

NTS Charging Methodology Forum (NTSCMF) Minutes
Tuesday 06 December 2022
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Ashley Adams	(AA)	National Grid NTS
Alex Nield	(AN)	Storengy
Alsarif Satti	(ASa)	Ofgem
Andrew Gowland	(AG)	ENI
Anna Shrigley	(ASh)	ENI
Anna Stankiewicz	(ASt)	National Grid NTS
Brian McGlinchey	(BG)	Vermilion Energy
Chris Wright	(CW _r)	Exxon Mobil
Colin Williams	(CW)	National Grid NTS
Dan Hisgett	(DH)	National Grid NTS
Dan Wilkinson	(DW)	EDF
David A Bayliss	(DB)	National Grid NTS
Davide Rubini	(DR)	Vitol
Debra Hawkin	(DHa)	TPA Solutions
Jeff Chandler	(JCh)	SSE
Joseph Glews	(JG)	Ofgem
Julie Cox	(JC _x)	Energy UK
Kieran McGoldrick	(KM)	National Grid
Kirsty Appleby	(KA)	National Grid
Lauren Jauss	(LJ)	RWE
Marion Joste	(MJ)	ENI
Nick Wye	(NW)	Waters Wye Associates
Oliver Weston	(OW)	Ofgem
Oreoluwa Ogundipe	(OO)	Interconnector
Ritchard Hewitt	(RH)	Hewitt Home and Energy
Terry Burk6y7e	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/ntscmf/061222>

Please note that NTSCMF meetings will be quorate where there are at least six participants attending, of which at least two shall be Shipper Users and one Transporter is in attendance.

1. Introduction and Status Review

Eric Fowler (EF) welcomed everyone to the meeting.

1.1. Approval of Minutes (01 November 2022)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

EF noted there were various late papers for the main NTSCMF meeting which Workgroup agreed to consider.

1.3. Review of Outstanding Actions

Action 1101: Joint Office (EF) to update the main NTSCMF webpage, overview the current NTSCMF Terms of Reference, publish the Mapping Document and archive surplus documents.

Update: This has been completed. EF showed the NTSCMF web page for Workgroup to view.
Closed

1.4. Industry Update from Ofgem

Joseph Glews (JG) provided an overview of the up-to-date Ofgem Modifications timetable <https://www.ofgem.gov.uk/publications-and-updates/code-ModificationModification-proposals-ofgem-decision-expected-publication-dates-timetable>, and noted that the updated EDD had been published on 24 November 2022.

JG highlighted two recent decisions that are not included in the table:

- Modification 0779/A– Introduction of Entry Capacity Assignments
Decision date: 11 November 2022 - rejected
- Modification 0809 – Distribution of Last Resort Supplier Payment (LRSP) claims to include IGT sites
Decision date: 30 November 2022 – approved

When Julie Cox (JCx) asked if the EDD includes urgent Modifications, JG advised that the EDD often does not include Modifications with very short timescales and putting a backstop date for an Urgent Modification has not been particularly useful in the past.

Alsarif Satti (ASa) noted the update to the EDD requires input from several teams, therefore updates begin some days before the publication date which also means that Urgent Modifications are sometimes not included.

1.4.1. Consultation on modifications to National Grid Gas's Transporter Licence

JG noted the Consultation was launched last week which proposes some changes to the National Grid Gas Transporter Licence (<https://www.ofgem.gov.uk/publications/consultation-modifications-national-grid-gass-transporter-licence>).

Please refer to the cover letter for a summary of the proposed changes.

The Consultation End Date is 09 January 2023.

1.5. Pre-Modification discussions

None

2. Workgroups

2.1. 0823S – Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes

(Report to Panel 15 December 2022)

<https://www.gasgovernance.co.uk/0823>

2.2. 0832S – Introducing additional flexibility to change the NTS large price step for Ascending Clock Auctions at IPs

(Report to Panel 16 February 2023)

<https://www.gasgovernance.co.uk/0832>

3. Issues

3.1. Industry Issues Tracker Update

The NTSCMF Issues Tracker can be found here: <https://www.gasgovernance.co.uk/ntscmf>

4. Forecasted Contracted Capacity (FCC)

4.1. FCC Methodology

This item was not discussed.

