSUE\\_DATE](https://www.gasnfunc.eu/gas-func/public_consultations/list?pageNumber=0&pageSize=6&networkCode=&isFinished=false&year=&sortBy=ISSUE_DATE)

PH advised there is a Workshop on Gas Quality Management in the European Networks on 19 February 2021.

The workshop will be organised by Frontier Economics, currently undertaking work for DG Energy on elements of a regulatory framework for gas and hydrogen quality management.

The aim of the workshop is to discuss issues related to changes in gas quality due to the integration of renewable and low-carbon gases in the EU energy system (including biomethane and hydrogen) and the necessary regulatory framework for gas quality harmonisation and cost-efficient gas quality management.

Please register by **15 February** at the latest, using the link below:

<https://app.livestorm.co/p/3b7cfa61-a1b6-4486-8f26-8fd133005168>

### 3. Workgroups

#### 3.1. 0745 - Mandatory Setting of Auction Bid Parameters

(Report to Panel 18 February 2021)

<http://www.gasgovernance.co.uk/0745>

#### 3.2. 0752 – Introduction of Weekly Entry Capacity Auction

(Report to Panel 15 April 2021)

<https://www.gasgovernance.co.uk/0752/>

#### 3.3. 0705R – NTS Capacity Access Review

(Report to Panel 21 October 2021)

<https://www.gasgovernance.co.uk/0705/>

### 4. GS(M)R Review

PH advised there was no update to provide.

### 5. Capacity Assignments

Action 0103 update:

ML advised that *Modification 0276 - Alternative User Pays approach to - UNC Modification Proposal 0263 - Enabling the Assignment of a Partial Quantity of Registered NTS Exit (Flat) Capacity*, has been assessed internally and has found that the pre-modification aired at the December 2020 Transmission Workgroup, and further discussed at the January 2021 Transmission Workgroup (see minutes [www.gasgovernance.co.uk/tx/031220](http://www.gasgovernance.co.uk/tx/031220) and [www.gasgovernance.co.uk/tx/070121](http://www.gasgovernance.co.uk/tx/070121)) can be raised as it is different to Modification 0276 in terms of the way it is paid for and substance of the modification. Action **Closed**

#### Post meeting update:

National Grid has now raised new Modification 0755: <https://www.gasgovernance.co.uk/0755>

### 6. Overruns Reporting – November 2020

Anna Stankiewicz (ASt) provided a summary of overrun data following the implementation of Modification 0678A - Amendments to Gas Transmission Charging Regime (Postage Stamp) and Modification 0716 - Revision of Overrun Charge Multiplier.

Enhancements have been made to the report based on Workgroup feedback in January 2021.

Jeff Chandler (JCh) asked where the money that is recovered as part of an overrun go to, ASt advised until April 2021 Entry recoveries will go back to Capacity Neutrality, it also contributes to the Constraint Management incentive but that will change from April 2021.

In terms of Exit, ASt advised this is broadly part of the SO Revenue, depending on whether it is under or over allocated accordingly. If over recovery, it impacts fees in year+2, they will be lower.

When asked why Overruns have gone up so much, it was suggested that Users have changed their behaviour and appear to be trying to book capacity closer to what they might flow.

BR advised that the expectation, during Modification 0678A and Modification 0716 discussions, was it would continue at the level seen in the past, clearly that is not the case. Jennifer Randall (JR) added the alternative thought was that Overrun charges would go down.

JCh asked if National Grid would consider raising a modification to lower the Overrun multiplier.

Workgroup agreed that it is clear that Shippers are finding it difficult to estimate their Firm requirements.

When asked by ML, ASt confirmed it is still the intention to review Overruns, as suggested from the 0678A and 0716 Workgroups, 12 months post implementation.

ASh commented that Shippers make adhoc errors when booking capacity and that UNC does not recognise an administrative error. Now, with the introduction of Modification 0678A and 0716 Shippers are trying to book capacity closer to their forecast. She added that no error is intentional.

ASh went on to say that the Entry Overrun charge is 3 times higher than the cost of capacity and believes that the Transmission Services revenue will be shorter by that amount, in 2 years' time National Grid will receive 44% of that money.

JR clarified that National Grid are looking at Gemini enhancements and have recently had a Workshop looking at pain points for Gemini in particular, looking to see if the system could do more if an Overrun is going to be incurred.

It was agreed, for next month, National Grid will outline any plans that they might have in order to change the Overrun regime.

