

UNC Transmission Workgroup Minutes
Thursday 07 October 2021
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Amber Talbot	(AT)	Storengy
Andrew Blair	(ABI)	Interconnector
Angus Paxton	(AP)	Afry Management Consulting
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Davide Rubini	(DR)	Vitol
Debra Hawkin	(DH)	TPA Solutions
Emma Buxton	(EB)	NGN
Henk Kreuze	(HK)	Vermillion
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Joseph Leyon	(JL)	SGN
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	NGN
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Phillip Kershaw	(PK)	CNG Services
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Rudi Streuper	(RS)	BBL Company
Samuel Dunn	(SM)	Interconnector
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Victoria Bishop	(VB)	Sembcorp Energy UK (0761)

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/071021>

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

Jennifer Randall (JR) enquired about the order of today's Workgroup taking into account National Grid had submitted a request for Workgroup 0705R to be extended.

EF provided a brief overview of expected proceedings, anticipating the need to defer Workgroup discussions for 0771 and 0777.

Anna Stankiewicz (ASt) confirmed a response was still awaited from the HSE for Modification 0771. It was agreed to request an extension to allow further time for the HSE to respond. It was anticipated this would allow the Modification to proceed under Self-Governance procedures.

Nick Wye (NW) confirmed the desire to postpone further discussion of Modification 0777, as clarification around the existing rules may enable the Modification to be withdrawn.

It was agreed to focus on concluding the Workgroup Report for 0761 to allow this to be provided to October's UNC Modification Panel meeting.

1.1. Approval of minutes (07 September and 01 October 2021)

The meeting minutes from 07 September 2021 and 01 October were approved.

1.2. Approval of Late Papers

Two later papers were approved which included the industry update from Ofgem and a Gemini Horizon Plan for item 4.

1.3. Review of Outstanding Actions

0901: National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue.

Action Update: Modification to be processed. **Carried Forward.**

0902: National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work.

Action Update: Modification to be processed. **Carried Forward.**

0903: Joint Office (RHa/EF) to include a standing agenda item for the Review of Transmission Modification Implementation dates, for when implementation dates are unclear.

Action Update: See standing agenda item 4 and the [Gemini Horizon Plan](#). **Closed.**

1.4. Industry Update from Ofgem

Max Lambert (ML) provided an update for the below listed items. For full details, please refer to the [Industry Update](#) from Ofgem published at: <https://www.gasgovernance.co.uk/tx/071021>

- UNC737: Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP – Decision
- Decision on proposed modifications to BBL Company's Charging Methodology and Access Rules
- Joint Statement from Kwasi Kwarteng, Business and Energy Secretary, and Jonathan Brearley, Ofgem Chief Executive
- Code modification/modification proposals with Ofgem for decision – Expected publication dates timetable
- Approval of the proposed Transportation Agreement between Premier Transmission Limited and GNI (UK)
- UNC758: Temporary extension of AUG Statement Creation Process – Decision
- RIIO-GT2 Price Control Financial Model for the Annual Iteration Process, November 2021

Bethan Winter (BW) enquired about the conclusions for removing User Commitments, ML confirmed that discussions have taken place for exit capacity access and continue.

Ritchard Hewitt (RH) enquired about the Baxton BBL Exit baseline decision, ML explained that an update was not at the present time but hoped to provide a post meeting update.

1.5. Pre-Modification discussions

1.5.1. Gas Deficit Emergency

Jeff Chandler (JCh) wished to flag the potential need for an Urgent Modification with regards to Gas Deficit Emergencies (GDE). JCh briefly explained the current situation and a proposed change being considered for electricity generators that are shut down during a GDE. The corresponding compensation that might be available in the gas regime is linked with the 30-day SAP price and this may not adequately cover the requirement. He explained that a Modification to UNC maybe required in relation to compensation paid to Shippers if Interrupted, depending on how events develop, the security of supply and how interruption will be compensated for.

