

**UNC Transmission Workgroup Minutes**  
**Thursday 01 April 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 Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK ( <i>from 11am</i> )
Hannah Reddy	(HR)	Correla on behalf of Xoserve
Henk Kreuze	(HK)	Vermilion ( <i>0761 only</i> )
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid ( <i>from 11am</i> )
Phil Lucas	(PL)	National Grid ( <i>0761 only</i> )
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector UK
Sarah Cooper	(SC)	Interconnector UK ( <i>0759 only</i> )
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/010421>

**1. Introduction and Status Review**

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

RHa informed all attendees that two Workgroups would not be covered during this meeting which are as follows:

- 0705R - NTS Capacity Access Review – discussion deferred to May 2021
- 0755 - Enhancement of Exit Capacity Assignments – discussion deferred to May 2021

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

The minutes from the last meeting were approved.

**1.2. Approval of Late Papers**

No late papers received.

### 1.3. Review of Outstanding Actions

No outstanding actions to consider.

### 1.4. Ofgem Industry Update

Max Lambert (ML) provided an overview of the Ofgem Industry update (as of 23 March 2021) which is published on the meeting page and covers the following areas:

#### **Final publication of the following RIIO-2 Associated Documents**

Alongside the RIIO-2 licence statutory consultation, Ofgem consulted 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 have received views on the following associated document drafts and have taken into consideration comments within the final publication of the following associated documents in March:

*Exit Capacity Planning Guidance:*

<https://www.ofgem.gov.uk/publications-and-updates/exit-capacity-planning-guidance>

*Gas Transmission Project Assessment Process (GTPAP) PCD Guidance and Application Requirements Decision:*

<https://www.ofgem.gov.uk/publications-and-updates/gas-transmission-project-assessment-process-gtpap-pcd-guidance-and-application-requirements-decision>

*RIIO-2 NIA Governance Document:*

<https://www.ofgem.gov.uk/publications-and-updates/rrio-2-nia-governance-document-0>

*RIIO-2 Environmental Reporting Guidance:*

<https://www.ofgem.gov.uk/publications-and-updates/rrio-2-environmental-reporting-guidance>

During the update ML advised of further documentation of which the following links were provided:

*RIIO-2 FIOC Guidance and Submissions Requirements Document:*

<https://www.ofgem.gov.uk/publications-and-updates/rrio-2-fioc-guidance-and-submissions-requirements-document-0>

Ofgem are publishing their RIIO-2 FIOC Guidance and Submissions Requirements Document for RIIO-2.

*RIIO-1 NIA Guidance Documents revision:*

<https://www.ofgem.gov.uk/publications-and-updates/rrio-1-nia-guidance-documents-revision-additional-requirements-rrio-2-cnial-0>

Publication of v4 of the RIIO-1 Network Innovation Allowance Guidance documents (for electricity transmission, gas transmission, and gas distribution) to reflect the RIIO-2 Carry-over Network

These documents and their content are in line with Ofgem's Final Determinations.

#### **UNC730V 'COVID-19 Capacity Retention Process'**

On 19 March 2021, we published our decision that modification proposal UNC730V 'COVID-19 Capacity Retention Process' should not be made. The decision letter is provided at the link below.

<https://www.ofgem.gov.uk/publications-and-updates/unc730v-covid-19-capacity-retention-process>

#### **UNC738 'Incremental NTS Entry Capacity Surrender'**

On 19 March 2021, we published our decision that modification proposal UNC738 'Incremental NTS Entry Capacity Surrender' should not be made. The decision letter is provided at the link below.

<https://www.ofgem.gov.uk/publications-and-updates/unc738-incremental-nts-entry-capacity-surrender>

### **Notice proposing modifications to the RIGs Regulatory Financial Performance Reporting (RFPR) for RIIO-1, the RIGs revenue RRP for RIIO-ED1 and RIGs Revenue RRP for RIIO-GD1**

Ofgem propose to make modifications to the following:

- RIIO-1 Regulatory Financial Performance Reporting – Regulatory Instructions and Guidance (“**RFPR RIGs**”);
- RIIO-ED1 Revenue Reporting Pack template and Annex C Revenue of RIGs; and
- RIIO-GD1 Revenue Reporting Pack template.

These proposed modifications are largely made for the purpose of clarifying the existing reporting requirements on the Licensees and to collect additional information. This notice fulfils Ofgem’s obligation under the relevant Licence Conditions for the relevant sector. Please let Ofgem know, by 14 April 2021, if you have any comments on the proposed modifications by contacting [charalampos.andreadis@ofgem.gov.uk](mailto:charalampos.andreadis@ofgem.gov.uk).

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-rigs-regulatory-financial-performance-reporting-rfpr-riio-1-rigs-revenue-rrp-riio-ed1-and-rigs-revenue-rrp-riio-gd1>

On 12 March 2021, we also published our notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-GT1. We propose to make changes to the Gas Transmission RIGs. These modifications are made for the purpose of clarifying the existing reporting requirements. This notice fulfils our obligations under Part C of Standard Licence Condition A40 (Regulatory Instructions and Guidance).

Please let us know, by close of business on 9 April 2021, if you have any comments on the proposals by contacting [Jon.Sharvill@ofgem.gov.uk](mailto:Jon.Sharvill@ofgem.gov.uk).