**New Action 0202:** National Grid to consider if the Overrun multiplier needs to be changed and bring back to Workgroup any plans around changes to the Overrun regime.

## 7. Issues

No issues were raised.

## 8. Any Other Business

### 8.1. Operating Margins Review (PH)

PH provided an overview and advised that National Grid are obligated to procure the Operating Margins (OM) requirements on an annual basis in accordance with TPD Section K – Operating Margins. The obligations are detailed in the National Grid Safety Case.

The OM service is utilised at times when there is severe stress to maintain pressure, such as:

- Supply Loss : Terminal, Sub-Terminal, Interconnector, LNG Importation Terminal
- Pipe Break (including loss of infrastructure that renders pipe unusable);
- Compressor Failure; and
- Demand Forecast Error.

PH explained it is National Grid's intention to increase visibility of the tender process and commercial options, and would like to engage with the Industry in terms of the methodology they use.

PH advised that the Timeline shown in the presentation is fairly aggressive and confirmed there will be further engagement over the next few months.

PH concluded his presentation with a list of contacts should anybody wish to seek further information.

### 8.2. Project to review the impact of a gas supply shortage on the electricity network (PH)

Thomas Wilcock (TW) provided a brief awareness of a project formulated to review the Impact of a Gas Supply Shortage on the Electricity Network (RIGSSE).

As part of Project Baltic it was identified that a gas shortage can impact the Electricity Network.

TW advised Workgroup that the success of this project will require whole energy interaction and urged Users to register their interest.

The details of the project are as follows:

**Tuesday 09 February 10:00 – 11:30**

- the project objectives
- timelines and plan for this year
- how to get involved in this important work and share your thoughts.

**Register at:**

<https://www.eventbrite.com/e/ngg-review-the-impact-of-gas-supply-shortage-on-electricity-network-tickets-138233998611>

### **8.3. OCM Contingency (PH)**

PH provided an overview of the On-the-day Commodity Market (OCM) which trades at the National Balancing Point (NBP). He explained, in the event National Grid cannot access the OCM, National Grid will invoke contingency arrangements. These arrangements have recently been reviewed and National Grid are now in a position to test the new contingency arrangements.

The exercise to test the new OCM contingency arrangements is planned to take place on 09 March 2021.

Interaction with the test will ensure familiarity with contingency procedures, reduce imbalance risk and exposure to cash out charges in contingency scenarios and allow Users to provide input and feedback to shape the future arrangements.

PH requested that any Shippers that would like to take part to please register your interest by emailing: [box.NTS.EnergyBalance@nationalgrid.com](mailto:box.NTS.EnergyBalance@nationalgrid.com). National Grid will then be in contact with all registered participants at the end of February 2021.

### **8.4. Modification 0714 - Amendment to Network Entry Provision at Perenco Bacton terminal**

PH provided an update and explained this is an 'enabling' Modification that seeks consent for National Grid and Perenco to amend the lower limit for Wobbe Index at the Perenco system entry point from the GS(M)R lower limit of 47.2 MJ/m<sup>3</sup> to 46.5 MJ/m<sup>3</sup> for a temporary period. The modification proposes that National Grid would accept delivery of non-GS(M)R compliant gas into its terminal at Bacton, provided that a compliant blend could be achieved within its terminal by blending with other gas delivered at Bacton.

#### **Current Status**

As part of Workgroup 0714 discussions and consultation responses, it was identified that further work would be required prior to the implementation of this modification, such as:

- Development of operational controls at Bacton to ensure that the risk of off-spec gas exiting Bacton terminal is not increased.
- Amendment of the National Grid GS(M)R Safety Case.

PH advised that National Grid has worked with the Bacton UKCS terminal operators and Neptune Energy to develop engineering solutions which are now agreed in principle, as follows:

#### **Perenco Control Solution:**

Flow-rate data from the Shell terminal is to be transmitted via National Grid's control system to the Perenco control system.

If Shell deliveries approach a level which would be too low to deliver a GS(M)R compliant blended gas, the Perenco system would automatically curtail the off-spec Cygnus gas.

The purpose is to stop Perenco delivering any gas into the National Grid terminal below the GS(M)R lower limit of 47.2MJ/m<sup>3</sup> before the supply of blend gas from Shell is no longer adequate / available.

#### **National Grid Monitoring Solution**



National Grid’s control system at Bacton is to be configured such that it monitors whether a compliant blend of Shell and Perenco gas is present within the terminal.

The National Grid control system shall continually calculate a flow-weighted Wobbe Index from the prevailing Shell and Perenco flow-rates and Wobbe Indexes.

