

UNC Modification Panel
Minutes of Meeting 301 held on
Thursday 07 December 2022
via teleconference

Attendees		
Voting Panel Members:		
Shipper Representatives	Transporter Representatives	Consumer Representatives
D Fittock (DF), Corona Energy O Chapman (OC), Centrica and behalf of Dave Morley	A Travell, BUUK D Mitchell (DMi), SGN and on behalf of Guv Dosanjh J Bates (JB), National Grid NTS T Saunders (TS), Northern Gas Networks and on behalf of Richard Pomroy	E Proffitt (EP), Major Energy User's Council S Hughes (SH), Citizens Advice
Non-Voting Panel Members:		
Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG), Chair	J Semple (JS)	(None)
Also, in Attendance: H Brazier (HB) Ofgem; H Moss (HM) Cornwall Insight; H Cuin (HCu) Joint Office; K Elleman (KE) Joint Office; M Khan (MK) Ofgem; P Garner (PG) Joint Office; P Hobbins (PH) National Grid; R Hailes (RH) Joint Office.		
Copies of all papers are available at https://www.gasgo.vernace.co.uk/Panel/071222		

Record of Discussions

301.1. Introductions

The UNC Modification Panel Chair, Wanda Goldwag (WG), welcomed all attendees, noting that the meeting had been arranged to discuss an Urgent Modification and thanked members for their attendance at short notice.

WG noted the short timescales for this Urgent Modification, enforcing the need for good governance and for proposers to ensure there is sufficient clarity on the need for urgency.

301.2. Note of any alternates attending the meeting

O Chapman on behalf of D Morley

D Mitchell on behalf of G Dosanjh

T Saunders on behalf of R Pomroy

301.3. Record of apologies for absence

E Rogers, Xoserve

G Dosanjh, Cadent

R Pomroy, Wales & West Utilities

S Mulinganie, SEFE Energy Limited

301.4. Consider Urgent Modifications

a) Modification 0833 (Urgent) - Enabling Demand Side Response (DSR) Market Offers to be made by Non-Trading System Transactions

Final Modification Report published at: <https://www.gasgovernance.co.uk/0833>

R Hailes (RHa) introduced the Urgent Modification, clarifying the number of representations received and noting a letter had been provided from ICOS which will be treated as a late Representation within the Final Modification Report (FMR). RHa advised that 7 representations had been received during the consultation period of which 4 supported implementation and 3 provided comments.

RHa noted that there was no indication within the provided timetable of when Ofgem plan to make a decision. M Khan (MK), indicated that a decision is likely to be made on 08 December 2022 and that this will be published on the Ofgem website. Panel members agreed that having an Ofgem decision before the 09 December 2022 would be beneficial.

It was noted that a further Urgent Modification is expected relating to the Demand Side Response (DSR) scheme. Phil Hobbins (PH) explained this Modification would be an extension to the existing scheme to introduce day ahead and within day DSR options. This is following a request from Ofgem to consider the broadening of DSR for this and future winters.

Concerns were expressed about the timing of this Modification, the period allowed for its assessment and that it had been raised as Urgent, even though the Demand Side Response (DSR) scheme was voluntary for Shippers.

J Bates (JB) provided an overview of the engagement undertaken prior to raising the Urgent Modification to explain the reforms, noting a number of webinars had taken place. JB wished to note that although there had been short scale governance in relation to the Modification, extensive stakeholder engagement had taken place prior to formally raising the Modification.

In response it was noted that Shippers are experiencing significant commercial pressures and may not have been able to participate in bi-lateral discussions outside of Code Governance, and discussions outside formal governance was not a suitable alternative.

D Fittock (DF) wished to note that the bi-lateral engagement outside of the UNC Governance process had not been seen by all parties, noting with commercial pressures and time constraints there is not always time to enter into bi-lateral discussions.

Panel Members discussed the issues raised in the representations and these were captured in the Final Modification Report. Some concern was expressed about the lack of clarity around communications. National Grid was asked to consider how the DSR amendments are

communicated to Distribution Networks (DNs), with outlined timescales. A Travell (AT) also asked for clarity on the communications with IGTs.

S Hughes (SH) enquired if there was a competition issue, and if there would be a commercial disadvantage to IGTs if they are not included within the scope. PH confirmed a consequential IGT Modification would be needed for IGTs to participate.

It was unclear if not having an equivalent IGT Modification would have an impact on competition. It was noted that National Grid are unable to raise IGT Modifications and that a IGT Modification would be required to not restrict IGT access to the scheme.

It was noted that the DSR scheme is a voluntary scheme and that no DSR offers as of yet have been accepted. The Urgency for the Modification was therefore questioned when the participation is voluntary and the solution may not be utilised.

It was noted that the CDSP had confirmed, in terms of central system impacts, that this Modification is not expected to change the CDSP process that has been utilised under Urgent Modification 0822. It is expected to invoice the option payments and any penalty charges for the DSR process in the way set out under Modification 0822. Based on the expected volumes, it is expected that this could be managed using existing processes and resources, unless volumes significantly increase.

PH, noting the discussions, wished Panel to consider the process for implementation and the need to enable participation, particularly where the existing scheme setup is preventing transactions.

Panel Members noted the very short consultation period and the extent to which the Modification could be properly assessed within this time. It was also noted that a Fast Track Modification process could have addressed the house keeping items. P Garner (PG) noted that one and half days was not considered as good governance.

Panel Members discussed the Relevant Objectives to capture views from Panel Members within the FMR and also the positive impacts on relevant objective d.

The parallel DSR Methodology consultation was briefly considered.

Following discussions Panel Members determined (with 12 Panel votes available):

- Modification 0822 (Urgent) recommended to be implemented (11 out of 12)

301.5. AOB

WG asked Ofgem to consider all the discussions held and to acknowledge these within the decision letter.

It was noted following earlier discussion on the potential for a further Urgent Modification there could be a further extra-ordinary UNC Panel meeting before Christmas.

301.6. Date of Next Meeting: 10:00 Thursday 15 December 2022 by teleconference.