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-81>

### **Certification arrangements in Great Britain following amendments to the ownership unbundling provisions of the Gas Act 1986 and the Electricity Act 1989: End of the transition period**

The government recently made some changes to the ownership unbundling provisions of the Electricity Act 1989 and Gas Act 1986, as a result of the UK leaving the European Union on 31 January 2020 at 11:00pm, namely:

- Removing the requirement for the Authority to send a preliminary decision to the European Commission (“**EC**”);
- Change the timescales in which the Authority has to make its decision. With the removal of the need to send a preliminary decision to the EC, the Authority now has four months in which to make its final decision;
- Place an obligation on the Authority to notify the Secretary of State where a person from outside the United Kingdom controls an applicant for certification; this notification was previously only required where the applicant was controlled by a person from outside the European Economic Area (“**EEA**”); and
- Removes the requirement on the Authority to notify the EC when a TSO is designated.

This updated document, published 17 March 2021, sets out information on Ofgem’s intended approach to processing applications for certification and undertaking reviews of certification following those changes.

<https://www.ofgem.gov.uk/publications-and-updates/certification-arrangements-great-britain-following-amendments-ownership-unbundling-provisions-gas-act-1986-and-electricity-act-1989-end-transition-period>

## **RIIO-GT1 Annual Report 2019-20**

This report, published on 11 March 2021, gives an overview of National Grid Gas Transmission's (NGGT) output delivery and financial performance over RIIO-GT1. It summarises NGGT's performance to date, since the start of the RIIO-GT1 price control in April 2013, and forecasts for the remainder of RIIO-GT1 which will come to an end in March 2021. All financial values are in 2019-20 prices unless otherwise stated.

<https://www.ofgem.gov.uk/publications-and-updates/rrio-gt1-annual-report-2019-20>

## **Article 28(2) TAR NC consultation with the non-UK regulatory authorities of all directly connected countries or territories, the Utility Regulator of Northern Ireland and the relevant stakeholders**

Article 28 of the Tariff Network Code ("TAR NC") requires that Ofgem must consult every tariff period with the non-UK regulatory authorities of all directly connected countries or territories, the Utility Regulator of Northern Ireland ("**Uregni**") and the relevant stakeholders on the following items:

- a) The level of multipliers;
- b) If applicable, the level of seasonal factors and how these are calculated;
- c) The levels of any discounts at entry points from LNG facilities and at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Great Britain or Northern Ireland, or other countries or territories, in respect of their gas transmission systems and the level of any discounts for standard capacity products for interruptible capacity.

The GB gas transmission charging arrangements are set out in Section Y (Charging Methodology) of the UNC. Given the open governance framework in GB, Ofgem would expect UNC signatories wishing to amend any of the above items to raise such UNC code modification proposals via the usual industry-led process. It is noted that Ofgem can only directly modify the UNC in limited circumstances.

Ofgem invite responses from interested parties on the items mentioned in Article 28(1) TAR NC and set out above. The consultation shall be open for four weeks. The letter below was published on 05 March 2021, and responses to this consultation must be sent to [Gas.TransmissionResponse@ofgem.gov.uk](mailto:Gas.TransmissionResponse@ofgem.gov.uk) by 6 April 2021.

<https://www.ofgem.gov.uk/publications-and-updates/article-282-tar-nc-consultation-non-uk-regulatory-authorities-all-directly-connected-countries-or-territories-utility-regulator-northern-ireland-and-relevant-stakeholders>

## **Decision on consent for National Grid Gas plc ('NGG') to submit modifications to its capacity methodology statements and capacity release methodology statements unaccompanied by statements from an Independent Examiner**

Ofgem decision on whether to grant National Grid Gas a consent to submit proposed modifications for its capacity methodology statements and capacity release methodology statements without respective

<https://www.ofgem.gov.uk/publications-and-updates/decision-consent-national-grid-gas-plc-ngg-submit-modifications-its-capacity-methodology-statements-and-capacity-release-methodology-statements-unaccompanied-statements-independent-examiner>

This concluded the Ofgem Industry Update.

Andrew Pearce (AP) asked Ofgem for an indication on when a decision on *Modification 0728 (Urgent) - Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS*, might be made, highlighting that there negotiation on contracts is happening now, which will commence on 01 October 2021 therefore it would be useful to know which modification will be implemented.

ML advised he was unable to provide a detailed update, however, Ofgem are looking to make a decision as soon as possible.

Other Workgroup members supported the comments made by AP.

Richard Fairholme (RF) highlighted there are a number of charging modifications that require a decision, his concern being that prices for October 2021 are due to be published on 28 May 2021.

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

No pre-mod discussions.

## **2. European Codes Update**

No update for this month.

