

UNC Governance Workgroup Minutes

Tuesday 04 May 2022

via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
David Mitchell	(DM)	SGN
Guv Dosanjh	(GD)	Cadent
Joshua Bates	(JB)	National Grid
Mark Field	(MF)	Sembcorp
Oorlagh Chapman	(OC)	Centrica
Richard Fairholme	(RF)	Uniper
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/gov/040522>

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of Minutes

The minutes from 01 March 2022 were approved.

1.2. Approval of Late Papers

None to approve.

1.3. Review of outstanding Actions & Issues Log

Action 0303: Ofgem (JS) to provide a view on whether the Legal Text in a Modification can be amended whilst awaiting Ofgem's decision.

Update: Workgroup debated how the process is managed. If the legal text gets changed after it has been submitted to Ofgem for a decision, should it be re-issued to consultation?

David Mitchell (DM) suggested that would depend on the materiality of the change, if it was just changes to the paragraph numbering, that would not warrant a return to consultation.

Mark Field (MF) suggested that an accompanying summary document of the changes to the legal text should be provided so that the materiality of the change can be assessed.

SM commented that the intent of the Modification is in the solution, if the solution doesn't change, the legal text continues to be fit for purpose to deliver the solution until the legal text as drafted no longer supports the solution.

The concern that was raised at UNC Modification Panel recently was that when the Modification came to be implemented the legal text had fallen out of sync with the Uniform Network Code (UNC), and that if a Modification has been with Ofgem for a decision for a long time and the solution changes, that would require a whole new review of the Modification.

SM suggested the inclusion of an extra column showing how long a decision has been outstanding for in the "Expected publication dates timetable", published at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgemdecision-expected-publication-dates-timetable> which could then be the trigger to review the legal text.

New Action 0105: Joint Office (KE) to seek a view from Ofgem (Jennifer Semple) around Ofgem providing an update at UNC Modification Panel on outstanding Modifications with Ofgem and UNC Modification Panel would then request a view from Ofgem on whether or not the Legal text should be reviewed.

Carried Forward

Action 0403: Ofgem (HBr) to advise whether a Modification awaiting Ofgem's decision would need additional time for a decision to be issued if it's Legal Text was updated.

Update: Defer to June 2022 meeting. **Carried Forward**

1.4. Modification(s) with Ofgem

KE advised that there are currently **5** Modifications awaiting a decision from Ofgem and shared the Ofgem published version of the *Modifications with Ofgem for Decision – Expected publication dates timetable*.

- **Modification 0790 (Urgent)** - Introduction of a Transmission Services Entry Flow Charge
 - This Modification has now been implemented, please see the Modification page here: <https://www.gasgovernance.co.uk/0780> for further information.
- **Modification 0796** - Revision to the Determination of National Grid NTS Target Revenue for Transportation Charging
 - Expected decision date 27 May 2022
- **Modification 0696V** - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs
 - Expected decision date remains TBC.
- **Modification 0746** - Application of Clarificatory change to the AQ amendment process within TPD G2.3 from 1st April 2020
 - Steve Mulinganie (SM) confirmed that the circumstances surrounding this Modification have now changed, with the exit of CNG, from the market and suggested Ofgem should reject this Modification
- **Modification 0779/A** - Introduction of Entry Capacity Assignments
 - Expected decision date TBC.

For a full update on the *Code Modification / Modification Proposals with Ofgem for decision - Expected publication dates timetable*, please refer to Ofgem's publication at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

1.5. Pre-Modification Discussions

None.

2. BEIS/Ofgem Energy Codes Governance Review

KE shared the Government response to the consultation on Energy Code Reform paper which is published here: <https://www.gasgovernance.co.uk/gov/040522>.

GD noted that 2024 will quickly be upon us and shared his concern that collectively, as an Industry, what steps do we need to take to make sure the relevant changes are made to the Code Administrator.

KE noted that Wanda Goldwag has been chairing the Industry Panel Energy Chair meetings where there has been good discussion and thoughts on things that could be started now that would not impact on changes in the future.

It was commented that, when the transition is made to the new arrangements, there needs to be an understanding of how work in progress is managed, if there is no Modification Panel, at what stage do you switch off and on.

It was agreed that KE would request more information from Ofgem on their expectations on what the Industry should be doing during this stage of the process.

3. Workgroups

SM was invited to provide an update on Modification 0803: Exceptional Circumstances Modification process.

Following a recent discussion with Ofgem, it was agreed that this Modification would be withdrawn.

Ofgem have confirmed with the Proposer of the Modification that they do not feel comfortable being responsible declaring an event, as a result of an exceptional circumstance, as it has the potential for a legal challenge.

Referring to the Energy Code Review, SM noted that prioritisation would be the role of a Code Manager which may help in the future as the Code Manager could have a view of prioritisation that would provide Ofgem with a steer on what is a priority.