4.2. FCC Monitoring

This item was not discussed.

5. Long Term Revenue Forecasts

Dave Baylis presented an update on:

- Entry Capacity & Revenue FY23
- Exit Capacity & Revenue FY23
- General Non-Transmission & St Fergus Compression Revenue FY23

Entry Capacity & Revenue FY23 – Slide 2

DB noted this is a routine report which shows the forecast against actuals to date, and this is the first month where the new FCC forecast is being used.

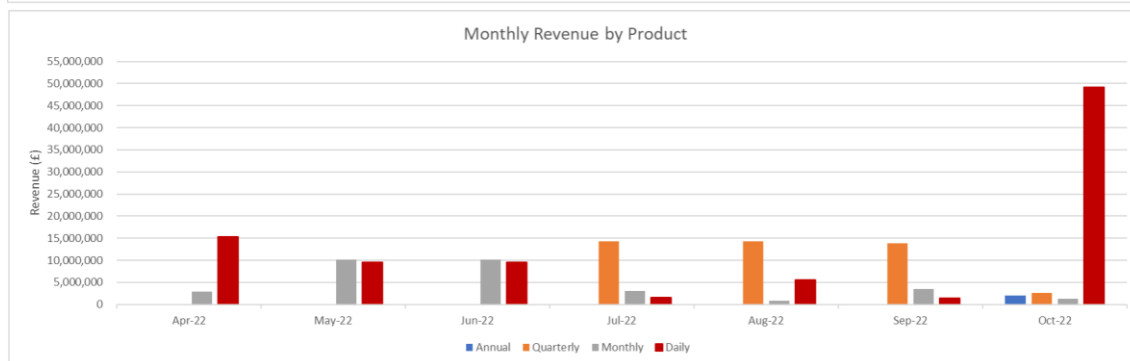
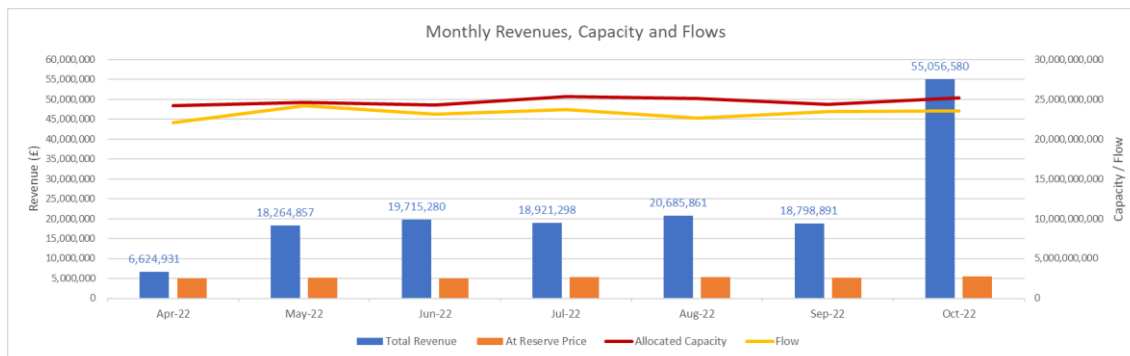
The actual is showing slightly higher than forecast which is mainly due to the ongoing French nuclear issues with power generation and high flows at Bacton.

Exit Capacity & Revenue FY23 – Slide 3

DB explained the actual is showing higher than the forecast mainly due to additional capacity requirements for Bacton.

Revenues are showing significantly higher than expected which is explained on the following slides.

Bacton (exit) IP Capacity & Revenue - Slide 4



DB explained the information shown on this slide articulates the additional revenues.