Alarm functionality and appropriate tolerances are to be applied to enable Bacton terminal to curtail Perenco flows if the calculated flow-weighted Wobbe Index approaches non-compliance.

**Next Steps**

- Technical review and sign-off of the proposed control solutions within National Grid
- Submission of amendments to the National Grid GS(M)R Safety Case to HSE
- Ofgem decision on Mod 0714
- Execution of amendment to Network Entry Provisions between National Grid and Perenco
- Technical implementation and testing activities between National Grid and Perenco
- Temporary blending arrangement operational late May 2021.

**9. Diary Planning** *Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month).*

Time / Date	Venue	Workgroup Programme
10:00 Thursday 04 March 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 01 April 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 06 May 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 03 June 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 01 July 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 05 August 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 September 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 October 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 04 November 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 December 2021	Microsoft Teams	Standard Transmission Workgroup Agenda

Action Table (as of 04 February 2021)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update

0101	07/01/21	1.3	Joint Office (RH) to establish the status of Modification 0276 and discuss with National Grid the appropriate way forward.	Joint Office (RH)	Closed
0102	07/01/21	1.5.1	National Grid (DH) to investigate if RRC would need to be applied when an assignment of an existing contract is completed.	National Grid (DH)	Closed
0103	07/01/21	1.5.1	Ofgem (ML) to compare Modification 0276 and the solution proposed by National Grid going forward and provide a view on the best way forward. To be provided ahead of January UNC Panel.	Ofgem (ML)	Closed
0104	07/01/21	4.0	<i>GS(M)R Review</i> National Grid (PH) to impact assess digitalisation and how this impacts on the publication of data quality	National Grid (PH)	Closed
0201	04/02/21	1.2	<b>Review of the GB energy system operation</b> – Ofgem (ML) to co-ordinate a half day workshop to talk through the report or other method of increasing input into the gas side of the report.	Ofgem (ML)	Pending
0202	04/02/21	6.0	Overrun Reporting: National Grid (ASt) to consider if the Overrun multiplier needs to be changed and bring back to Workgroup any plans around changes to the Overrun regime.	National Grid (ASt)	Pending

**UNC Workgroup 0745 Minutes**  
**Mandatory Setting of Auction Bid Parameters**  
**Thursday 04 February 2021**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	NGN
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
Lucy Manning	(LM)	National Grid Grain
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Victoria Bishop	(VB)	Sembcorp
Yvonne Reid-Healy	(YR)	Cadent

Copies of all papers are available at: [www.gasgovernance.co.uk/0745/040221](http://www.gasgovernance.co.uk/0745/040221)

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 March 2021.

### 1.0 Introduction and Status Review

RHa advised Workgroup that the intention of the meeting is to reconsider two aspects referred from UNC Panel on 21 January 2021 and to complete the Workgroup Report.

**1.1. Approval of Minutes (07 January 2021)**

The minutes were accepted.

**1.2. Approval of Late Papers**

Rebecca Hailes (RH) confirmed that there were no late papers to approve.

**1.3. Review of Outstanding Actions**

No outstanding actions.

**2.0 Amended Modification**

RHa provided an onscreen view of the change marked version of the amended Modification and invited Malcolm Montgomery (MM) to update Workgroup regarding the changes made:

**Section 5 Solution:**

Clarification that IP auctions are not included has been added.

If the Shipper places a bid outside of the parameters set, an override function has been added to give the functionality to be able to override.

**2.1. Issues and Questions from Panel**

**2.1.1. Workgroup to consider potential 'double counting' concerns.**

This has been answered as part of the development of the Workgroup Report.

**2.1.2. Workgroup to consider the question of materiality, and as a consequence, the suitability of Self-Governance status for the Modification.**

This was considered as part of the amendment to the Modification where justification for Self-Governance has now been updated.

On 21 January 2021 UNC Panel referred the following questions back to Workgroup:

**2.1.3. Consider suitability for Self-governance.**

Workgroup reconsidered suitability for self-governance and determined that the Modification should be subject to Self-Governance due to the efficiency that would have been recognised, approx. £3million errors which, should the parameters have been set throughout 2020, would have been avoided.

**2.1.4. Provide the number of instances where Auction errors have occurred, the value redistributed and how this might impact consumers.**

Malcolm Montgomery (MM) advised that commentary has been provided for the Workgroup Report which summarises the analysis presented showing the known bid errors for the calendar year 2020.

MM advised that records of bid errors are not formally kept and the information presented shows the number of instances where Shippers have notified National Grid of a bid error.

