

**UNC Transmission Workgroup Minutes**  
**Thursday 04 March 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
Alex Neild	(AN)	Storengy
Andrew Blair	(ABI)	IUK
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
Debra Hawkin	(DHa)	TPA Solutions
Hannah Reddy	(HR)	Corella on behalf of Xoserve
James Cunningham	(JCu)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	ConocoPhillips
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
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
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Sarah Cooper	(SC)	IUK
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Will Webster	(WW)	Oil & Gas UK

Copies of all papers are available at: [www.gasgovernance.co.uk/tx/040321](http://www.gasgovernance.co.uk/tx/040321)

**1. Introduction and Status Review**

Rebecca Hailes (RHa) welcomed all parties to the meeting.

**1.1. Approval of minutes (04 February 2021)**

RH advised a slight amendment to the minutes from the last meeting has been received from Ritchard Hewitt. Workgroup reviewed the updated minutes and approved the changes.

## 1.2. Approval of Late Papers

RHa advised the Workgroup of the following late papers:

- Industry Update from Ofgem.

Workgroup agreed to accept the papers.

## 1.3. Review of Outstanding Actions

**Action 0201:** Review of the GB energy system operation: 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.

**Update:** Max Lambert (ML) advised this has been included in the agenda for the 0705R Workgroup being held on Wednesday 10 March 2021. **Closed**

**Action 0202:** 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.

**Update:** Anna Stankiewicz (ASt) advised this is being covered under the Overrun Reporting agenda item 6.0. **Closed**

### Exit Capacity Planning Guidance (ECPG) update:

Following on from the NTSCMF meeting held on 02 March 2021 where Ofgem were asked to provide an update at this Workgroup, ML provided a verbal update and advised that Ofgem have assessed the consultation responses and produced a revised draft of the ECPG Guidance.

The transitional arrangements to move from RIIO 1 to RIIO 2 have been drafted and whereas the methodologies will not yet be published Ofgem do expect NTS and DNs to operate accordingly. These will be published, mid-March 2021.

JCx advised she has some concern over how the first year will work, ML said he is hoping the transitional arrangements will alleviate of any concerns.

## 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:

Update on RIIO-2 Associated Documents

Alongside the Ofgem RIIO-2 licence statutory consultation, Ofgem are consulting on proposed drafts for 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 proposed drafts:

*Revision of the RIIO-1 NIA Guidance Documents – additional requirements for RIIO-2 CNIA:*  
<https://www.ofgem.gov.uk/publications-and-updates/riio-1-nia-guidance-documents-revision-additional-requirements-riio-2-cnial>

*Net Zero and Re-Opener UIOLI Allowance Governance Document:*  
<https://www.ofgem.gov.uk/publications-and-updates/net-zero-and-re-opener-uioli-allowance-governance-document>

*Net Zero Pre-construction and Small Net Zero Projects Re-opener:*  
<https://www.ofgem.gov.uk/publications-and-updates/net-zero-pre-construction-and-small-net-zero-projects-re-opener>

These documents are working drafts and the content is in line with our Final Determinations. We will ensure that all comments received will be appropriately reflected within the final versions, which will take effect from 1 April 2021. The contact details for sharing responses are listed at each individual link, and the closing date for the consultations of all three Associated Documents above is 16 March 2021.

Ofgem have also received views on a number of other Associated Document drafts and have taken into consideration comments within the final publication of the following Associated Documents on 26 February 2021:

*Re-opener Guidance and Application Requirements document:*  
<https://www.ofgem.gov.uk/publications-and-updates/re-opener-guidance-and-application-requirements-document-0>

*Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document:*  
<https://www.ofgem.gov.uk/publications-and-updates/vulnerability-and-carbon-monoxide-allowance-vcma-governance-document-0>

*Fuel Poor Network Extension Scheme (FPNES) Governance Document:*  
<https://www.ofgem.gov.uk/publications-and-updates/fuel-poor-network-extension-scheme-fpnes-governance-document-0>

*Price Control Deliverable Reporting Requirements and Methodology Document: Version 1:*  
<https://www.ofgem.gov.uk/publications-and-updates/price-control-deliverable-reporting-requirements-and-methodology-document-version-1>

On 26 February 2021, Ofgem also published our **decision on the principles of use for RIIO-2 Associated Documents**. Ofgem have received views on their principles of use for Associated Documents and have taken on board representations and suggestions and reflected them in their decision on the principles of use, published at the link below:

<https://www.ofgem.gov.uk/publications-and-updates/decision-principles-use-riio-2-associated-documents>

### **Network Innovation Competition: Funding Direction for National Grid Gas (Transmission)**

The direction in this letter, published on 23 February 2021, sets out the amount that National Grid Gas plc (Transmission) can recover from its customers in relation to the NIC.

<https://www.ofgem.gov.uk/publications-and-updates/network-innovation-competition-funding-direction-national-grid-gas-transmission-1>

### **Consultation on issuing the Network Asset Risk Workbooks and Network Asset Risk Metric Handbook**

Ofgem are consulting on their intention to issue the Network Asset Risk Workbooks (NARW) and Network Asset Risk Metric (NARM) Handbook. At present Ofgem are only consulting on the NARW for Transmission sectors. Ofgem will consult on the issuing of the NARW for Gas Distribution licensees at a later date.