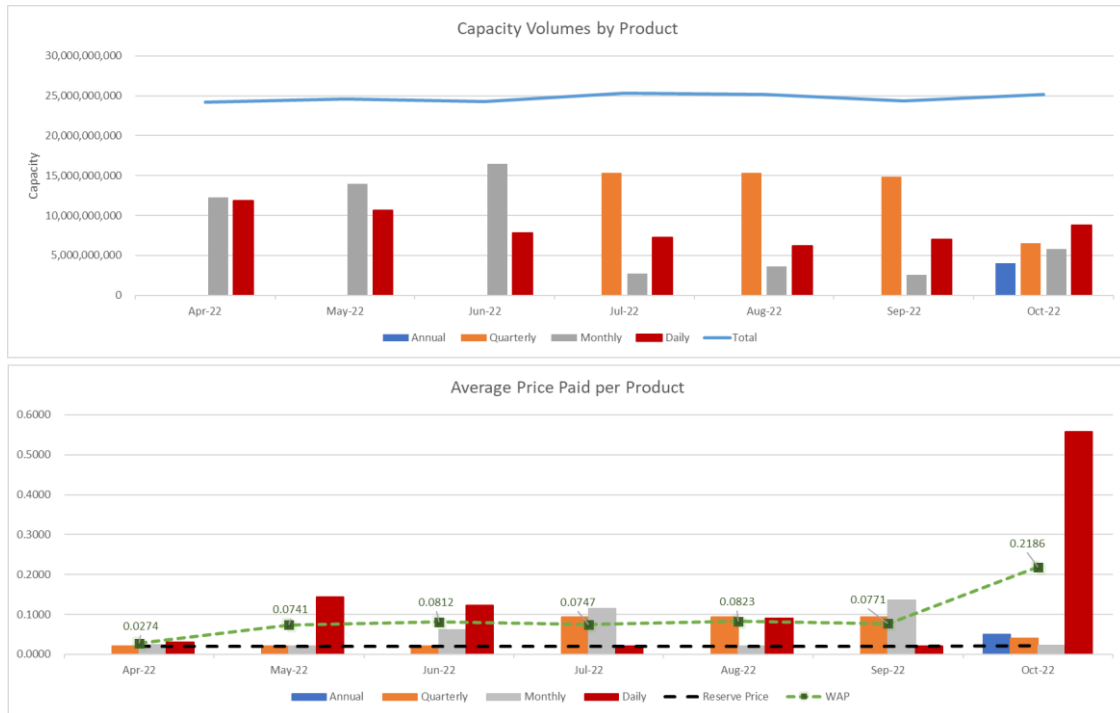
- In the top chart shows total revenue collected in blue;
- the orange is revenue had the capacity been bought at the reserve price.
- Red line is the total amount of allocated capacity across the month

- Yellow is the flow

The bottom chart shows the products the revenue is coming in from:

- Blue shows the revenue collected from the sold capacity from the Annual product
- Orange shows the revenue collected from the sold capacity from the Quarterly product
- Grey shows the revenue collected from the sold capacity from the Monthly product
- Red shows the revenue collected from the sold capacity from the Daily product

Bacton (exit) IP Capacity & Revenue - Slide 5



The information on this slide shows any shortage of capacity that industry were competing for and the bottom chart shows the average price paid per product.

The daily auctions are consistent.

- The dark dashed line on the bottom chart shows the Reserve Price;
- The green dashed line shows the weighted average price, which, between May and September was averaging about 0.07;
- In October the price was driven up by daily capacity being sold;
- Bids at a daily level were 150 times the reserve price;
- Potentially, there is some correlation to BBL withdrawing capacity;
- September and October show similar levels of daily capacity sold;

DB advised he is working with his colleagues on the Capacity Auctions Team and hopes to be able to bring an update back to the January 2023 meeting.

General Non-Transmission & St Fergus Compression Revenue FY23 – Slide 6

When Nick Wye (NW) sought clarification, for Exit, which is showing National Grid may recover the full revenue allowance by the end of this calendar year, he asked what happens then for the rest of the gas year? DB advised there is a lot of uncertainty as to what revenues will be recovered each month and that any additional recovery will go into the K factor. DB confirmed this could mean a reduction in charges for the next gas year.

NW noted his concern and said that Industry is trying to get away from charges volatility and asked if National Grid should be looking at providing that excess back to shippers within the gas year?

DB clarified that the only parties that have overpaid are those that are competing for capacity at Bacton, which is a very select number of Shippers.

Please see the published slides for full details.

6. Any Other Business

6.1. St Fergus Compression Update

CW advised that there was no update on this section this month and there will be an Ofgem consultation in the new year.