MM advised of the following caveat:

1. It is entirely possible Shippers have not informed National Grid of some mistakes.
2. This is a non-exhaustive list, as there is no way of tracking.
3. This is the minimum level of bid errors during the period specified.

MM explained he has identified 9 bid errors over the calendar 2020, 6 relating to bid price and 3 relating to location. The total value of the errors amounts to approximately £3million, in terms of energy.

MM advised it is National Grid's view that User errors do occur, and may occur at any time for a variety of reasons and this information gives a reasonable indication of what the extent of the issue might be.

When asked, MM confirmed that the Modification looks to make mandatory settings on price and volume, Location errors are not being addressed in this modification. He suggested there may be a functionality within Gemini to set different parameters, for price and volume, per location, but this would not prevent location errors occurring.

### 3.0 Review of Legal Text

Revised Legal Text has been received, which was reviewed by Workgroup.

MM advised the highlighted text shows the changes from the previous version of legal text.

MM explained Code is now saying the maximum eligible price cannot be exceeded. If the override function is used, that becomes the maximum eligible price.

**New Action 0201:** MM to send a clean version of the Legal Text.

#### Post Meeting update

A Clean version of the Legal Text was received on 08 February 2021 and has been published here: <https://www.gasgovernance.co.uk/0745>. **Action Closed**

### 4.0 Completion of Workgroup Report

RHa shared onscreen the current version of the Workgroup Report, (v1.1 dated 04 February 2021) and advised the summary provided by National Grid has been inserted to the Workgroup Impact Assessment.

The following, (summarised), discussions took place in order to complete the Workgroup Report:

Anna Shrigley (ASh) commented that under the RIIO-1 Network Price Controls, there is an incentive for 44.36% (of the overrun cost) that National Grid are able to retain, and share back to the Industry in Y+2, which will mean the capacity prices in two years will be slightly lower.

Max Lambert (ML) advised that the incentive is subject to review and that overruns will be coming out of RIIO-T2.

MM confirmed National Grid Allowed Revenue for SO is £130million per year so 44.3% of this is just over £1million.

The Modification would help reduce the amount and frequency of revenue from errors, this will have a positive impact overall.

*It should be noted that National Grid is blind to shipper intention with respect to bids placed, and cannot generally say with any certainty whether a bid error has occurred. These figures are therefore based on instances where shippers have informed National Grid that an error has occurred and so should only be considered as a lower bound on the extent of the issue. They also only include auction bid errors that could have been prevented by the parameters considered by UNC Modification proposal 0745 being in place, and so do not include all shippers errors National Grid becomes aware of e.g. relating to transfers or PRISMA. National Grid also does not monitor for errors or keep records on errors, and therefore for reasons of both practicality and confidence in the data, National Grid has provided data for only the most recent calendar year.*

*Over the course of 2020 there were 9 separate occasions where National Grid has been informed that auction bids have been placed incorrectly. 6 of these related to price, and 3 to location; the 9 errors are attributable to 8 different parties. The combined total of the error i.e. the difference between the bid placed and the (assumed) intended bid is £3.0m. These instances were spread across the year – 1 in March; 1 in August; 4 in October and 3 in November. National Grid believes that a*

*mandatory setting of a bid parameter for price would have prevented the majority if not all of the 6 price errors and while location errors are not directly addressed by the Modification proposal, National Grid believes it may be possible to set different parameters per location to help avoid these sorts of errors too. This latter point will be confirmed (or otherwise) during further system development discussions later in the year and communicated to shippers. Overall, National Grid is of the view that errors can and do occur for a variety of reasons, may occur at any time, and the value of the error is inherently unpredictable in its nature.*

*Generally any additional revenue from bid errors simply contributes further towards National Grid’s allowed revenue for the given year. So additional revenue from the shipper who made the error would result in less revenue collected from other shippers. There is no direct impact upon consumers in these cases, although there may be indirect impacts arising from any market inefficiencies caused by the error.*

*Some of the additional revenue feeds from the entry auctions (within day firm and day ahead interruptible), from overruns or from any non-obligated capacity go into neutrality and into the constraint management (CM) incentive. This additional CM incentive revenue can result in National Grid’s allowed revenue being slightly increased in year Y+2 following the error. This slight increase is paid by shippers but ultimately borne by consumers.*

## 5.0 Next Steps

In conclusion, Workgroup agreed the Modification should be self-governance and the Workgroup supports implementation.

## 6.0 Any Other Business

None.