Ofgem would like views from people with an interest in NARM, in particular from licensees and network customers. Ofgem also welcome responses from other stakeholders and the public. This consultation closes on 18 March 2021, and please send your responses to this consultation, including any attachments, to [Leyun.Kong@ofgem.gov.uk](mailto:Leyun.Kong@ofgem.gov.uk).

<https://www.ofgem.gov.uk/publications-and-updates/consultation-issuing-network-asset-risk-workbooks-and-network-asset-risk-metric-handbook>

### **Amended Project direction: H100 Fife SGN**

The direction in this letter, published on 9 February 2021, confirms Ofgem's decision on the outcome of Condition 2 of the 2020 Project Direction and sets the amended conditions of funding for SGN's Innovation Competition project, H100 Fife.

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

### **UNC753 Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity: Urgency Application**

On 29 January 2021, the Joint Office of Gas Transporters received a request from Total Gas and Power Limited that Uniform Network Code modification UNC753 'Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity' should be treated as 'urgent' and proceed under a timetable approved by Ofgem. After considering the justification provided by the Proposer for this request, Ofgem have decided not to grant urgent status for UNC753.

Ofgem set out their reasons in their letter below, published on 9 February 2021.

<https://www.ofgem.gov.uk/publications-and-updates/unc753-removal-pricing-disincentives-secondary-trading-fixed-price-nts-system-entry-capacity-urgency-application>

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

On 17 December 2020, Ofgem published a statutory consultation on proposed changes to the licence conditions required to implement the RIIO-2 price control settlement for the transmission companies, gas distribution networks and the electricity system operator.

Ofgem received fourteen responses to the statutory consultation. Following careful consideration of these responses, they have decided to implement the licence modifications as set out in the notices that they have published. The licence modifications will come into effect on 1 April 2021.

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

### **Implementing the Capacity Constraint Management incentive as part of the National Grid Gas Plc Gas Transporter Licence for RIIO-GT2**

This letter, published on 3 February 2021, sets out that Ofgem will promptly review the Entry Capacity and Exit Capacity Constraint Management included as part of the final RIIO-GT2 licence text for National Grid Gas Transmission, in light of changes to the operation of the gas charging regime from October 2020 following the introduction of UNC modification 678A.

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

This concluded the Ofgem Industry Update.

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

### **1.5.1. Innovation Derogation**

Tracey Saunders (TS) presented 'Introducing Innovation Derogation as a concept in UNC' as a pre-modification for discussion. For a full detailed update, please refer to the published slides on the meeting page.

The key points discussed by the Workgroup are noted below:

- Currently whilst the UNC (Uniform Network Code) does not have the concept of derogation, it is present in other Codes such as SPAA (Supply Point Administration Agreement) and DCUSA (Distribution Connection and Use of System Agreement) and is also used by Ofgem.
- TS noted that she wanted to introduce this concept to the UNC to facilitate the UK target of reaching Net Zero by 2050 as well as related projects to Net Zero to exercise innovation to trial solutions.
- TS explained that whilst this Modification would introduce the concept of derogations to the UNC, she was proposing to limit its scope to specific funded projects. The Modification would introduce an Innovation Derogation Guidance Document which would outline the application & approval process including evidence required to apply for Derogation. Any Derogation approval would also require unanimous approval by the UNC Panel members.
- TS added Ofgem would also reserve the right to review any Derogation projects and suggested this could be done through an appeal mechanism. She noted she would review

how Ofgem carries out Derogation reviews under other Codes and that she would follow the same standard process.

### **Options**

TS advised of the options available:

- To do nothing could hamper Net Zero innovation projects and timescales.
- Progression without derogations could result in a breach of obligations in UNC or Licence.
- Introduce derogation for Net Zero innovation via progression of this modification proposal.

### **Solution**

TS clarified that she intends to introduce the concept of derogation for Net Zero innovation projects as a defined process into UNC. The Modification has been submitted to Joint Office and will be presented to UNC Panel in March. She explained there are quite a lot of business rules and a comprehensive guidance document that will accompany the modification which will define the application & approval process, (including the evidence that would be required), and the grounds for consideration by UNC Panel members (who would be required to give [unanimous] support in order to grant a derogation).

Derogations will be allowed from UNC and UNC related documents with the exception of:

- Modification Rules;
- General Terms Section A – Dispute Resolution;
- Any active Significant Code Reviews, and
- Anything in code that impacts a supplier or end consumer ability to switch.

The Guidance Document that will accompany the modification will require a unanimous vote from UNC Panel and will be controlled by UNCC and any changes to the Guidance Document will be approved by a majority vote at UNCC.

TS clarified there will be no appeal process, UNC Panel decision is final.

TS clarified this is an enabling modification and she is currently in discussion with Ofgem to ensure they are happy with the suggestion going forward.

When RHa asked if the word 'concept' can be added to the title, TS confirmed this can be done.