6.2. Transmission Charging Review – Reviewing Post 0790 decision

CWi provided an overview of the presentation material and explained the aim of the presentation is to highlight the continued impact of Existing Contracts within the charging framework post the *Modification 0790 (Urgent) - Introduction of a Transmission Services Entry Flow Charge* Ofgem decision to reject its implementation.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/ntscmf/061222>.

The presentation included information based on the following options:

Option 1: A new commodity charge based on Utilisation of Existing Contracts

NW commented, depending on the level of commodity charge implications for reserve prices for other capacity products, this feels like it will introduce more volatility.

CWi advised there has to be a target for entry capacity revenue, this is a balancing number rather than a known number that there is currently.

Richard Hewitt (RHe) noted that this option feels like a complicated structure to put in place.

Option 2: A new commodity charge applied to Entry flows

When asked, JG clarified there is no measure in mind at the moment and it being considered and that a cost benefit exercise for each Option should be considered by Workgroup.

NW noted that the Commodity charge can be maximised by increasing the Commodity charge. The cost would be the same.

ASa clarified there is no specific target, and that the presence of existing contracts has created a dual regime. He further confirmed that the Ofgem response for Modification 0790 stated that when considering the setting up of a Commodity charge, approximation of the previous Commodity charge, as reasonably practicable, should be considered.

Option 3: A review of Existing Contracts, their flexibility and usage

Option 4: Review of the Entry:Exit split

When ASa noted that a change to the Entry:Exit split would remove the burden on Entry. This should stand on its own and should not be considered as a solution just for Existing Contracts. Consideration has to be made as to whether this is a good idea on its own, CWi agreed.

Option 5: A new commodity charge applied to all flows

It was clarified that allocated revenues would remain at 50-50.

Next Steps

- Develop, share and publish a Gas Charging Discussion Document. Issued by National Grid, to seek views on:
 - On The impacts of Existing Contracts and their influence in the Charging Methodology;
 - Options related to Entry charging and potentially wider;
 - Potential modifications to take forward following feedback and discussion;
 - On any option, taking into account the points raised in Ofgem's letter on 0790 and the decision not to implement.

- On review, if any are to be taken forward, focus would be on October 2024 as a potential implementation date.
- Using NTSCMF as the principal industry forum to discuss these topics .

ASh invited consideration of one more option - Do Nothing, CWi confirmed that in any options paper development, Do Nothing is an option and will be included.

6.3. Bacton Exit

Referring to agenda item 5.0 Julie Cox (JCx) asked if this refers to Back to revenue on Bacton Exit obligated or non-obligated revenue as this could mean it may be material and need to be looked at CWi clarified this links into whether the capacity being sold is obligated or non-obligated and suggested to look at this at a more granular level at the next meeting in January 2023.

National Grid agreed to share the November 2022 data when it is available.

6.4. In person meetings

Workgroup asked if there is a plan for in person meetings to reconvene.

EF advised that Joint Office are currently testing the appetite at Transmission Workgroup to see if they can be returned routinely, with an option to host them at the Joint Office in Solihull and include remote attendance.

The conclusion was the possibility of some bi-monthly or quarterly meetings face to face.

Post Meeting Update:

Joint Office can confirm that meeting room capacity is 18-20 delegates.

7. Diary Planning

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

It was proposed to move the January 2023 meeting from Tuesday 10 January 2023 to Wednesday 04 January 2023 to bring it in line with the same week as Transmission Workgroup, participants agreed with this change.

This situation does occur several times in the year where the first Tuesday of the month falls after Transmission Workgroup and it was agreed that Joint Office will issue a communication to move such meetings to the same week as the Transmission Workgroup.