2. European Code Updates

Phil Hobbins (PH) wished to note several changes which may be required. These related to the EU Gas Quality rules and the Wobbe index. He explained that a number of task forces had been set up to consider the parameters, a range of principles and the framework.

3. GS(M)R Review

No update this month.

4. Review of Transmission Modification Implementation dates

EF presented the Gemini Horizon Plan which provided an overview of the implementation build dates and asked the Workgroup if this provided the right assurances.

Julie Cox (JCx) asked about the specific Modifications relating to Transmission Workgroup, in relation to XRN5393 Implementation of NTS Capacity related UNC Modifications 0752S, 0759S & 0755S - Spring 2022.

- 0752S - Introduction of Weekly Entry Capacity Auction
- 0755S - Enhancement of Exit Capacity Assignments
- 0759S - Enhancements to NTS Within-Day Firm Entry and Exit Capacity Allocations

Jennifer Randall (JR) confirmed that implementation for all three changes had been bundled and programmed for implementation on 24 April 2022 in recognition of the efficiency making all three changes at once.

JCx requested regular updates for all Modifications approved and awaiting an implementation date, to ensure the implementation stays on track and to ensure feedback on implementation importance is considered in the future.

ASt highlighted the traffic light system providing an indication of which projects are on track and those at risk.

Ritchard Fairholme (RF) expressed the need for earlier intervention and transparency of draft plans for parties to engage and have an involvement in the prioritisation especially for changes that benefit the industry. He also suggested the need to consider improving the input from Transmission to DSC Change Management Committee.

JR explained a decision had been made to amalgamate the changes to allow implementation as quickly as possible. JR acknowledged in hindsight it would have been better to have had industry input and will incorporate this into the feedback process, as this would allow Shippers to consider whether some changes can be implemented earlier if other changes can be postponed.

EF recognised the cost efficiencies bundling changes together when changing systems. RF welcomed discussions on implementation options and better engagement with Shippers.

The Workgroup agreed to having a monthly standing agenda item to ensure the monitoring of programmed changes and earlier engagement.

Anna Shrigley (ASh) asked about the frequency of the planned updates and where it would be published. EF suggested it would be published as part of the meeting documentation for each Transmission meeting.

5. Workgroups

3.1 0705R – NTS Capacity Access Review

(Report to Panel 21 October 2021)

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

3.2 0761 - Arrangements for Interconnectors with additional Storage capability

(Report to Panel 21 October 2021)

www.gasgovernance.co.uk/0761

3.3 0771S – Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

(Report to Panel 21 October 2021) *Discussions Postponed*

<https://www.gasgovernance.co.uk/0771>

3.4 0777 - Removal of Obstacles to Market Withdrawal

(Report to Panel 18 November 2021) *Discussions Postponed*

<https://www.gasgovernance.co.uk/0777>

6. Issues

No new issued raised.

7. Any Other Business

None Raised.

8. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Venue	Workgroup Programme
10:00 Thursday 04 November 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 December 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 06 January 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 03 February 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 03 March 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 April 2021	Microsoft Teams	Standard Transmission Workgroup Agenda

Action Table (as of 07 October 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0901	07/09/21	1.5.2	National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue.	November 2021	National Grid (MM)	Carried Forward
0902	07/09/21	1.5.2	National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work	November 2021	National Grid (MM)	Carried Forward
0903	07/09/21	6.1	Joint Office (RHa/EF) to include a standing agenda item for the Review of Transmission Modification Implementation dates, for when implementation dates are unclear.	October 2021	Joint Office (RHa/EF)	Closed

UNC Request Workgroup 0705R Minutes NTS Capacity Access Review

Thursday 07 October 2021

via Microsoft Teams

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Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0705/071021>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 October 2021.

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

1.1. Approval of minutes (07 September 2021)

The minutes from the 07 September meeting were approved.

1.2. Approval of Late Papers

EF advised that there were two late papers, a presentation on the Capacity Access Review and one relating to an update for the Long-Term Access Review Consultation.