## **3. Workgroups**

### **3.1 0705R – NTS Capacity Access Review – *discussion deferred to May 2021***

(Report to Panel by 21 October 2021)

[www.gasgovernance.co.uk/0705](http://www.gasgovernance.co.uk/0705)

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

(Report to Panel 15 April 2021)

[www.gasgovernance.co.uk/0752](http://www.gasgovernance.co.uk/0752)

### **3.3 0755 - Enhancement of Exit Capacity Assignments – *discussion deferred to May 2021***

(Report to Panel 20 May 2021)

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

### **3.4 0756S - Changes to Offtake Profile Notice Submission Requirements**

(Report to Panel 15 April 2021)

[www.gasgovernance.co.uk/0756](http://www.gasgovernance.co.uk/0756)

### **3.5 0759S - Enhancements to NTS Within-Day Firm Entry and Exit Capacity Allocations**

(Report to Panel 20 May 2021)

[www.gasgovernance.co.uk/0759](http://www.gasgovernance.co.uk/0759)

### **3.6 0761 - Arrangements for Interconnectors with additional Storage capability**

(Report to Panel 16 September 2021)

[www.gasgovernance.co.uk/0761](http://www.gasgovernance.co.uk/0761)

## **2. GS(M)R Review**

No update for this month.

## **3. Overruns Reporting – November 2020**

### **3.1. Overruns Oct 2020 – Oct 2021**

ASt confirmed that negative overruns are included in this month's report, however they were previously not included.

Workgroup were invited to review the latest Overrun data provided and published here: <https://www.gasgovernance.co.uk/tx/010421>.

No Workgroup questions.

## **4. Issues**

No issues were raised.

## **5. Any Other Business**

No any other business items were raised.

**6. 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).

RHa confirmed that Workgroups 0705R and 0755 will be considered at the 06 May 2021 Workgroup.

<b>Time / Date</b>	<b>Venue</b>	<b>Workgroup Programme</b>
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

<b>Action Table (as of 01 April 2021)</b>					
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>No outstanding actions</b>					

**UNC Workgroup 0752 Minutes**  
**Introduction of Weekly NTS Entry Capacity Auctions**  
**Thursday 01 April 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 Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK ( <i>from 11am</i> )
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid ( <i>from 11am</i> )
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0752/010421>

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 March 2021)

The minutes from the previous meeting were accepted.

### 1.2. Approval of Late Papers

RHa confirmed there were no late papers to consider.

### 1.3. Review of Outstanding Actions

**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.



**Update:** Adam Bates (AB) confirmed these discussions have been completed and the outcome is provided in the amended modification which will be discussed as part of agenda item 2.0. **Closed**

## 2.0 Amended Modification

AB provided a walkthrough of the amendments made to the modification which was received and published 26 March 2021:

AB highlighted that it is proposed this modification should be subject to Self-Governance which will be further discussed further down the agenda as it was a question for Workgroup raised by UNC Panel.

### **Solution:**

AB advised that the solution now includes the intended calculation for when a weekly auction crosses two Gas Years, the prevailing price on each relevant day will be used, and provided an example:

*Week commencing 27 September 2021 crosses the 2020/21 and 2021/22 Gas Year. In this example, 27; 28; 29 and 30 September would be charged at the 2020/21 reserve price whilst the 01; 02 and 03 October would be charged at the 2021/22 reserve price.*

It was confirmed that anyone participating in the weekly auction that crosses would need to take the reserve prices for the days that fall in the first Gas Year, and the days of the week that fall into the second Gas Year in order to work out the price to be paid.

Jenifer Randall (JR) asked Workgroup for confirmation that enough clarity has been given around this part of the solution and confirmed the reserve prices are published at the end May for the upcoming Gas Year.

Anna Shrigley (ASh) provided her confirmation that the solution appears very straightforward and that Shippers would know well in advance the price that will need to be paid this is an appropriate solution.

Nick Wye (NW) also confirmed this to be a good solution.

JR noted that if Workgroup are happy with the solution National Grid are not intending to publish any additional information to work out what the price for that week would be.

When AB asked if the invitation for the weekly auction will highlight if the auction crosses two Gas Years, JR clarified this could be feasible. Terry Burke (TB) noted that he would like that requirement to be put into the modification.

**New Action 0401:** AB to include in the modification that National Grid will highlight when a weekly auction crosses two Gas Years in their invitation.

AB explained he has also updated the modification for the avoidance of doubt upon implementation the prevailing Reserve Price and a Duration Multiplier of one (1) ( as defined prescribed within the UNC TPD Section Y for the current NTS Auctions) will be applied to the Weekly NTS Entry Capacity Auctions.

JR noted that, if the modification remains as Authority Direction and dependant on the implementation date will depend on if the weekly auction reserve prices will be included in the published prices. If this modification passes through UNC Panel before the end of May, it might be possible to include it in the publication due at the end of May, or, if implementation is towards the end of July, the August publication for non-IP points can be updated. If a decision is made after July, she questioned how the weekly auction reserve price will be published.

AB advised that Section Y has a licence condition to publish a new set of prices for a new product if a modification is approved by Ofgem (Special Condition A11).



AB confirmed that a mid-year implementation is preferable and it was suggested this needs to be highlighted in the Implementation section to make it clear there is no requirement to wait until the beginning of the Gas Year.

**New Action 0402:** AB to include in the Implementation section of the modification that a mid-year implementation is preferable and that there is no requirement to wait until the beginning of the Gas Year.

**Post meeting notice:**

*An amendment modification (v4.0) has been received and published which closes actions 0401 and 0402.*

As there is currently no legal text to support this modification RHa advised that it is not yet ready to finally submit it to UNC Panel in April. JR confirmed that the National Grid lawyers have been instructed to start looking at the modification.