## 7.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
No further meetings			

### Action Table (as of 04 February 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0201	04/02/21	3.0	MM to send a clean version of the Legal Text	National Grid (MM)	Closed

**UNC Workgroup 0752 Minutes**  
**Introduction of Weekly NTS Entry Capacity Auctions**  
**Thursday 04 February 2021**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	NGN
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Lauren Jauss	(LJ)	RWE
Leyon Joseph	(LJ)	SGN
Lucy Manning	(LM)	National Grid Grain
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Victoria Bishop	(VB)	Sembcorp
Yvonne Reid-Healy	(YVR)	Cadent

Copies of all papers are available at: [www.gasgovernance.co.uk/0752/040221](http://www.gasgovernance.co.uk/0752/040221)

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 April 2021.

## 1.0 Outline of Modification

Adam Bates (AB) introduced the Modification, explaining that it introduces a weekly entry capacity auction in addition to the existing quarterly, monthly and daily auctions, he advised

that this will introduce greater flexibility and a reasonable level of control for Shippers who currently rely on monthly auctions, which is inefficient for their purposes.

AB went on to explain the intention of the Modification will be to introduce a Weekly NTS Entry Capacity auction process which would take place at D-9 (where D is the first gas day for the weekly period being a Monday) and the capacity would be allocated by D-8.

When AB advised of the recommended next steps, Rebecca Hailes (RHa) mentioned that UNC Panel questioned whether the Self-governance criteria applies. The challenge at UNC Panel was that this Modification is introducing a new product and will require a full assessment at Workgroup to determine what the impact of this may be.

Richard Fairholme (RF) suggested that information on how much cost would be involved in making this auction available would maybe alter Panel opinion.

Jennifer Randall (JR) advised that, although a Rough Order of Magnitude (ROM) has not yet been requested, National Grid do support Self-governance being applied to this Modification assuming a favourable ROM.

RHa clarified that the ROM will be requested once it is certain that the Modification is stabilised.

AB went on to provide a brief walkthrough of the Modification and highlighted further justification and the impact of National Grid publishing the indicative flow capabilities for all NTS Entry Points within their maintenance plans which are aggregated to a monthly figure. Some reductions may only be for a single day. AB explained that because the gas flow can change day to day, the User would either have to book additional capacity they do not need using the Monthly System Entry Capacity Auction (MSEC), or would be unable to plan efficiently using the Daily System Entry Capacity (DSEC) Auction. Reporting capabilities at this level of granularity makes it very difficult to rely on the DSEC Auction.

There followed a discussion as to whether the introduction of the weekly auction would be applicable to all points or would it only apply to domestic points only. It was suggested there may be a requirement to amend the Modification as currently it stipulates this is applicable to all points. When asked, JR agreed to discuss this scenario with the Proposer.

Rosannah East (RE) provided some feedback and concerns with regards to the timings of the weekly auction and advised that if the auction was held at D-9 (Monday) the allocation would be completed on a Saturday and Shippers might not have a 24 hour trading desk.

RE advised there needs to be a day in between the new weekly auction allocation (D-8) and the DSEC allocation (D-7).

AB considered this and advised he will change the solution and provide an amended Modification.

RE clarified that the biggest challenge is for any weekly auction that would fall at the end of the month, Gemini would have to wait for a batch job relating to the Monthly Auction to run on the last gas day of the month, in this scenario it would not be known at D-9 what capacity can be released for the weekly auction. RE advised that National Grid are currently unsure what the solution could be and clarified the batch job cannot be moved because of the impact on the monthly auction.

AB sought clarification of where in UNC it says the batch job needs to be run on the last day of the month and said that he is unsure why there is no flexibility to run that batch job.

RE clarified the scheduling of running of the batch job is not in UNC, it is related to a Licence obligation where the process has to be run where there is a bid received in the monthly auction that cannot be satisfied, it triggers a process where the Capacity Auctions team would liaise with the Network Capability team to see if the requested capacity can be allocated from another location.



Nick Wye (NW) advised that a weekly auction would be an attractive product to have and that careful thought must be given to any existing system or processes that may hinder its implementation. A solution should be sought wherever possible. He went on to suggest that the monthly auction would disappear through lack of demand.

RE confirmed the stage 2 allocation of the monthly auction can be found in UNC TPD B 2.3.21.

Malcolm Montgomery (MM) suggested that as stage 2 of the monthly auction is a licence obligation, there could be a conditionality, that if stage 2 is not triggered, the weekly auction can take place.