### **Recommended Steps**

TS advised the modification should be subject to Authority Direction because the modification would cause a material change to the UNC governance procedures and Modification Rules by introduction of the concept of derogation, and, whilst this modification in itself is not of material impact to competition or operation on the pipeline system, should this modification be approved, derogations could have material impact may and that is why materiality need to be considered now.

Lauren Jauss (LJ) advised she is keen to support network innovation but is nervous is this will include gas quality as this is a key issue.

TS advised that the gas safety aspect is more to do with hydrogen, which has a lower CV, and the trials around that which need to be considered. Northern Gas Networks have a trial coming up, HyDeploy, which will be the first usage, on a public UK gas network, of blended hydrogen being used for heating and cooking and adjustments, she advised that if the concept of derogation had been initialised, the project would have been able to see a true solution for future progression of the trial which would give better evidence.

LJ clarified it is important to be able to maintain Calorific Values within the set specification and that it would be helpful to have some examples of the kind of things that are being thought about.

TS advised this is an enduring change into Code and there are lots of different examples as the industry moves towards net zero.

Phil Hobbins (PH) explained, with regards to the gas quality, this is a separate process and will be managed through a safety case with the Health and Safety Executive (HSE).

Richard Fairholme (RF) asked if private sector projects, in terms of documentation, would be different and is there a risk of making it too hard for non-regulated projects. It was agreed this will be a discussion Workgroup to consider.

When RHa asked which Workgroup TS envisages this being sent to, TS advised it may end up as a standalone Workgroup as there will be wide interest from Networks; Shippers and Transporters, as well as other interested parties.

PH suggested the Governance Workgroup could be an option, it was clarified that the next Governance Workgroup is due to be held 26 March 2021.

TS thanked the Workgroup participants for allowing her to overview her thinking in relation to the proposed pre-Modification – Innovation Derogation.

For a full detailed update, please refer to the published slides on the meeting page via the link: [www.gasgovernance.co.uk/tx/040321](http://www.gasgovernance.co.uk/tx/040321).

### 1.5.2. Within Day Firm Capacity Product

Anna Stankiewicz (ASt) introduced the pre-modification for Within Day Firm Capacity Product and explained the purpose of the modification. She explained that following the implantation of the new charging regime on 01 October National Grid are seeing changed in capacity booking behaviour, Users are booking closer to their flows; also Power Stations have identified the need to react quickly to changes on the electricity market and therefore would like to amend the existing firm within day product (WDDNEX) to make capacity more frequently accessible.

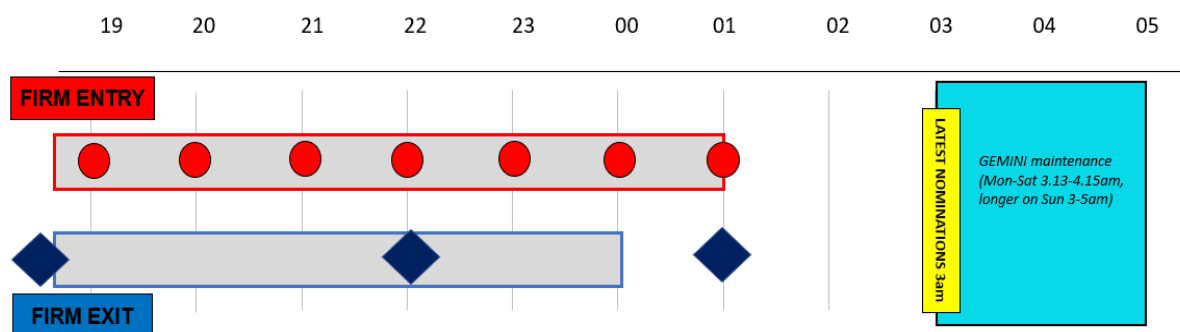
ASt clarified the current firm within day product does not allow enough flexibility to rapidly adjust capacity bookings to changes in demand (exit allocations take place 5 times day).

ASt explained the proposed changes will facilitate more frequent auctions/allocations as well as enable Users to align their commercial position with their physical position more effectively later in the Gas Day.

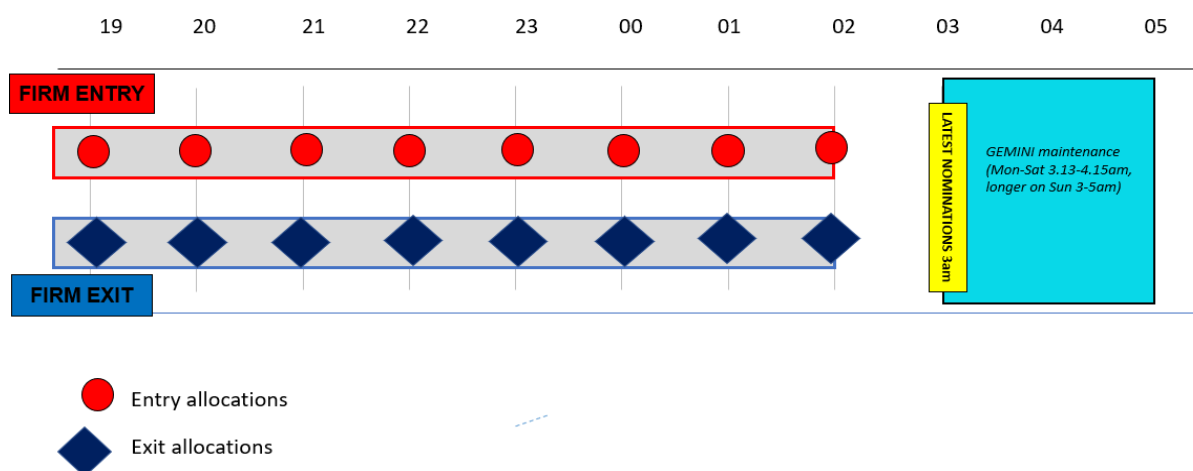
ASt went on to show a comparison of what the allocations for Firm Entry and Firm Exit will be before and after the change.