When asked, JR confirmed that legal text was requested by UNC Panel on 18 March for which National Grid have 15 days to provide it, the deadline is 12 April.

RHa advised that Workgroup could finish the Workgroup Report and advise UNC Panel that Workgroup had not had the opportunity to review the legal text.

In order to accelerate the completion and full submission to UNC Panel in April, NW suggested the legal text is sent out to Workgroup via email for comments noting that this modification is generally very well supported by the Industry and to avoid any clash with publication of prices.

JR noted that adding this auction reserve prices to the May publication is challenging but there is also the end of July publication deadline which is the more likely for it to be included.

**Review of ROM**

Concern was raised for the 20-25 weeks lead time for which Hannah Reddy (HR) explained that the weekly auction is different to how other auctions currently work in terms of the treatment of the capacity and the invoicing. Because the weekly auctions are spanning the end of one month and going into another, the charges will need to be calculated per day rather than per week which is quite a complex activity.

When asked HR explained the 20-25 weeks includes analysis through to Post Implementation Support (PIS) and that it is envisaged that implementation could be at weeks 17-19, the rest of the timeline would be PIS.

Max Lambert (ML) highlighted, working backwards from a 01 October implementation, would bring the ROM solution to 30 April. HR clarified that it would be challenging to implement this weekly auction for 01 October and that consideration also needs to be given to the setup of the auction ready for it to begin which would be in addition to the 20-25 weeks.

AB noted that is the reason this modification should go before the April UNC Panel.

RHa highlighted this modification can be implemented as soon as it is ready, however, there is a lot of pressure to implement on 01 October because that is neater, she suggested Workgroup should proceed at speed and try to get the modification implementable as soon as possible.

JR confirmed that as long as the decision to implement is made by the end of July, National Grid can still publish the price for it in accordance with Section Y.

JR highlighted that the ROM includes the ability to release interruptible capacity and that this needs to be removed from the ROM.

It was noted that the ROM submitted contains additional requirements that are not stated in the modification itself, therefore a revision to the ROM is required. HR confirmed this should not upwardly impact the cost of the change nor the time of delivery.

HR explained that Xoserve have an obligation to give a minimum of 6-months' notice for any system change that has an external impact. The current assumption is that a new charge type will be needed for the weekly product and therefore file format changes would be required. The current timescales in the ROM combined with the desired delivery would mean the 6-months' notice would not be met, the DSC Change Management Committee would then need to provide agreement for an extension.

**New Action 0403:** Correla (HR) to remove references to the release of interruptible capacity from the ROM.

### 3.0 Issues and Questions from Panel

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

This was discussed as part of the Workgroup Report development, agenda item 4.0.

### 4.0 Development of Workgroup Report

RHa confirmed that the Workgroup Report is due to be presented to the 15 April 2021 UNC Panel meeting. As part of the consideration and completion of the Workgroup Report, the following areas were discussed:

#### Self-Governance discussion

RHa showed onscreen the self-governance statement that is noted in the modification under the Governance section:

*Application of Self-Governance is sought because the changes proposed are unlikely to have an adverse effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.*

*The Modification is unlikely to discriminate between different classes of parties to the UNC or Gas Shippers due to the changes having the same impact on UNC parties as per the current rules for NTS Entry Capacity Auctions.*

RHa explained that the UNC Panel determined this modification should proceed as Authority Direction and asked Workgroup to consider if it is suitable for Self-Governance.

RHa then showed the Self-Governance Materiality Guidance (<https://www.gasgovernance.co.uk/mods>) and Workgroup considered each individual statement.

NW stated that based on the criteria this modification is quite clearly self-governance.

Workgroup concluded that there is nothing in the criteria that has any significant effect.

In order for Workgroup to be sure of the UNC Panel reasoning for Authority Direction, RHa showed the documented minutes from the January 2021 UNC Panel meeting where it states the criteria for Self-Governance are not met, as this Modification is likely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (12 out of 13).

ML provided clarification that it is the proposers responsibility to make sure the modification is Transmission Tariff Structures Network Code (TAR NC) compliant.

AB advised that where Article 29 clearly states that the publication of prices must be at the end of May, this relates to Interconnection Points, therefore, this modification is compliant.

JR confirmed the Charging Methodology is setup to calculate all charges at the same time and this modification still fits in with the UNC section Y process.

AB noted that Modification 0728 is a charging modification where Forecasted Contract Capacity (FCC) could be affected. National Grid agreed with the proposer that the FCC will not be affected.

ASh noted that what is changing is how frequently the capacity is being made available. This might be appealing to some Users. The Charging Statement and publication of it is changing very little, utilisation rates will be improved because more capacity will be used because it is more likely a User will know their week ahead usage rather than month ahead usage.

Workgroup agreed that the Charging Relevant Objectives are not applicable to this modification as it is not introducing a new charge, it is introducing a new capacity product that uses existing methodology to determine prices.

JR clarified that for a Gemini system change National Grid pay 100% of the costs which is an allowance as part of allowed revenue in RIIO T2, this is then shared back to consumers through the RIIO sharing factor of any under or over recovery.

When asked, RHa explained that when UNC Panel request the legal text, it is a formal request, it is really down to the proposer and the legal text provider to discuss and the UNC Panel request is the formality.