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Wednesday 04 January 2023	5pm Wednesday 21 December 2022	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 07 February 2023	5pm Monday 31 January 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 07 March 2023	5pm Monday 28 February 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 04 April 2032	5pm Monday 27 March 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 02 May 2023	5pm Monday 24 March 2023	Via Microsoft Teams	Standard Workgroup Agenda

10:00 Tuesday 06 June 2023	5pm Monday 30 May 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 04 July 2023	5pm Monday 26 June 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 01 August 2023	5pm Monday 24 July 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 05 September 2023	5pm Monday 28 August 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 03 October 2023	5pm Monday 25 September 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 07 November 2023	5pm Monday 30 October 2023	Via Microsoft Teams	Standard Workgroup Agenda
10:00 Tuesday 05 December 2023	5pm Monday 27 November 2023	Via Microsoft Teams	Standard Workgroup Agenda

Action Table (as of 06 December 2022)

Action Ref	Meeting Date(s)	Minute Ref	Action	Reporting Month	Owner	Status Update
1001	04/10/22	1.3	National Grid (CW) to provide an explanation on the treatment of non-obligation capacity and overruns for January 2023.	January 2023	National Grid (CW)	Carried forward
1101	01/11/22	1.3	Joint Office (EF) to update the main NTSCMF webpage, overview the current NTSCMF Terms of Reference, publish the Mapping Document and archive surplus documents.	December 2023	Joint Office (EF)	Closed

**UNC Workgroup 0823S Minutes
Amendment to the Allocation of Entry Capacity and Flow Quantities
to Qualifying CNCCD Routes**

10:00 Tuesday 06 December 2022

via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Ashley Adams	(AA)	National Grid NTS
Alex Nield	(AN)	Storengy
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Terry Burk6y7e	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/ntscmf/061222>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 December 2022.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0823/061222>

1.0 Introduction and Status Review

1.1. Approval of Minutes (01 November 2022)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

EF noted there were no late papers for consideration, all material was submitted within the timeframe.

1.3. Review of Outstanding Actions

Action 1101: National Grid (DH) to confirm the calculations of the Entry and Exit Point Entitlements have been made.

Update: It was confirmed this action response is featured in the analysis provided for the meeting. **Closed**

Action 1102: RWE (LJ) to demonstrate how different charges for the same 'service' were being applied.

Update: It was confirmed this action response is featured in the analysis provided for the meeting. **Closed**

Action 1103: National Grid (DH) to undertake a re-run of the data analysis to investigate the deviation of these quantities and definition of the components that make them up.

Update: It was confirmed this action response is featured in the analysis provided for the meeting. **Closed**

2.0 Review of additional data analysis

Lauren Jauss (LJ) was invited to update Workgroup with the presentation material provided for the meeting and satisfies outstanding Action 1102.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0823/061222>

LJ explained that her analysis as shown on Slide 2 of her presentation shows that Shippers operating one shorthaul route each with a common entry point can currently get a larger discount for their customers than a single Shipper operating two routes.

LJ advised that RWE did a costed pipeline feasibility study after the new postage stamp regime was implemented which concluded that 1km of pipe would cost circa £5m.

LJ noted that Users of the *Modification 0728 B (Urgent) – Introduction of Conditional Discount for Avoiding Inefficient Bypass of the NTS with 28km distance cap* arrangements would work for them, however, it has been identified that the more unused capacity you have the more your own pipeline looks the more attractive.

When asked, LJ clarified that, from a customer point of view, and their offtake perspective, for short haul, the User must hold Entry and Exit Capacity and have to flow.

Please refer to the published presentation for more detail.

Dan Hisgett (DH) was invited to share his presentation which covered:

- Entry Eligible Quantities can exceed Exit Eligible Quantities Slide 2 to 4

JCx requested it to be acknowledged that Modification 0728B where shorthaul was born, was not an ideal situation.

- The Question of Discrimination Slide 5 to 9

DH noted that the same opportunity is available to a Shipper whether or not they are running two routes, it is in their gift to maximise the opportunity and get the same benefit and there are a number of tools available to shippers to be able to maximise that opportunity. He highlighted there is no discrimination as the same opportunity is available to all Shippers.

When LJ asked, DH clarified the suggestion that shippers should not book more capacity than they are going to use.

DH noted, if a shipper wants to bypass the network, they need to build a pipeline for their peak otherwise they are not bypassing the network.

RHe suggested, seeing as a shipper can take actions to avoid the difference in charges, the 2 sides of the argument is not going to be resolved at this Workgroup as Ofgem need to decide if the current charges are discriminatory or not. He advised the discussions are captured in the Workgroup Report.