JR confirmed National Grid will look in to how often the stage 2 processes have run in the last 2 years; when the last one was run and how many have occurred in the last Gas Year.

Anna Shrigley (ASh) advised that ENTSOG is currently consulting on greater flexibility for IP capacity and provided the following link: [www.gasncfunc.eu/gas-func/issues/01/2020/view](http://www.gasncfunc.eu/gas-func/issues/01/2020/view)

Max Lambert (ML) asked what the desired implementation for this Modification would be, AB advised Summer 2021 would be good and urged for an implementation as soon as possible.

When ML asked if this will impact capacity revenues such as Forecasted Contracted Capacity (FCC) and Retail Recovery Charge (RCC), JR advised she will investigate. NW suggested this is possibly an unanswerable question as National Grid would not be able to predict who will book and what will be booked on a weekly basis.

It was commented that any possible analysis on future take up of a weekly auction would be based on guess work.

Ritchard Hewitt (RHe) said that it appears this Modification is introducing a product that a lot of Users are looking for, but it is only directed at one type of User, an Entry Capacity User and suggested that surely this Modification must also offer a similar Exit product. JR advised that there are already differences for Entry and Exit products and that one area National Grid are proposing to look at is different products being available for Exit as part of the Capacity Access Review under Modification 0705R. At this stage National Grid are not considering a weekly auction for Exit.

AB confirmed that this proposal is only for Entry Capacity.

Hannah Reddy (HR) confirmed that the proposed solution will impact batch runs within Gemini and confirmed that implementation timescales will be included in the ROM Response.

RHa commented to AB that if SouthHook Gas are looking at a Summer 2021 problem to solve, the timescales for implementation may not enable this in time.

ML asked if the Charging Methodology Relevant Objectives are being considered and if the modification is TAR NC compliant.

AB confirmed the Charging Methodology Relevant Objectives are not being considered as there is no impact to charging and be believed the Modification to be TAR NC compliant.

**New Action 0201:** SouthHook Gas (AB) and National Grid (JR) to clarify whether the Modification should be applicable to IPs.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

#### Consider whether it should be Self Governance.

This was discussed as part of the introduction to the Modification in agenda item 1.0.

### 2.2. Initial Representations

None received.

### 2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <https://www.gasgovernance.co.uk/0752>.

Workgroup accepted the Terms of Reference.

### 3.0 Next Steps

RHa confirmed that once the Modification is considered stable, Workgroup will look at requesting a ROM.

AB summarised that he will look at the Daily Auction and Allocation timeline and look at the impacts on the Monthly Auction process.

### 4.0 Any Other Business

None.

### 5.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 04 March 2021	5pm Wednesday 24 February 2021	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>Amended Modification</li> <li>Development of Workgroup Report</li> </ul>

**Action Table (as at 04 February 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0201	04/02/21	1.0	SouthHook Gas (AB) and National Grid (JR) to clarify whether the Modification should be applicable to IPs.	SouthHook Gas (AB) National Grid (JR)	<b>Pending</b>

**UNC Workgroup 0705R Minutes  
NTS Capacity Access Review  
Wednesday 4 February 2021  
via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	NGN
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Lauren Jauss	(LJ)	RWE
Leyon Joseph	(LJ)	SGN
Lucy Manning	(LM)	National Grid Grain
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Victoria Bishop	(VB)	Sembcorp
Yvonne Reid-Healy	(YVR)	Cadent

Copies of all papers are available at: [www.gasgovernance.co.uk/0705/040221](http://www.gasgovernance.co.uk/0705/040221)

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 October 2021 (with an interim report in April 2021).

**1. Introduction and Status Review**

Rebecca Hailes (RH) welcomed all to the meeting.

### 1.1. Approval of minutes (13 January 2021)

The minutes from the 13 January 2021 meeting were approved.

### 1.2. Approval of Late Papers

The papers provided at short notice are not being classed due to the meeting being amalgamated with Transmission Workgroup on 04 February 2021, instead of being held separately on 10 February 2021.

### 1.3. Review of outstanding actions

**Action 1204:** National Grid (ASt) to provide commentary from Xoserve about the potential compression of the maintenance window and other practices for improved allocations.

**Update:** ASt advised that efforts are focussing more on implementation of changes that can be done and will revisit this in a month or two. **Carried Forward to April 2021**

**Action 0101:** National Grid (JR) to develop the Project Management table further and provide Workgroup with an update in February 2021.