RHa sought confirmation from Workgroup that they are happy for the Workgroup to be closed pending the changes discussed and highlighted in Next Steps.

RHa updated the Workgroup Report with regards to publication of prices, in accordance with TPD Section Y 1.3.2 (j), this means that if a decision is made then Special Licence Condition A11 (18) will be followed:

*TPD Section Y 1.3.2 (j)*

*in relation to a Gas Year the "Charges Publication Date" is 1 August in the preceding Gas Year, or such other date as National Grid NTS may, with Condition A11(18) Approval of the Authority, decide;*

ASh noted that when charge type is referred to, that is the definition to the system documentation rather than the charging methodology and that when Xoserve is designing their systems they design a certain format for this product which is a different capacity product not a different charge type.

This concluded Workgroup discussions.

## 5.0 Next Steps

- The Workgroup Report will be completed, published and presented to April UNC Panel.
- Legal text will be published as soon as it is received into the Joint Office.
- AB will amend the modification according to Workgroup discussions.
- HR will produce a revised ROM based on Workgroup discussions.
- The suggestion that this modification should proceed as self-governance will be provided to UNC Panel in April, if accepted, the Final Modification Report will be discussed at the May UNC Panel.

## 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	Venue	Programme
-------------	-------------------	-------	-----------

	<b>Deadline</b>		
No more meetings planned			

**Action Table (as at 01 April 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>	04/03/21		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>Closed</b>
<b>0401</b>	01/04/21		AB to include in the modification that National Grid will highlight when a weekly auction crosses two Gas Years in their invitation.		<b>Closed</b>
<b>0402</b>	01/04/21		AB to include in the Implementation section of the modification that a mid-year implementation is preferable and that there is no requirement to wait until the beginning of the Gas Year		<b>Closed</b>
<b>0403</b>	01/04/21		Correla (HR) to remove references to the release of interruptible capacity from the ROM.		<b>Pending</b>

**UNC Workgroup 0756S Minutes**  
**Changes to Offtake Profile Notice Submission Requirements**  
**Thursday 01 April 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 Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK ( <i>from 11am</i> )
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid ( <i>from 11am</i> )
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: [www.gasgovernance.co.uk/0756/010421](http://www.gasgovernance.co.uk/0756/010421)

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

## 1.0 Introduction and Status Review

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

The minutes from the 04 March 2021 meeting were approved.

### 1.2. Approval of Late Papers Discussion

RH advised the amended modification was received on 30 March which gave it a late status, Workgroup agreed to accept it.

### 1.3. Review of Outstanding Actions

**Action 0301:** RHa will raise with IGT UNC that TPD Section J paragraph 4.5.3 will change as a result of this modification being implemented.

**Update:** RHa confirmed she has emailed the IGT UNC representative to inform them that UNC TPD Section J paragraph 4.5.3 will change as a result of this modification being implemented which could mean there is an IGT impact. No response has been received as yet. **Closed**

## **2.0 Amended Modification**

Daniel Hisgett (DHi) was invited to update Workgroup with the amendments made to the modification and highlighted the following:

### **Legal Text**

The Legal Text and the commentary has been added to Section 9 of the modification. DHi highlighted that the Legal Text has been updated to make it clear that this modification excludes GDNs, there is no impact on them and the only change is to TPD J paragraph 4.5.3 where notifications to National Grid can be expressed in MW; MCM; GWh or any other such units of rate.

Workgroup had no questions.

## **3.0 Development of Workgroup Report**

RHa confirmed that the Workgroup Report is due to be presented to the 20 May 2021 UNC Panel meeting. As part of the consideration and development of the Workgroup Report, the following areas were discussed:

### **Relevant Objectives**

Workgroup considered the Relevant Objectives and Updates were made to the Workgroup Report.

Several Workgroup members clarified this modification would not apply to them; therefore, this modification would have no impact to them.

Ritchard Hewitt (RHe) noted that whereas there is no detrimental impact of the modification, it will enable Users to provide different unit rates if they wish to.

### **Cross Code impacts**

RHa confirmed she has emailed the IGT UNC representative to inform them that UNC TPD Section J paragraph 4.5.3 will change as a result of this modification being implemented which could mean there is an IGT impact. No response has been received as yet.

DHi confirmed there are no European impacts; no Consumer impact and there is no cost implication.

## **4.0 Next Steps**

Workgroup agreed the Workgroup Report is ready for early submission to the April UNC Panel with the recommendation that it is issued for consultation.

RHa advised she will update the Legal Text section, check the Workgroup Report through for any spelling mistakes and submit it for consideration at UNC Panel on 15 April 2021.

DHi confirmed he will submit the amended modification.

## **5.0 Any Other Business**

None.

## **6.0 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
No further meetings planned.		

**Action Table (as at 01 April 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.  Completed – no response yet	Joint Office (RHa)	Closed

**UNC Workgroup 0759S Minutes**  
**Enhancements to NTS Within-Day Firm Entry and Exit Capacity**  
**Allocations**  
**Thursday 01 April 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 Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK ( <i>from 11am</i> )
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid ( <i>from 11am</i> )
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector
Sarah Cooper	(SC)	IUK ( <i>0759 only</i> )
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0759/010421>

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

## 1.0 Outline of Modification

ASt introduced the modification and explained the Capacity regime incentivises Users to align their Capacity bookings to flows. Discussion during Request 0705R – NTS Capacity Access Regime, led to the following limitations within the current NTS within-day Firm products being identified as preventing Users in making more efficient Capacity bookings:

- NTS Exit allocations taking place only 5 times a day. Exit Users would like greater opportunity to purchase within-day Capacity.