ASt advised that both allocations windows will be set to close at 2am and highlighted the blue diamond allocations in the After Change picture indicate the hourly allocations which are being bought more into line with allocations on Entry; there will be no change to the Gemini Maintenance Window.

#### Before Change



#### After Change



In summary the proposed changes include the following variations from the current products:

- Introduction of hourly allocations on Exit
- Addition of 2:00am allocation window on Entry and Exit
- Extension to capacity invitation (bid) window to 2:00am on both Entry and Exit
- Introduction of 30min 'capacity allocation period' on Exit – obligation on NG to allocate obligated capacity to Users.

N.B. The proposal does not include changes related to start times of the entry or exit auctions.

Potential benefits:

- Optimised capacity bookings = avoiding unnecessary costs
- Less stranded capacity
- Drive network efficiency/competition = benefit end consumers
- Provide CCGT's with more agile ability to respond to electricity market demand.
- Enables the market to respond to NG balancing actions quicker.
- Aligning within-day process on entry and exit

Julie Cox (JCx) said that she welcomes this change is progressing.

ASt advised she has not identified any Cross Code impacts.

Ritchard Hewitt (RHe) sought clarification that this modification will only apply to domestic supply points and not interconnection Points. When ASt confirmed this RHe asked for this to be made clear when the modification is drafted.

### 1.5.3. Storage in Interconnectors

Phil Lucas (PL) provided an explanation of his proposed modification and explained that National Grid has been informed by an Interconnector Operator that it intends to offer a short term storage service in addition to its existing transportation service, this would enable GB shippers to offtake gas from the NTS, store it in its pipeline and subsequently deliver back to the NTS. He explained that Uniform Network Code (UNC) sets out the commercial arrangements for Interconnection Points and Storage Connection Points but does not contemplate these applying in respect of a single physical point.

Why Change

PL advised that aspects of the Transportation Charging Arrangements differ for Interconnection Points and Storage Connection Points and that additional commercial arrangements are required to enable the application of the correct Transportation Charges for Interconnectors able to offer an additional storage service, such as:

- Transmission Services Capacity Charge discount for Storage
- Exemption from General Non Transmission Services Charge for Storage flows

PL explained the Solution:

UNC will be modified to:

- set out the point definition.
- set out ex post (before the day) determination of daily quantities of National Grid capacity and flow (associated with the storage service).
- set out any additional rules applicable for capacity.
- set out nominations and scheduling charge arrangements.
- set out allocations arrangements.
- set out the applicable Transportation Charging arrangements.

The next steps will be to submit the modification for initial consideration by the UNC Panel on 18 March 2021, it is proposed this modification will be considered for Authority Direction and is recommended it is issued to a Workgroup for a period of 6 months for development.

### Questions

Nick Wye (NW) commented that in Code it refers to Storage sites that are listed in the Licence and asked if this will be a Licence change as well. PL advised that National Grid are in discussion with Ofgem regarding this.

There was a brief discussion where Workgroup asked if there has ever been a Storage Workgroup, it was identified that there was, but quite a long time ago.

When Jeff Chandler (JCh) asked if this would spread to other exit points on the network, where an offtake might have a private pipeline, PL clarified this proposal is only applicable for Exit points for Interconnector Points.

NW noted that discounts that apply to Storage are specific to Storage and wonders how this can be re-batched to a pipeline to become a Storage facility.

Pavanjit Dehsi (PD) advised it refers to Storage not a Storage facility and that the discount in Article 9 refers to Storage Facility.

IUK were then invited to share their presentation where Sarah Cooper (SC) advised IUK is seeking to develop and offer a fast cycle, low volume Storage Service to the GB market using its existing infrastructure. She referred to the National Grid modification that is being developed which will facilitate the offer of a Storage Service at Interconnectors connected to the NTS.

SC explained the modification will allow Interconnector Storage Users to be treated in a similar manner to Users of other Storage Facilities, Transportation services remain IUK's priority and will remain unimpacted. An additional Storage Service enables IUK to offer additional flexibility services to the GB market during periods of low transportation utilisation.

SC clarified that IUK's Storage Service would be accessed by IUK Storage Users at Bacton only.