**Update:** The plan was reviewed and enhancements have been completed. **Closed**

**Action 0102:** *Problems and Possible Solutions for Development:* All Workgroup to consider and bring back to next meeting.

**Update:** No update. **Carried Forward**

## 2. Review of Exit Regime

### Capacity Access Review (CAR) Project Management

Jennifer Randall (JR) advised Workgroup that the project has hit a point where some topics have come to a natural conclusion and National Grid are now thinking of next steps. She showed a view of the Prioritisation Table which has been updated based on Workgroup comments in January 2021.

JR asked Workgroup to note that this is the National Grid view and does not currently incorporate Workgroup views. She went on to add that National Grid recognises the framework is not perfect, for example, the benefits column does not say how much of a benefit a topic would be.

JR advised that the focus going forward, out of the topics listed, will be the Exit Capacity Planning Framework (ECPF) and Flexibility of capacity bookings for embedded generators.

When asked, JR confirmed National Grid is currently considering comments received from the consultation which closed last week and it is envisaged meetings will be arranged to discuss initial responses with the GDNs.

JR advised there is only one meeting between now and the start of the RIIO 2 Framework beginning. She clarified from those responses National Grid are considering what could be implemented this year as Ofgem said they would take a view on what could be implemented for RIIO 2 and what could not.

With regards to 'ECPF' ML said that some good points have been raised. The Consultation closed last Friday. ML will provide an update on progress at next workgroup.

JR advised the topic on the bottom row '2030 Access Review' will be progressing through the GMaP Workgroup and suggested she provides a regular update at 0705R Workgroup. Workgroup agreed they would benefit from regular updates.

### Exit Capacity Planning Framework

JR explained Ofgem's RIIO-2 Exit Capacity Planning Guidance (ECPG) document states 'the guidance should result in GDN's booking a level of NTS exit capacity...that effectively and efficiently provide for their 1-in-20 demand forecast for current and future years as signalled

via NTS capacity bookings or data shared via this process', however, there are certain aspects that may prevent this, such as:

- If the capacity was initially booked through enduring application process then User Commitment will apply, following the amendment to the ExCR methodology statement, this will be 2 years for capacity within baseline;
- National Grid's Licence requirement that only financially backed information should be relied upon in substitution analysis.

The document then goes on to say that the existing methodology statement, UNC and any other documentation should be modified accordingly in order to implement the framework.

JR explained the various options that could be considered to resolve this:

- Removal of User Commitment.
- Removal of NGG Licence Condition around substitution analysis which says financially backed information must be used.
- Ability to move capacity between offtake points.
- Financial commitment made in a different way.

JR reminded Workgroup this project is in the very early stages and National Grid needs to liaise with DNs to further add to what those options could be.

### **GDN Embedded Generation purchasing NTS capacity**

JR explained that currently, GDN connected parties pay a flat cost for access to the network. Power stations connected to the GD's may not run for all 365 days of the year, meaning they pay for access when it is not required. Furthermore, GDNs are required to forecast their required NTS Exit capacity, power stations which are intermittently running may create inaccuracies in these forecasts.

JR advised that to look at this as an issue, there are some questions that may aid the progression:

- Should this be limited to embedded power stations?
- Include embedded generation connected to IGT networks be included?
- Should this be limited to 'connectees' above a particular size?

In addressing the questions asked, Nick Wye (NW) suggested that embedded generation connected to IGT networks should be included or those connected to their own pipelines. There are other industrial loads that are connected to DNs and load factors could be unpredictable, and there could be a requirement to have a minimum load size.

Richard Fairholme (RF) asked for clarification on what is the specific issue that needs fixing.

NW explained, in essence, flexible generators are subject to DN charges while competing with NTS connected generators. The issue is to align the ability to acquire NTS exit capacity as and when required.

To be clear, those shippers buying exit capacity on behalf of embedded generators will incur the same costs e.g. RRCs as all other shippers buying NTS exit capacity elsewhere. They will still be subject to DN charges, excluding the ECN charge.

JR said that the project needs to work through a lot of the issues and suggested there needs to be some sort of notification to know what the capability of their network is.

Shiv Singh (SS) said that DNs need to carry out network analysis to make sure they can take the load on a specified date. Also, he does not think this project should be excluding anyone and made Workgroup aware that a GDN can have a class 4 site connecting if they are on a sensitive part of the network.

Bethan Winter (BW) supported SS and added there can be small loads that have quite a big impact.

It was mentioned that capacity that is embedded under contractual terms (reserved windows), needs the generators to procure potential capacity in order to run. There are issues in terms of security of supply; running is one side of things but having the ability to be dispatched is also a consideration.