- The last bid invitation window closes at 01:00 on Entry and at 00:00 on Exit while the last allocation for both Entry and Exit is at 01:00.
  - This prevents Users from being able to secure Capacity in the final 4 or 5 hours of the Gas Day for NTS Entry and Exit Capacity, respectively.
- Users currently have no formal timescales of when they are to be notified of their NTS Exit Capacity allocation which can create uncertainty over securing Capacity.

**Purpose:**

This Modification proposal seeks to amend the schedule of allocations for NTS Entry and Exit within-day Firm Capacity in the following ways:

- Introduce hourly allocations for NTS Exit Capacity
- Extend the NTS Entry and Exit Capacity bid invitation windows up until the time of the last allocation
- Allow additional allocation at 02:00
- Introduce a 30-minute Capacity Allocation Period for NTS Exit Capacity

The system solution will also incorporate changes to further automate and improve auction processing functionality.

ASt noted the solution will make the Entry and Exit products more flexible for Users.

ASt explained the reason that this Modification should follow Self-Governance procedures is because there will be no changes to price or quantity available, therefore, there is no material impact on competition.

**Review of the Rough Order of Magnitude (ROM)**

A lead time of 3 months delivery is indicated for the start-up; sanction and mobilisation.

ASt highlighted that there are further options noted in the ROM that National Grid would like to be considered, they are as follows:

In addition to Option A, ASt explained National Grid want the Gas National Control Centre (GNCC) to be able to assess the incoming bids when there is a constraint on the system enabling them to be able to assess obligated and non-obligated bids.

**Option B**

- Requirements as per Modification 0759
- National Grid to have the ability to know upfront what quantities are 'waiting' to be released in terms of obligated and non-obligated capacity on both Entry and Exit i.e. National Grid would like Gemini to recognise when an ASEP or Offtake has sold out of obligated baseline then present to the User, prior to allocation, non-obligated requests (in a form of new report or screen) for assessment or release

ASt explained that the GNCC do not currently necessarily see obligated and non obligated bids. The requirement is for an additional report which will provide the amount of obligated and non obligated capacity requested prior to it being allocated, this report is especially important in a constraint situation.

**Option C**

- Requirements as per Modification 0759
- Automatic release of all obligated/non-obligated bids – an On/Off Switch option a. On = all obligated and non-obligated bids are automatically allocated (unconstrained system) subject to a threshold/parameter which National Grid can set up-front. However, a new Gemini report would be required so that GNCC can visualise non-obligated bids prior to allocation for awareness and logging b. Off = non-obligated bids are held for deeper

assessment, using the new Gemini report, with the user selecting which bids (offtake level or zonal) which can be processed or not (in a forecast or actual constraint scenario). Parameters for 'off' option will need to be determined.

ASt advised that Option C is linked with Option B and looks to make acceptance of bids coming in more efficient, currently this is done on an Offtake basis, individually.

Jenifer Randall (JR) advised this option will help to meet the 30 minute timescale; the allocation timescales will be able to be met much easier.

#### **Option D**

- Requirements as per Modification 0759
- Capacity Restrictions - If put in place, these should roll over to the next auction on Exit (as per currently Entry)

Max Lambert (ML) asked if National Grid feel this is integral to deliver the modification, shouldn't this option be proposed as part of Option A. National Grid see this option as an integral part of the solution, if not introduced it would create more risk for the GNCC to process hourly allocations.

ASt added that National Grid would not be able to commit to 30 minute allocations without this option being implemented.

#### **Option E**

- Requirements as per Modification 0759
- When bid processing automation is set to 'off' where non-obligated bids were placed; National Grid would still like the obligated bids to be processed (as on Entry) rather than them pausing the auction as currently to be considered.

Hanna Reddy (HR) agreed to provide a full assessment of costs for Workgroup consideration at the next meeting in May 2021 and noted there are 5 different options with several different combinations.

**New Action 0401:** National Grid and Xoserve to discuss the additional option combinations in order for the next version of the ROM.

#### **Timescale**

HR noted that with the addition of any or all of the additional options, this should not add more than 5 weeks to the delivery time.

RHa captured in the Workgroup Report the potential cost and timescale.

#### **Legal Text**

It was agreed the Legal Text will be considered at the May 2021 Workgroup.

## **2.0 Initial Discussion**

### **2.1. Issues and Questions from Panel**

#### **2.1.1. Consider Consumer benefits of this Modification**

ASt confirmed there is a potential cost saving to Shippers which could result in a price reduction to end consumers.

Workgroup completed the Consumer Impact Assessment Table within the Workgroup Report.

### **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 [www.gasgovernance.co.uk/0759](http://www.gasgovernance.co.uk/0759).