SC offered Workgroup that if they have any questions, can they please direct them to:

Sarah Cooper  
Commercial Manager  
[Sarah.Cooper@Interconnector.com](mailto:Sarah.Cooper@Interconnector.com)

Workgroup agreed it would be an advantage to understand the definition of a storage facility, JCx provided the following information:

Storage facility definition from gas directive [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2009.211.01.0094.01.ENG&toc=OJ%3AL%3A2009%3A211%3AFULL](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2009.211.01.0094.01.ENG&toc=OJ%3AL%3A2009%3A211%3AFULL) TAR NC refers to storage facilities:

*'storage facility' means a facility used for the stocking of natural gas and owned and/or operated by a natural gas undertaking, including the part of LNG facilities used for storage but excluding the portion used for production operations, and excluding facilities reserved exclusively for transmission system operators in carrying out their functions;*



When Bill Reed (BR) sought clarification if this modification will be framed to only interconnectors or Bacton or IUK it was clarified that this would apply to any IP that wishes to provide this service although there would be additional terms that would need to be applied to the Storage Connection Agreement.

PL confirmed the modification will be submitted in order for it to be presented to the March UNC Panel.

## 2. European Codes Update

PH provided a brief update on the FUNC Issue: Harmonisation of Interfaces on EU Capacity Booking Platforms that Equinor raised this in 2019 which seeks to replace the 'interactive' data exchange solution with 'document-based' Edigas-XML for capacity-related processes between shippers and EU capacity booking platforms.

PH advised following a consultation, ENTSOG recommends that booking platform operators be obliged to offer the 'document-based' Edigas-XML / AS4 solution, which requires an amendment to the EU Interoperability Code and Amendments to the 'Common Data Exchange Solutions Table' which is on the ENTSOG website.

It was clarified that these amendments are currently being consulted on by ENTSOG until 26 March 2021.

For further information, please see the presentation published as material for this meeting here: [www.gasgovernance.co.uk/tx/040321](http://www.gasgovernance.co.uk/tx/040321).

## 3. Workgroups

### 3.1. 0752 – Introduction of Weekly Entry Capacity Auction

(Report to Panel 15 April 2021)

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

### 3.2. 0755 - Enhancement of Exit Capacity Assignments

(Report to Panel 20 May 2021)

[www.gasgovernance.co.uk/0755](http://www.gasgovernance.co.uk/0755)

### 3.3. 0756S - Changes to Offtake Profile Notice Submission Requirements

(Report to Panel 15 April 2021)

## 4. GS(M)R Review

PH advised there was no update to provide.

### GS(M)R Review – CV Shrinkage Assessment

PH explained that Calorific Value (CV) Shrinkage is gas which cannot be billed due to application of the Gas (Calculation of Thermal Energy) Regulations 1996 (amended 1997). Unaccounted for Gas is the remaining quantity of gas which is unallocated after taking into account all measured inputs and outputs from the system.

PH advised that National Grid have been asked to provide an assessment of the potential impact of a wider Wobbe Index range on CV Shrinkage. In order to produce this assessment, National Grid will need to seek a view on how future CV might change and will issue a questionnaire in March to all NTS terminal operators, this will be carried out on a confidential basis.

### Publication of Gas Quality Limits at NTS Entry Points

PH advised that the Gas Markets Plan (GMaP) project has looked at process issues in relation to gas quality changes, in the past individual enabling modifications have been raised on a site by site basis, with GS(M)R coming, there could be more change for this process.

Under the current rules the parameters are contained in the Network Entry Agreement (NEA), however, any Shipper may request that National Grid discloses the information contained in the NEA.

PH explained that at the end of last year National Grid consulted with NTS Entry Terminal Operators about publishing gas quality parameters and limits, most of which had no objection. National Grid now propose to seek formal consent to publish those limits on the Joint Office website.

## 5. Capacity Assignments

It was confirmed that this agenda item has been covered with the pre-modification discussed held in agenda item 1.5.2 and no longer needs to be a standard agenda item.

## 6. Overruns Reporting – November 2020

ASt presented Workgroup with the overrun data from October to December 2020, which is compared with overrun data from October 2019 to December 2019.

Entry	No of Overruns	Charge Quantity (mcm)	Charge Amount (£)	No of Users	No of ASEPs
Oct-20	287	8.25	208,819.73	30	9
Oct-19	129	3.40	34,373.94	21	8
Nov-20	339	13.33	365,650.62	24	8
Nov-19	97	2.24	10,749.94	10	9
Dec-20	392	6.34	150,251.89	25	10
Dec-19	121	2.63	11,212.15	18	7
Total to date 20/21	1018	27.92	724,722.24		
Total to date 19/20	347	8.28	56,336.03		

Exit	No of Overruns	Charge Quantity (mcm)	Charge Amount (£)	No of Users	No of Offtakes
Oct-20	141	14.52	182,525.67	17	30
Oct-19	1	0.21	2,874.67	1	1
Nov-20	173	15.24	189,860.56	20	31
Nov-19	0	-	0.00	0	0
Dec-20	185	15.36	185,170.44	22	33
Dec-19	0	-	0.00	0	0
Total to date 20/21	499	45.11	557,556.67		
Total to date 19/20	1	0.21	2,874.67		

ASt provided an update to outstanding action 0202:

**Action 0202:** 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  
**Update:** ASt confirmed National Grid are maintaining their position to wait until the data presents itself at the end of the gas year. This is what was suggested with the implementation of Modification 0716 - . Revision of Overrun Charge Multiplier.

