

**UNC Modification Panel**  
**Minutes of Meeting 293 held on**  
**Wednesday 03 August 2022**  
**via teleconference**

**Attendees**

**Voting Panel Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
D Fittock (DF), Corona Energy D Morley (DM), OVO Energy M Bellman (MB), ScottishPower O Chapman (OC), Centrica R Fairholme (RF), Uniper S Mulinganie (SM), SEFE Energy Limited and on behalf of E Proffitt	A Travell (AT), BUUK S Hardman (SH), SGN for D Mitchell G Dosanjh (GD), Cadent J Bates (JB), National Grid NTS R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	S Hughes (SH), Citizens Advice

**Non-Voting Panel Members:**

<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG), Chair	J Semple (JS) H Seaton (HS)	(None)

**Also, in Attendance:**

- E Rogers (ER), Xoserve - CDSP Representative
- H Moss (HM), Cornwall Insight
- K Elleman (KE), Joint Office
- M Bhowmick-Jewkes (MBJ), Joint Office
- M Newman (MN), National Grid NTS
- P Dhesi (PD), Interconnector Ltd

P Garner (PG), Joint Office

R Hailes (RH), Joint Office

R Hewitt (RHe), BBLC

R Streuper (RS), BBLC

### **Record of Discussions**

#### **293.1 Introduction**

The UNC Modification Panel Chair, Wanda Goldwag (WG), welcomed all attendees.

#### **293.2 Note of any alternates attending the meeting**

S Hardman on behalf of D Mitchell

S Mulinganie on behalf of E Proffitt

#### **293.3 Record of apologies for absence**

D Mitchell, SGN

E Proffitt, Major Energy Users' Council

#### **293.4 Consider Urgent Modifications**

##### **a) Modification 0814 - Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector**

Panel Discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0814>

WG explained that National Grid had shared a technical impact assessment for the existing issues at the Bacton Exit Interconnection Point (Bacton) with Interconnector Limited, BBL and Ofgem, but this had not been made publicly available.

S Mulinganie (SM) suggested Panel Members should have sight of this analysis.

R Hailes (RH) invited M Newman (MN) for National Grid's views. MN explained that whilst National Grid's view was that the analysis did not identify any increased risk at Bacton, it was not an assessment of the impact of the Modification. It was produced prior to the Modification and related to a separate issue and National Grid agreed to append the document to the Modification. This will form Appendix 2 of the Final Modification Report.

RH introduced the Modification and its aim, noting that, of the 10 representations received to the Consultation, 3 supported implementation, 1 offered qualified support, 2 provided comments and 4 were not in support.

Panel Members discussed the issues raised in the representations and these were captured in the Final Modification Report. Please see below for a high-level overview of these topics:

- SM noted that the change arising from this Modification would impact commercial arrangements and therefore was unlikely to be a temporary change.

J Bates (JB) explained that this Modification was being raised in response to the European energy crisis and was a contractual change rather than a technical or operational change and it will support Europe temporarily rather than be an enduring solution.

RP noted that the Modification should be timebound if it was temporary. JB advised the Modification notes that it is timebound until September 2023.

- D Fittock (DF) noted that the 'Urgent' nature of the Modification had raised a number of concerns.
- JB urged Panel Members to consider the contractual changes being proposed rather than focus on technical issues such as safety reports which are being managed separately. JB provided a brief background to Bacton and the issue of sediment.

DF asked whether sediment could cause damage to assets and the costs for remediation of any damages. JB reiterated that this Modification would not impact the situation at Bacton in any way.

SM asked if National Grid would be willing to indemnify all parties from any risk arising from implementing this Modification without the supporting technical analysis.

JB responded that this would not be possible, explaining that some parties such as BBL would have been at a commercial disadvantage prior to this Modification, which this Modification is trying to rectify. JB added that this change should be decoupled from operational risks, noting that no risks resulting in operational harm were being taken.

- M Bellman (MB) suggested that the proposal to increase pressure at Bacton and any benefits to GB consumers have not been included in the Modification.

JB clarified that the hardware to increase pressure at Bacton was already in place and BBL will have to request higher pressure once this is agreed contractually. JB added that having a more competitive auction would result in bringing down prices for the consumers.

- JB responded to specific questions raised in the representations, which were captured in the Final Modification Report.
- D Morley (DM) noted that off specification gas entering the market could undermine National Grid's objective.

JB confirmed that off specification gas being brought into the UK is not an outcome of the Modification, as it facilitates the future of BBL capacity, and the way the network is ringfenced is completely separate.

JB also clarified that dust and liquid were two separate issues and dust was not included under the Gas Safety (Management) Regulations 1996.

JB added that these issues are already known and reflected in the bilateral contracts between National Grid, BBL and the Interconnector.

S Hughes (SH) noted that anyone aware of the Interconnector contracts should have been aware of these issues. JB agreed with this view noting that there are more dust filters in this area and this knowledge is widely available.

SM asked for confirmation whether the operation of Feeder 27 under the new arrangement will have an adverse impact on any other arrangements for the rest of the system.

JB advised that National Grid cannot give this guarantee, in the normal course of business they would not be able to provide an operational guarantee. However, JB noted that this does not mean National Grid lacks confidence in the operation of the system.

- DM asked whether the crisis in Ukraine would impact the UK's security of supply if Europe was unable to sell gas in the winter. JB advised National Grid believes this will not be an issue. WG noted this topic was outside the UNC Modification Panel's remit.
- MB asked how this Modification would impact gas prices and make it more competitive.

JB explained that because BBL would have access to the same arrangements to raise pressure and move more gas to Europe, the auction would be more competitive which should drive the price down and Shippers would potentially have two options to flow gas to Europe.

Panel Members discussed the Relevant Objectives.

Panel Members then determined that (14 Panel votes were available for the determinations):

- Modification 0814 (Urgent) recommended to be implemented, by majority vote (9 out of 14).

**293.5 AOB**

a) None.

**293.6 Date of Next Meeting(s):** 10:00 Thursday 18 August 2022, by teleconference