It was suggested that there could be a discussion around how Modifications could be prioritised at UNC Modification Panel. KE noted that there were several urgent modifications raised at the beginning of Lockdown for COVID-19 and whereas some went through the process quite quickly, others were awaiting a decision by Ofgem for some time. It was suggested that as a minimum the Code Administrator could, where able to do so, identify a Modification that is linked to a current event.

KE referred to the current significant events that are currently impacting the market:

- COVID-19
- Russia/Ukraine war
- Supplier failures

KE suggested that the Citizens Advise Bureau (CAB) could be a route to ascertain the best way to understand the consumer impacts, which may help with some form of prioritisation criteria.

Next Steps

SM will confirm the Withdrawal of the Modification.

An update will be provided to UNC Modification Panel to advise that, going forward, Joint Office may be able to identify where a Modification has been raised and has as a direct link to an event.

Post Meeting Note:

Modification 0803 was withdrawn on 04 May 2022.

4. Any Other Business

4.1. Review Fast-Track Criteria

KE explained that a Modification (0807) was presented to the April 2022 UNC Modification Panel which was not originally considered a Fast-Track Modification. Panel members then spent some time debating whether or not it did meet the Fast-Track criteria.

KE showed the UNC Fast-Track Self-Governance (FTSG) criteria to Workgroup and explained that for a Modification to be determined as a Fast-Track, it must also meet the Self-Governance criteria and should be classed as a housekeeping Modification that is required to correct some error or factual change which would include (but not limited to):

- updating names or addresses listed in the uniform network code;
- correcting minor typographical errors;
- correcting formatting and consistency errors, such as paragraph numbering; or
- updating out of date references to other documents or paragraphs.

It was mentioned that the implemented solution for Modification 0807 was the solution as intended (i.e. the revised legal text not the original legal text).

TS advised Workgroup that she is still uncomfortable with the decision made because the change that was required seems to be a different solution to that originally published which is why she is not 100% sure it fully met the FTSG criteria, as it is actually changing what the Code said was happening.

It was recognised that in this particular case a paragraph from CDSP explaining what the impact is and what the change means in practice would have been useful.

Workgroup reviewed the current Fast-Track criteria and confirmed it was still deemed appropriate and therefore no change required.

4.2. Standard Workgroup Questions

A comment was made at a recent UNC Modification Panel meeting that there are a lot of Workgroup Reports that have very few Workgroup comments.

SM commented that Workgroup attendance is voluntary and that maybe Workgroup should be drawing out if there are issues that are relevant or need to be brought to the UNC Modification Panels attention.

It was also commented that some representatives that attend the Workgroup are not empowered to make decisions and it was agreed that the Workgroup Chairs should make it standard practice to explore the Relevant Objectives more when developing the Workgroup Report, identifying the principal Relevant Objective, and confirming with Workgroup whether there are any known issues.

4.3. User Representative Appointment Process

Following a discussion at Panel around appointment durations, KE asked Workgroup participants consider whether all UNC Committees having a 2-year term rather than the current 1-year term would be beneficial.

SM noted that the same (large administrative) process is carried out every year with little change in Committee membership.

Workgroup referred to the *Energy Code Reform* consultation and suggested Joint Office may wish to consider extending all appointments to bridge the transition to the new way of working.

It was highlighted that this is a more of a Shipper issue, as Transporters have their own process and that seeking views from the Shipper community and their constituencies would be beneficial.

4.4. Update to Guidance Document to support the New Modification Template

KE provided an update on a suggestion that TS raised to consider the forms that are used to create a new Modification maybe being more akin to the way the Government forms are provided (i.e. form and separate guidance document).

Helen Bennett (HB) raised the suggestion at CACoP and CACoP are due to further discuss week commencing 09 May 2022. Initial reaction from CACoP was positive.

A further update will be provided at the next Governance Workgroup meeting in June.

New Action 0205: Governance Update - Joint Office (KE) to provide a Governance Workgroup update to May's Panel.

5. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:00 – 16:00	Via Microsoft Teams	<ul style="list-style-type: none"> Standard Agenda Items

Wednesday 01 June
2022

Action Table (as of 04 May 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0303	01/03/22	4.2	Ofgem (JS) to provide a view on whether the Legal Text in a Modification can be amended whilst awaiting Ofgem's decision.	Ofgem (JS)	Carried Forward
0403	01/03/22	4.2	Ofgem (HBr) to advise whether a Modification awaiting Ofgem's decision would need additional time for a decision to be issued if it's Legal Text was updated.	Ofgem (HBr)	Carried Forward
0105	04/05/22	1.3	(Related to action 0303) Joint Office (KE) to seek a view from Ofgem (Jennifer Semple) around Ofgem providing an update at UNC Modification Panel on outstanding Modifications with Ofgem and UNC Modification Panel would then request a view from Ofgem on whether or not the Legal text should be reviewed	Joint Office (KE)	Pending
0205	04/05/22	4	Governance Update - Joint Office (KE) to provide a Governance Workgroup update to May's Panel.	Joint Office (KE)	Pending