CWi said that it should not be discriminatory, RWE are proposing a different approach, the current design, Ofgem needs to decide what if this is better than what we have now.

LJ confirmed the basis of the Modification is that the treatment for a multi-route User is different to a User just operating one route. LJ also noted that none of the Modification 0728B examples illustrate this issue and thinks it was overlooked.

JCx noted, reflecting back on the shorthaul arrangements, Modification 0728 was raised with Urgent status, there were no workgroups, therefore things being missed is to be expected. She said that is the challenge faced that will never capture when things are being progressed in short timescales.

ASh noted her recollection of the original Modification 0728 and the expectation of how shorthaul should work, her understanding is that the treatment for two routes should be same as a User using just one shorthaul route.

- Principles of the Conditional NTS Capacity Charge Discount (CNCCD) Slides 10 to 12
- Potential Impacts – Slides 13 to 19
- Legal Text – Slide 20 to 22
- ROM Details Slide 23 to 24

3.0 Self-Governance Status

EF referred to the Workgroup comments captured in the Workgroup Report and invited comments. He advised he will insert the November and December 2022 Workgroup discussions regarding the further analysis.

LJ noted, the conclusion of analysis has shown it would impact charges to the extent of £1.6m, which is the materiality threshold for Self-Governance status.

JG requested that the following paragraph from the Ofgem Implementation decision for *Modification 0779/A - Introduction of Entry Capacity Assignments*, is inserted in the Workgroup Report:

UNC779/A Ofgem decision (page 7):

Finally, the Alternative Proposer argues that there is currently a risk of Users bypassing the NTS and that their proposed modification would discourage this. They claim that an ‘increased incidence of inefficient bypass’ would result in higher Entry Capacity Reserve Prices than the increased accessibility to discounts available through the implementation of UNC779A. We are not convinced by this argument. First, we note that no at-risk routes have been identified by the Alternative Proposer. Secondly, as stated in our UNC678A and UNC728B decisions, the principle of a short-haul discount should be to “reduce the number of routes which continue to present a credible bypass risk, while minimising the amount of discount that is provided to achieve this”. When we approved UNC728B, we found that the CNCCD would be effective in disincentivising bypass for the vast majority of routes that we considered to be at risk of bypass without a short-haul discount.

4.0 Relevant Objectives

It is proposed that this Modification is positive for Relevant Objective a) *Efficient and economic operation of the pipe-line system* and d) *Securing of effective competition: (i) between relevant*

shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

JCx commented that Relevant Objective a) is neutral unless and until a bypass is built.

EF captured Workgroup comments in support or oppose of the comments made by the Proposer.

5.0 Benefits

Consumer Benefits Table:

EF noted October and November Workgroups and summarised the discussions previously held and captured within the Workgroup Report. It was further noted that Workgroup had agreed that none of the debate for or against this Proposal sets out to challenge the underlying principles of shorthaul. EF captured further comments from Workgroup participants in the Workgroup Report.

CWi clarified that the 'Customer' in this case is the Shipper and the National Grid relationship is with the Shipper, not the Direct Connects.

LJ mentioned an important comment made by Anna Shrigley to note in the Workgroup Report:

A lot of the contracts between Shipper and End Consumer will be closely related to the UNC. A lot of the I&C End Consumers are very well informed, and an I&C End Consumer would be looking for a Shipper that does not already have a Short haul route at their location, mainly because they would not want to become part of a multi route.

Workgroup had a lengthy debate regarding transparency and EF captured participants comments in the Workgroup Report as necessary.

DHi confirmed, for the Workgroup Report, that the level of discount is fixed, it is the Eligible Quantity (EQ) that will change.

6.0 Funding Costs (RoM)

From the Workgroup Report:

Analysis presented by National Grid suggests a cost of approximately £102,000 – £132,000 to implement the change.

No expected ongoing costs.

Delivery time approximately 13-15 weeks including Post Implementation Support. Project stand up time will be dependent on whether this is a stand-alone project or if it is incorporated into ongoing system enhancements (Gemini Sustain Plus).

7.0 Legal Text

DH advised the amendment to UNC would be a simple change and shared a view of the changes that will be required.