### 3.0 Next Steps

RHa confirmed the next steps for this Workgroup will be:

- Consideration of revised ROM
- Consideration of Legal Text
- Completion of the Workgroup Report

### 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 06 May 2021	Microsoft Teams	<ul style="list-style-type: none"> <li>• Consideration of revised ROM</li> <li>• Consideration of Legal Text</li> <li>• Completion of the Workgroup Report</li> </ul>

**Action Table (as at 01 April 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0401</b>	01/04/21	1.0	National Grid and Xoserve to discuss the additional option combinations in order for the next version of the ROM.	National Grid (ASt) Correla (on behalf of Xoserve) (HR)	<b>Pending</b>

**UNC Workgroup 0761 Minutes**  
**Arrangements for Interconnectors with additional Storage capability**  
**Thursday 01 April 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 Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DHa)	TPA Solutions
Francesca Bell	(FB)	Oil & Gas UK <i>(from 11am)</i>
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Henk Kreuze	(HK)	Vermillion <i>(0761 only)</i>
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Lauren Jauss	(LJa)	RWE
Laurie Heyworth	(LH)	Cornwall Insight
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid <i>(from 11am)</i>
Phil Lucas	(PL)	National Grid <i>(0761 only)</i>
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Samuel Dunn	(SD)	Interconnector
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: [www.gasgovernance.co.uk/0761/010421](http://www.gasgovernance.co.uk/0761/010421)

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 September 2021.

## 1.0 Outline of Modification

Phil Lucas (PL) was invited to introduce the modification and explained 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.

PL further explained that Uniform Network Coded (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. This Modification proposes changes to the UNC to incorporate additional commercial arrangements for the operation of Interconnectors with additional storage capability.

PL advised that when the modification was presented to UNC Panel on 18 March 2021, they determined:

- there were no cross code impacts
- the issue was sufficiently material so as to merit an Ofgem decision on the Proposal (i.e. not self-governance)
- the Proposal should be issued to a Workgroup for a period of six months (i.e. report back to September 2021 Panel)

PL highlighted that UNC Panel also asked the Workgroup to address a number of questions which are highlighted in agenda item 2.0.

PL advised Workgroup he has set out a Workgroup Plan and proceeded to talk through it with Workgroup as set out below:

Meeting Number	Meeting Date	Topics for Discussion
1	01 April 2021	Introduction to topic Draft Workgroup Plan Consider any additional matters to address in Workgroup Plan
2	06 May 2021	Panel questions: <ul style="list-style-type: none"> <li>• consider offering a view and seeking a view from Ofgem on whether licence implications of the Modification Proposal (can both roles be fulfilled at the same time?)</li> <li>• consider whether short cycle line-pack can fulfil the role of a storage product and if so its scope where line pack exists elsewhere</li> <li>• consider whether there is any quantified evidence of any impact on consumers</li> <li>• consider offering a view as to compliance with EU Law</li> </ul> Solution – capacity (I)
3	03 June 2021	Solution – capacity (II) Solution – all other elements <ul style="list-style-type: none"> <li>• point definition</li> <li>• nominations</li> <li>• allocations</li> <li>• charging</li> </ul>
4	01 July 2021	Contingency -outstanding solution questions Finalise majority of solution

Nick Wye (NW) asked if it is known what the definition of a Storage Facility is. PL asked Sarah Cooper (SC) for her views on the Interconnector licence where it was clarified that it will be a Storage and Transportation Service where it will need to be ensured they are separate entities, there are no other restrictions.

Max Lambert (ML) asked, in terms of the Licence, are National Grid offering this service to any parties with a storage connection agreement and interconnection agreement to sign with National Grid. PL advised National Grid are currently in discussion with legal colleagues.

ML asked if Unbundling would impact this service, in terms of unbundling of certain transportation services in relation to the Third Energy Package 2009. SC advised she has reviewed the Third Energy Package 2009 and as long as separation is maintained, it would be sufficient. PL noted he will add this to the Workgroup Plan for discussions.

### Terms of Reference

PL highlighted to Joint Office that the TOR requires a small amendment, the purpose of the modification quoted in the published TOR does not appear to match that of Modification 0761.

**New Action 0401:** Joint Office to amend the TOR in accordance with the proposers comments and republish.

PL clarified he is in discussion with Ofgem regarding any changes to the National Grid Licence.

NW asked would Ofgem be willing to provide a View on this modification. ML advised that he is likely to have more questions and discussions offline and that it is the proposer's responsibility that the modification is compliant with EU law. NW asked for it to be minuted that he tried to get a View from Ofgem.

PL clarified he has not asked Ofgem if this modification is compliant with EU Law, he has asked Ofgem if there are any changes required to National Grid's licence to operate the commercial regimes, he added that National Grid believe this modification is compliant.

SC confirmed she has looked at their Licence and believe there are no questions regarding compliance.

When asked, RHa clarified the topic for discussion that is noted in the TOR that relates to consideration of potential performance assurance impacts is there for if a requires the Performance Assurance Committee (PAC) to monitor the impact of a modification, the Workgroup would need to consider how they will provide the reporting requirements, and provide necessary tools to do that.

PL noted that this modification is exclusively a transmission modification and questioned if it requires the need for Shipper representatives in order to be quorate.

**New Action 0402:** Joint Office (RHa) to check if TOR quoracy can be changed to remove the requirement for Shipper representatives to be present in order for this workgroup to be quorate.