NW said that the ambition for embedded generator costs is to avoid charges for capacity they are not going to use. This will allow a better match in terms of what capacity to purchase.

BR said that if a User is selling STOR (Short Term Operating Reserve) (a product for Electricity balancing) the User will need availability windows and will have capacity that is not utilised.

Steve Britton (SB) asked if this would be compulsory for all or would Users be able to opt in, JR advised that although it still needs to be worked through, she suggested it could be considered as an option to buy NTS capacity.

JCx agreed with the comments that BR made and added that in terms of likelihood of a Plant needing availability, it would need availability across peak hours or peak times of the year.

NW stated that Embedded Generators are competing with NTS Connected Users who can buy capacity when they want to which is denied for Embedded Generators.

When RF asked if they will be exposed to revenue recovery charges, it was confirmed that if they are purchasing NTS capacity that purchase should be treated accordingly.

### 3. Daily Firm Products Development

Anna Stankiewicz (ASt) advised she was hoping to have a pre-modification discussion on this topic but has will need to negotiate further internal governance process concerns relating to hourly allocations and non obligated bids processing. She advised she will be bringing a pre-modification subject to Workgroup pending internal investigations.

ASt asked Workgroup the following questions and provided her email address, [Anna.Stankiewicz@nationalgrid.com](mailto:Anna.Stankiewicz@nationalgrid.com), in order to receive feedback by the end of week ending 12 February 2021:

- With regards to the increase of allocations on exit, does the need exist mainly for the hourly allocations to be introduced at the end of the day e.g. from 6 or 8pm onwards (rather than hourly throughout the day)?
- Do you think that as an outcome of the change (hourly allocations on exit) Users physical behaviour will change i.e. are we likely to see more flows towards the end of the day, or is the behaviour likely to remain the same but the change will help in terms of commercial position only (i.e. in gaining better balancing position at the end of the Gas Day)?

**Action 0201: Daily Firm Product Development** - All Shippers to consider the following questions and feedback to National Grid by week ending 12 February 2021.

- With regards to the increase of allocations on exit, does the need exist mainly for the hourly allocations to be introduced at the end of the day e.g. from 6 or 8pm onwards (rather than hourly throughout the day)?
- Do you think that as an outcome of the change (hourly allocations on exit) Users physical behaviour will change i.e. are we likely to see more flows towards the end of the day, or is the behaviour likely to remain the same but the change will help in terms of commercial position only (i.e. in gaining better balancing position at the end of the Gas Day)?

#### 4. Next Steps

JR confirmed the next steps for this Workgroup to be:

- Exit Capacity planning Framework: To be able to work with GDNs options to change UNC.
- Embedded Generation: explore the issue in more detail.

#### 5. Any Other Business

No items required discussion.

#### 6. Diary Planning

##### Post Meeting Update

The following dates were proposed and await further confirmation from the Joint Office of Gas Transporters.

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 – 13:00 10 March 2021	5pm – 03 March 2021	Teleconference	Standard items
10:00 – 13:00 14 April 2021	5pm – 07 April 2021	Teleconference	Standard items

#### Action Table (as at 04 February 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1204	08/12/20	4.0	<i>Daily Firm Products Development</i> - National Grid (ASt) to provide commentary from Xoserve about the potential compression of the maintenance window and other practices for improved allocations.	National Grid (ASt)	Carried Forward
0101	13/01/21	2.0	National Grid (JR) to develop the Project Management table further and provide Workgroup with an update in February 2021	National Grid (JR)	Closed
0102	13/01/21	2.0	<i>Problems and Possible Solutions for Development</i> : All Workgroup to consider and bring back to next meeting.	All Workgroup	Carried Forward
0201	04/02/21	3.0	All Shippers to consider the following questions and feedback to National Grid by week ending 12 February 2021: <ul style="list-style-type: none"> <li>• With regards to the increase of allocations on exit, does the need exist mainly for the hourly allocations to be introduced at the end of the day e.g. from 6 or 8pm onwards (rather than hourly throughout the day)</li> </ul>	All Shippers	Pending

---

			<ul style="list-style-type: none"><li>Do you think that as an outcome of the change (hourly allocations on exit) Users physical behaviour will change i.e. are we likely to see more flows towards the end of the day, or is the behaviour likely to remain the same but the change will help in terms of commercial position only (i.e. in gaining better balancing position at the end of the Gas Day</li></ul>		
--	--	--	---	--	--