### Close action 0202

Bill Reed (BR) asked for clarification and noted the Entry Overrun charge goes to neutrality but it will not in RIIO T2. When ASt confirmed that to be correct BR also noted that gas demand would have been quite high in January and February and it will be interesting to see what, if any, overrun charges there are. He added, if there is a lot of money being recovered from the industry, it does not seem right to wait.

Should have something ready for the start of the next gas year. Anna Shrigley (ASh) agreed with the comments made and provided her understanding that 100% of the credit has been give through neutrality. Next year, National Grid will receive an incentive whereby 44% of that revenue, Shippers will pay back to the revenue stream. The revenue goes into different pots, and is difficult to track, Shippers benefit in year 1 but have to pay in year 2, the charge is significantly higher than last year.

As a User, ASh explained she wants a simple User friendly arrangement where you pay for capacity within the gas year, and if there is an administrative error which creates an overrun, for not such high penalty charges.

ASh thanked National Grid for taking the initiative in putting forward Modification 0745 - Mandatory Setting of Auction Bid Parameters, which will help to prevent administrative errors, however, she advised Shippers will continue to under-book capacity, and agreed there needs to be a National Grid modification raised to see these rules changed.

AST explained, from April 2021 onwards the Entry overrun charges will no longer be feeding into the constraint management incentive and confirmed that National Grid's position is not to raise a modification to change the overrun calculation parameters because they would like to see more data to see the trend over a longer period, adding that they would struggle to base a proposal on anything solid at the moment.

**7. Issues**

No issues were raised.

**8. Any Other Business**

No any other business was raised.

**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).*

<b>Time / Date</b>	<b>Venue</b>	<b>Workgroup Programme</b>
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 March 2021)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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)	<b>Closed</b>
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)	<b>Closed</b>

**UNC Workgroup 0752 Minutes**  
**Introduction of Weekly NTS Entry Capacity Auctions**  
**Thursday 04 March 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
Alex Neild	(AN)	Storengy
Andrew Blair	(ABI)	IUK
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
Debra Hawkin	(DHa)	TPA Solutions
Hannah Reddy	(HR)	Corella on behalf of Xoserve
James Cunningham	(JCu)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	ConocoPhillips
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
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
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Sarah Cooper	(SC)	IUK
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Will Webster	(WW)	Oil & Gas UK

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 Introduction and Status Review

### 1.1. Approval of Minutes (04 February 2021)

RHa highlighted an amendment to the minutes has been received, Jennifer Randall (JR) provided clarification to the suggested update and the minutes were amended.

Workgroup agreed with the suggested amendment to the minutes which will be finalised and republished.

### 1.2. Approval of Late Papers

RHa confirmed there were no late papers to consider.

### 1.3. Review of Outstanding Actions

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

**Update:** This has been covered in the amended modification. **Closed**

## 2.0 Amended Modification

Adam Bates (AB) was asked to provide an overview of the amendments, based on discussions held at the last Workgroup meeting, that have been made to the modification and advised the solution where the auction will take place was originally D-9 and has now been changed to D-10 and the capacity would be allocated ty D-9 to incorporate a clear business day in between the start of the auction and the end of the previous one.

It was noted, for the avoidance of doubt, the Capacity Access Management Code cannot be applied to Interconnection Points (IPs) which provided clarification this modification is not applicable to IPs.

### Relevant Objectives

When asked, Jennifer Randall (JR) clarified National Grid supports that this modification furthers Relevant Objective a) - Efficient and economic operation of the pipe-line system.

No workgroup participants disagreed.

Jeff Chandler (JCh) commented that if Liquefied Natural Gas (LNG) book monthly or quarterly capacity would mean less revenue which may impact revenue income to National Grid which could have an impact on competition, Relevant Objective d) - Securing of effective competition. AB said that they may move from monthly to weekly and it is hard to pinpoint what the behavioural changes or the revenue impact will be as a result.

JR raised the observation that this modification may reduce the amount of interruptible capacity available, the consequence of that is there will be less interruptible capacity at the discounted rate. If the weekly auction encourages bookings moving away from quarterly bookings, Use-It-Or-Lose-It (UIOLI) will be the perceived consequence of the introduction of a weekly auction. Nick Wye (NW) noted he is not sure this is relevant. He said that it is recognised that UIOLI is an anti-hoarding auction and that moving to more firm bookings is positive for Relevant Objective d), the ability to better profile firm capacity bookings by using a weekly booking facility will limit hoarding.

When it was asked if there is a limit on how much capacity National Grid makes available for UIOLI, JR confirmed there is no limit on the amount of interruptible capacity that can be released, it is the calculation that sets the amount. The quantity of capacity not used is part of the determination as to how much can be released. It was also clarified that this modification is not restricting the amount of capacity that NG can release.