The Proposer confirmed their support that the Legal Text meets the intent of the solution.

8.0 Next Steps

EF asked Workgroup for a positive comment that the Workgroup Report can be submitted to the UNC Modification Panel on 15 December 2022.

It was noted that the Self-Governance point is not unanimous.

No participants disagreed when asked that the recommendation to UNC Modification Panel is that it goes to consultation.

EF confirmed he will tidy the Workgroup Report to insert material from the presentations and it will then be published and submitted to UNC Modification Panel on 15 December 2022.

9.0 Any Other Business

None.

10.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
No further meetings			

Action Table (as of 06 December 2022)

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1101	01/11/22	2.0	National Grid (DH) to confirm the calculations of the Entry and Exit Point Entitlements have been made.	December 2022	National Grid (DH)	Closed
1102	01/11/22	2.0	RWE (LJ) to demonstrate how different charges for the same 'service' were being applied.	December 2022	RWE (LJ)	Closed
1103	01/11/22	2.0	National Grid (DH) to undertake a re-run of the data analysis to investigate the deviation of these quantities and definition of the components that make them up.	December 2022	National Grid (DH)	Closed

UNC Workgroup 0832S Minutes
Introducing additional flexibility to change the NTS large price step
for Ascending Clock Auctions at IPs
10:00 Tuesday 06 December 2022
via Microsoft Teams

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The Workgroup Report is due to be presented at the UNC Modification Panel by 16 February 2023.

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1.0 Outline of Modification

Proposal:

This Modification Proposal seeks to improve Ascending Clock Auctions for IP Capacity by providing additional flexibility to change the percentage of the Reserve Price used to determine the NTS large price step when it is deemed appropriate to do so.

Ashley Adams (AA) provided an overview of the Modification; his presentation covered the following main topics. Where there was specific interaction regarding particular slides with the Committee members, this has been captured within the minutes for each section of the presentation, and full details can be found on the published presentation here:

Overview

- Long-term Auctions for IP Capacity are held as Ascending Clock Auctions where Capacity is bid for in a series of bidding rounds, with prices increasing by the large price step each round until the aggregate amount of IP Capacity bid for does not exceed the capacity available.
- UNC currently restricts the setting of the NTS large price step to the greater of 5% of the applicable Reserve Price and 0.0001 p/kWh/Day.
- Where there is high demand for capacity, the current arrangements may not be appropriate to create sufficiently quick price discovery resulting in auctions running for extended periods of time.
- This Proposal provides additional flexibility to adjust the percentage of the Reserve Price used to determine the NTS large price step in such circumstances.
- The change is designed to assist the successful close out of auctions in a timely manner ensuring that capacity is allocated when it has been bid for to the benefit of all parties involved.

How Ascending Clock Auctions Work – Slide 3

Importance of appropriate Large Price Steps – Slide 4

AA explained, where there is high demand for capacity, it is important that large price steps are set at an appropriate level in order to facilitate a competitive gas market and ensure capacity can be allocated.

Bacton Exit IP Rolling Monthly Bundled Auctions – Summer 2022 – Slide 5

Bundled Auctions and Adjacent TSO Large Price Steps – Slide 6

Solution – Slide 7

An amendment is proposed to UNC TPD Section Y 2.9.2 to leave the default large price step as 5% of the reserve price or 0.0001p/kWh/d (whichever is higher) but introduce the ability, where it is considered beneficial, to change this percentage ahead of each auction if required, in line with agreed timescales.

This solution would ensure the flexibility to change the large price step if required while also preventing additional complications with the processes of adjacent TSOs under normal circumstances.

Should NGG deviate from the default arrangements, it would agree to publish:

- The reasoning for changing the NTS large price step ahead of the relevant Ascending Clock Auction
- An explanation of how the NTS large price step percentage was determined

DH confirmed that National Grid will update the draft Legal Text once a decision is made on how the data will be published, conversations are taking place to see if this can be via PRISMA.

Workgroup had no questions.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

EF advised the next steps to be:

- Workgroup Report drafting

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Wednesday 04 January 2023	5pm Wednesday 21 December 2022	Via Microsoft Teams	Standard Workgroup Agenda

Action Table (as at 06 December 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
			None			