1.3. Review of Outstanding Actions

0801: *Reference Offtakes in Close Geographical Proximity* – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions

Update: Anna Stankiewicz (ASt) asked for this action to be deferred for a short duration whilst National Grid are considering the capacity movement process and if there is scope for this.
Carried Forward.

1.4. Project Management

See item 2.0 below.

2. Review of Potential Modifications

With the limited time available Jennifer Randall (JR) provided a brief update on the [Capacity Access Review](#) and the key topics:

User Commitment

JR explained that there is a risk that reducing the User Commitment could lead to an increased requirement for substitution analysis and National Grid are looking at a further option to change the evergreen nature of the enduring product, similar to how it is for the entry side.

JR provided a pictorial comparison of the current product and two options for an annual or quarterly product. JR confirmed from feedback received from the Gas Distribution Networks (GDNs), on extending the annual product, they would potentially be in a worse position and the product would not resolve some of the issues. Feedback on the quarterly product and whether this would be useful suggests there would be some profiling considerations and a greater risk of over-runs. In conclusion the annual and quarterly product would not resolve some of the problems for GDNs. Therefore, a further alternative is being considered for the long-term auctions to be retained for baseline capacity bookings, through the PARCA process.

JR asked for views on changing the bookings through the PARCA process, Jeff Chandler (JCh) wished to note there would be PARCA fees which may reduce customer choice. Julie Cox (JCx) enquired about RIIO-2 and the treatment of costs. JR explained the substitution analysis required and when it is triggered.

Bethan Winter (BW) asked about the timescales, the efficiencies around the PARCA process and the July planning. BW expressed concern that the extended timings with the PARCA process may cause things to come out of sync.

JR explained that the analysis would remain the same, triggered through substitution analysis or PARCA, with higher levels of information charged for through PARCA, but overall the timescales would be about the same.

Anna Stankiewicz (ASt) highlighted the advantages and potential savings from User Commitments being shorter, including a reduction in enduring capacity. ASt and JCh agreed to liaise offline to look at some examples.

JCx enquired about partial reductions during the reservation timeline and the lack of ability for downgrades, resulting in parties having to carry on with the reserved units under the User Commitment.

The Workgroup went on to consider the exit capacity guidance, incremental capacity, and enduring processes.

Capacity Movement

ASt explained that National Grid are looking at the process and the potential impacts of capacity movements, explaining the capacity movement principles and different approaches. ASt explained that if more than one request is put forward for capacity movement within the same Network, analysis would be undertaken on each request. ASt provided examples of the likely impacts to pressure.

Overruns

ASt confirmed that the July data had been added to the data table.

Baseline

Further information was provided on Baselines for the Workgroup to review. ASt welcomed feedback on the presentation provided. The Workgroup considered what other information may prove useful. ASt confirmed consideration is being given to capping.

Long Term Access Review

Ashley Adams (AA) wished to signpost the Long-Term Access Regime Review Project Consultation seeking views on solution options inviting feedback by 30 November 2021. He confirmed that the consultation had been distributed and that there will be engagement events planned and communicated in the coming weeks.

3. Development / Completion of Workgroup Report

The development of the Request Workgroup Report was deferred to allow further consideration.

4. Any Other Business

None.

5. Next Steps

Further consideration required next month. Workgroup to request an extension until December 2021.

6. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Venue	Workgroup Programme
10:00 Thursday 04 November 2021	Microsoft Teams	Development of Workgroup Report
10:00 Thursday 02 December 2021	Microsoft Teams	Completion of Workgroup Report

Action Table (as at 07 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0801	05/08/21	2.	Reference Offtakes in Close Geographical Proximity – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions.	November 2021	National Grid (ASt)	Carried Forward

UNC Workgroup 0761 Minutes
Arrangements for Interconnectors with additional Storage capability
Thursday 07 October 2021
via Microsoft Teams

Attendees

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Helen Cuin (Secretary)	(HCu)	Joint Office
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Copies of all papers are available at: <https://www.gasgovernance.co.uk/0761/071021>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 October 2021.

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

1.1. Approval of minutes (07 September 2021)

The minutes from the last meeting were approved.