Referring back to the Solution, JR reminded Workgroup that at the last meeting the system solution was discussed specifically how the batch jobs run at the end of the month is a potential problem. This has been discussed with Xoserve and the solution will be to move the batch jobs to run earlier in the month and create a new one for the weekly auctions.

Workgroup moved on to consider the modification and its compliance with TAR Network Code, in particular provisions when there is a need to publish prices which could potentially impact on this modification if it is implemented within the gas year there could be an impact on the obligation to publish prices.

NW provided an alternative interpretation and said that reserve prices applied to the weekly product will be no different to those published for the rest of the year and should not prohibit the introduction of this product.

It was suggested that any auction that spans over 2 gas years could be suspended or the capacity price from gas year one could be used.

JR requested this is written into the solution. AB asked for Ofgem to provide a view in how the introduction mid-year and how the price would be introduced and any implications on any other products.

Max Lambert (ML) responded and said he will look further into Article 29 and provide a view before the next Workgroup meeting.

AB advised that the Rough Order of Magnitude (ROM) is drafted. Hannah Reddy (HR) clarified the calculation of charges will be based on the transaction period; the monthly price multiplied by the number of days. However, this becomes more complex if the week that the auction is set to cross over from one gas year to the next.

JR asked if it would be feasible to take the price for one part of the week and multiply it by the number of days at that price and multiply the number of remaining days with the new price. HR confirmed it is a more complex calculation which needs consideration.

**New Action 0301:** Proposer (AB) to liaise with National Grid and Xoserve on the calculation that can be used when the weekly auction spans two gas years.

The Consumer Impact Table was considered and Workgroup comments were added.

### **3.0 Issues and Questions from Panel**

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

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

### **4.0 Development of Workgroup Report**

This will be considered at the next Workgroup meeting.

### **5.0 Next Steps**

RHa confirmed that Workgroup should expect a further iteration of the modification which will include the scenario where an auction can span two gas years; the discussion relating to TAR NC Article 29 and submission of the ROM.

### **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
10:00 Thursday 01 April 2021	5pm Wednesday 23 March 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 March 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0201</b>	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>Closed</b>
<b>0301</b>	04/03/21		Proposer (AB) to liaise with National Grid and Xoserve on the calculation that can be used when the weekly auction spans two gas years.	SouthHook Gas (AB)	<b>Pending</b>



**UNC Workgroup 0755 Minutes  
Enhancement of Exit Capacity Assignments  
10:00 Thursday 04 March 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
Alex Neild	(AN)	Storengy
Andrew Blair	(ABI)	IUK
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
Debra Hawkin	(DHa)	TPA Solutions
Hannah Reddy	(HR)	Corella on behalf of Xoserve
James Cunningham	(JCu)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	ConocoPhillips
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
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
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Sarah Cooper	(SC)	IUK
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Will Webster	(WW)	Oil & Gas UK

Copies of all papers are available at: [www.gasgovernance.co.uk/0755/040321](http://www.gasgovernance.co.uk/0755/040321)

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 May 2021.

## 1.0 Outline of Modification

Daniel Hisgett (DHi) introduced the modification and explained that this modification is a refresh of *Modification 0276 - Alternative User Pays approach to enabling the assignment of Partial Quantity of Registered NTS Exit (Flat) Capacity*, which was raised as an alternative approach to *Modification 0263 - Enabling the Assignment of a Partial Quantity of Registered NTS Exit (Flat) Capacity*. He advised it will be an enhancement of the existing Exit Capacity Assignment arrangements to enable Network Users to transfer, in full or in part, both the Capacity and associated liability at an Exit Point,

DHi confirmed this modification would be subject to Authority Direction.

DHi explained the solution that would be put in place in order to implement this change and advised it would involve adjustments to TPD Section B paragraph 6 and enhancements to the Gemini system enabling Users with the ability to assign Exit Capacity and liability in part rather than just being able to transfer full capacity volume as is the current process.

DHi explained that business rule number 5 in the suggested legal text is where the difference from *Modification 0276 - Alternative User Pays approach to - UNC Modification Proposal 0263*, (*Modification 0263 was Enabling the Assignment of a Partial Quantity of Registered NTS Exit (Flat) Capacity*). This part of the solution was originally a User Pays service. DHi also confirmed that the benefits highlighted in *Modification 0276* are still relevant.

Shiv Singh (SS) advised that being able to move capacity and the liability for that capacity moving with it offers no benefit and there would be no impact.

Bethan Winter (BW) agreed with the comments that SS made. Therefore, it was confirmed that Distribution Networks have said there is no impact or benefit with this modification and there will be no instances for them to use this enhancement to the Exit Capacity Assignment process.

DHi confirmed this facility will be available at all exit points, including Interconnection Points, but not for bundled capacity.

The next step will be to request a Rough Order of Magnitude (ROM) from Xoserve. DHi noted in the modification that early indication from Xoserve is that the changes required will have a 40-50 week lead time and costs in the region of £1.2m and £1.5m which will include implementation of both an Entry and Exit solution at the same time.

DHi confirmed the estimated costs relate to implementation of this modification as opposed to *Modification 0276*.