When asked, Shiv Singh (SS) clarified that whereas there are currently no Offtakes that reverse flows on the NTS, the facility is there under the Offtake Arrangements Document.

### Solution

PL explained the various components of the solution and confirmed that physically, this will be a short cycle injection and withdrawal. SC clarified they will be looking at within day and day ahead timeframes.

PL highlighted that the definitions for Interconnector; Interconnection Point and Storage Facility are included in the EU Code Impacts section.

SC provided an example of a facility based in Germany where the storage facility sits on the border between two networks, this can be used as a storage service or used as an Interconnection Point. The setup is similar to this proposal, on the network storage capacity, on the day of utilisation a signal is sent to the storage facility to either nominate into storage or transport out.

SC clarified this service is being offered to Bacton only, the same volume of injection and withdrawal will need to be the same in order to qualify using the storage service, the transparency is there in terms of the nominations into storage.

HK asked if National Grid are aware of the physical flows, PL the data is provided at an aggregate level, what goes into the Interconnection Point goes out the other end at the Belgium point.

PL confirmed a rough Order of Magnitude (ROM) has been requested from Xoserve and he believes this should be received over the next week or two.

SC was invited to share her presentation for the IUK Storage Service which covered what the IUK Storage Service is; Benefits of the IUK Storage Service; Separation of Transportation and Storage Services and Regulatory considerations.

SC advised that IUK is looking to introduce a Storage Service which offers additional flexibility services to the GB market during periods of low utilisation of IUK transportation capacity.

The Storage Service will be a low volume, fast cycle service offered across short term time periods; Products will be offered in a similar structure to other storage facilities i.e. as Standard Bundle Units (SBUs); the volume offered will be limited and dependent on IUK's anticipated Transportation activity for a given day and the storage service will make use of the variable inventory capability of the IUK system and will be accessed at Bacton only.

SC highlighted the benefits for Shippers and for the GB Market:

### **Shippers**

- Capture time spreads on NBP, not only NBP Continent locational spreads.
- Additional flexibility and optionality to accommodate temporary fluctuations
  - (linked to e.g. LNG deliveries, storing gas ahead of use in CCGTs, balancing intermittent renewable energy).

### **GB Market**

- An alternative source of short-term flexibility to assist with balancing, line pack and diurnal grid adjustments.
- Use of existing infrastructure means investment in new capacity or physical asset is not required.
- Improved regional flexibility helps with grid configurations or local constraints, providing savings to National Grid and consumers.

The Regulatory considerations are seen to be:

The IUK Storage Facility will be operated by Interconnector (UK) Ltd;

- Clear separation between transportation and storage
- Separate Contractual Terms
- All in line with Standard Condition 6 of IUK's Gas Interconnector Licence.

Gas Storage is not a licensable activity under the Gas Act 1986;

- IUK does not require any additional licensing from Ofgem in relation to the proposed Storage Service.

IUK's current business model is negotiated third party access (nTPA)

- IUK will not seek an exemption and so the Storage Service will also be nTPA
- Adheres to section 19B of the Gas Act 1986, Section 17D of the Petroleum Act 1998 and conforms with the Third Gas Directive.

HK asked what would happen if BBL would ask the same, but for BBL there is no IP at Julianadorp, while for Belgium there is an IP at Zeebrugge.

PL advised there is no longer an interconnection point at the end of the BBL pipeline, HK asked how is the assurance received, will it be a 'what goes in, comes out' principle. PL advised the UNC would not be creating that requirement it would be in the bi-lateral terms.

Ritchard Hewitt (RHe) asked if BBL are seeking this arrangement, PL advised there is no formal requirement at the moment.

RHe asked if it is correct that if a Shipper has an IP service and a storage service with IUK, they would not be able to use both services at the same time. PL clarified that the Shipper would be allowed to utilise both services at the same time but separate nominations and allocations would be required and confirmed there would be no separate capacity product offered for sale.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

2.1.1. **Q1.** Consider offering a compliance view and seeking a view from Ofgem on whether there are licence implications of the Modification Proposal (can both roles be fulfilled at the same time?)

This question will be addressed at the May 2021 Workgroup.

2.1.2. **Q2.** Consider whether short cycle line-pack can fulfil the role of a storage product and if so, its scope were line pack exists elsewhere.

This question will be addressed at the May 2021 Workgroup

2.1.3. **Q3** Consider whether there is any quantified evidence of impact on consumers.

This question will be addressed at the May 2021 Workgroup

2.1.4. **Q4.** Consider compliance with EU Law.

### 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 [www.gasgovernance.co.uk/0761/](http://www.gasgovernance.co.uk/0761/).

## 3.0 Next Steps

RHa confirmed that Workgroup will work toward the Workgroup Plan provided by the proposer.

## 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 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

**Action Table (as at 01 April 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0401</b>	01/04/21	1.0	Joint Office to amend the TOR in accordance with the proposers comments and republish.	Joint Office (HB)	<b>Pending</b>
<b>0402</b>	01/04/21	1.0	Joint Office (RHa) to check if TOR quoracy can be changed to remove the requirement for Shipper representatives to be present in order for this workgroup to be quorate	Joint Office (RHa)	<b>Pending</b>