1.2. Approval of Late Papers

EF advised that there were a number of late papers for consideration at the meeting, providing an update for Action 0901, Legal Text and accompany notes. The late papers were accepted by Workgroup.

1.3. Review of Outstanding Actions

0701: Ofgem (HS) to provide a formal view on whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.

Update: EF confirmed that the Workgroup had spent some time considering the different legal views on the legislation. He believed a view had been provided by Ofgem in that they expect the Workgroup to ensure legal compliance issues are considered within the Workgroup Report, to allow the context of discussions to be considered when the report is submitted for an Authority decision. Workgroup members agreed that the action should be closed. **Closed.**

0803: National Grid (PL) to liaise with the CDSP to finalise the supporting ROM (in light of the changes to the Proposal) in time for consideration at the next Workgroup meeting.

Update: Phil Lucas (PL) confirmed that the high-level costs would be provided when completing the Workgroup Report. **Closed.**

0901: National Grid (PL) to confirm, within stage 2 of a Gas Deficit Emergency (GDE) what the sequencing of the direction is, form the Network Emergency Coordinator NEC to direct supplies from storage compared to supplies from Interconnector input.

Update: PL provided a [one-page overview](#) of the GDE sequencing in response to the action, explaining the publication is self-explanatory. **Closed.**

2. Completion of Workgroup Report

PL provided an overview of the provided Legal Text. The Workgroup considered the Text. No further comments were made on the text provided.

The Workgroup considered the draft Workgroup Report and re-considered the definition of storage in legislation. Julie Cox (JCx) was uncertain the UNC could provide a different definition of a storage facility to that defined in the Gas Act. Referring to the consistency of definitions and the different views expressed, Pavanjit Dhesi (PD) requested the Workgroup Report should clearly provide the counter views.

The Workgroup considered the cost estimate from the CDSP. Clarification was provided that this Modification would be funded by National Grid and whether the funding required was within the allowed spending limits not to impact future charges.

Anna Shrigley (ASh) wished to note the short-term aspect of this service, the cost efficiencies and if it's likely to be used as this would be dependent on the costing structure. The Workgroup considered the impact on gas prices and that the analysis of costs was speculative.

PD outlined the positive benefits of the additional service, to use existing capacities not being used for Transportation, for Storage and this would have positive effects on competition and balancing. PD believed that the Modification improved the economic operation of the pipeline system by utilising the available capacity for additional services and noted Interconnectors have long periods when they are not being utilised for Transportation and can be used for short-term storage services to Shippers.

JCx asked if the Interconnector is being used for Transportation if storage services can be offered at the same time, or if storage can only be offered only when the Interconnector is not being used for Transportation. PD explained that there are some thresholds that need to be adhered to. Andrew Blair (AB) clarified that the Interconnector can take additional bookings for both Transportation and Storage Service at times.

Henk Kreuze (HK) enquired if BBL had a view on potentially offering a similar service. Rudi Streuper (RS) didn't have an opinion on offering similar arrangements at this stage.

The Workgroup reviewed and captured comments to conclude the Workgroup Report, agreeing to submit the Workgroup Report to Panel recommending the Modification proceeds to consultation.

3. Next Steps

EF confirmed that the Workgroup Report would be submitted to the October UNC Modification Panel meeting.

4. Any Other Business

None.

5. Diary Planning

No further meetings planned.

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Action Table (as at 07 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	01/07/21	1.3	Ofgem (HS) to provide a formal view on whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.	Ofgem (HS)	Closed
0803	05/08/21	3.	National Grid (PL) to look liaise with the CDSP to finalise the supporting ROM (in light of the changes to the Proposal) in time for consideration at the next Workgroup meeting.	National Grid (PL)	Closed
0901	07/09/21	1.3	National Grid (PL) to confirm, within stage 2 of a Gas Deficit Emergency (GDE) what the sequencing of the direction is, from the Network Emergency Coordinator NEC to direct supplies from storage compared to supplies from Interconnector input.		Closed