When asked, DHi clarified the benefits to this modification being implemented which will give Shippers another option when moving Capacity at an ASEP. This should aid long term profiling and reduce reliance on the short-term markets as well as reducing costs for Users overall.

**New Action 0301:** Joint Office (RHa) to inform IGT/UNC regarding changes to TPD Section B paragraph 6.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

#### 2.1.1. Whether it applies to DNOs and Shippers or just Shippers

It has been confirmed this modification will not provide any benefit or impact to Distribution Networks.

#### 2.1.2. Consider any Cross Code impacts

Please refer to Action 0301 where RHa will advise IGT-UNC of the changes to TPD Section B paragraph 6.

## 2.2. Initial Representations

None received.

## 2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at [www.gasgovernance.co.uk/0755/](http://www.gasgovernance.co.uk/0755/).

## 3.0 Next Steps

RHa confirmed that the draft legal text will be provided for the next meeting. The ROM request will be submitted to Xoserve. Hannah Reddy (HR) advised Xoserve will try to turn the ROM around as quickly as possible.

It is hoped that the ROM and legal text will be reviewed at next Workgroup meeting.

The modification requires a small amendment to correct the misuse of ASAP; this should say Exit Point.

## 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	Venue	Workgroup Programme
10:00 Thursday 01 April 2021	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>• Amended Modification</li> <li>• Consideration of Business Rules</li> <li>• Review of ROM</li> <li>• Review of Relevant Objectives</li> <li>• Consideration of Legal Text</li> <li>• Workgroup Report development</li> </ul>
10:00 Thursday 06 May 2021	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>• Amended Modification</li> <li>• Consideration of Business Rules</li> <li>• Completion of Workgroup Report</li> </ul>

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

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0301</b>	04/03/2021	1.0	Joint Office (RHa) to inform IGT/UNC regarding changes to TPD Section B paragraph 6.	Joint Office (RHa)	<b>Pending</b>

**UNC Workgroup 0756S Minutes**  
**Changes to Offtake Profile Notice Submission Requirements**  
**Thursday 04 March 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
Alex Neild	(AN)	Storengy
Andrew Blair	(ABI)	IUK
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
Debra Hawkin	(DHa)	TPA Solutions
Hannah Reddy	(HR)	Corella on behalf of Xoserve
James Cunningham	(JCu)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	ConocoPhillips
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJo)	SGN
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
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rosannah East	(RE)	National Grid
Sarah Cooper	(SC)	IUK
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Will Webster	(WW)	Oil & Gas UK

Copies of all papers are available at: [www.gasgovernance.co.uk/0756/040321](http://www.gasgovernance.co.uk/0756/040321)

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

## 1.0 Outline of Modification

Daniel Hisgett (DHi) introduced the modification and explained the purpose of the modification and advised the modification intends to change the submission requirements for Offtake Profile Notices to allow values to be additionally submitted in volume units, where currently only MW are specified in UNC.

### Governance:

DHi explained this modification is not looking to change anything that anyone else can currently do and that there is no impact on anyone. There is very little cost as this will be adding to what is already in Code, not taking away the existing method to submit requirements for Offtake Profile Notices.

When RHa asked why UNC Panel have asked for self-governance to be reviewed, DHi clarified it is the way that TPD Section J is written in Code, the paragraph that needs to be changed could also refer to GDN's, DHi confirmed the legal text will be clear this modification only applies to NTS, narrowing the modification to only apply to NTS, therefore not applying to GDNs, answers the UNC Panel question.

### Relevant Objectives

DHi advised this modification will give Users the ability to choose the most appropriate units and in terms of balancing the network this would aid efficiency.

### Consumer Impact Table

A small network balancing benefit may accrue from this modification, though it is unlikely to be of any benefit to the end consumer.

DHi confirmed that large or very large Consumers will gain a benefit, it is those sites that need to provide the information; therefore, it is likely to be a process/efficiency benefit to that group.

<b>New Action 0301:</b> RH will raise with IGT UNC that TPD Section J paragraph 4.5.3 will change as a result of this modification being implemented.
---

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

#### 2.1.1. Confirm whether the Modification remains as Self-Governance

DHi confirmed the legal text will be clear this modification only applies to NTS, narrowing the modification to only apply to NTS, therefore not applying to GDNs, answers the UNC Panel question

### 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/0756/>.

## 3.0 Next Steps

RHa confirmed that Workgroup should expect an amended modification, there are no system changes, therefore, a ROM is not required and that National Grid will provide their first draft of the legal text ready for the next Workgroup meeting.

#### 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	Venue	Workgroup Programme
10:00 Thursday 01 April 2021	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>• Amended Modification</li> <li>• Consideration of Business Rules</li> <li>• Review of Impacts and Costs</li> <li>• Review of Relevant Objectives</li> <li>• Consideration of Wider Industry Impacts</li> <li>• Consideration of Legal Text</li> </ul>

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

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	04/03/21	1.0	RHa will raise with IGT UNC that TPD Section J paragraph 4.5.3 will change as a result of this modification being implemented.	Joint Office (RHa)	<b>Pending</b>