

**UNC Workgroup 0674 Minutes
Performance Assurance Techniques and Controls
Monday 06 September 2021
via Teleconference**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Amber Talbott	(AT)	Storengy UK
Anne Jackson	(AJ)	IGT UNC Code Administrator
Dan Fittock	(DF)	Corona Energy
Ellie Rogers	(ER)	Xoserve
Graeme Cunningham	(GC)	Centrica
Guv Dosanjh	(GD)	Cadent
Kirsty Dudley	(KD)	E.ON
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at:

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

1.0 Introduction and Status

Alan Raper (AR) welcomed all to the meeting and provided an overview of the meeting schedule as below:

Meeting Schedule

Meeting #1	23 August 2021	High-level governance and relationship with UNCC
Meeting #2	06 September 2021	Other governance
Meeting #3	28 September 2021	Performance Assurance Objective
Meeting #4	26 October 2021	Costs

AR advised it is his aspiration that *Meeting #3 – Performance Assurance Objective*, and *Meeting #4 – Costs*, are merged and covered on 28 September 2021 and highlighted the topics that would be discussed at this meeting.

Meeting Number	Issue Number	Question	Reference Documentation
4	4	Discuss the advantages and disadvantages of greater levels autonomy for PAC with regard to management of its functions and authorship of the PAFD. Completed	16.2.4 Functions – 16.4 PAFD – 16.7 GTB4.3.1
4	2	Provide views on the adoption of GTD-like governance arrangements. Completed	16.3 & 16.6 GTD
4	3	Comment on the role of the UNCC where a Party appeals its referral to Ofgem. Completed	16.8
2	4	Comment on the right for the PAC to raise performance-related Modification proposal.	MR6.1.1(e)
2	5	Discuss business rule 2a and the corresponding legal text.	16.1.1
2	6	Provide views on the facility for PAC to co-opt PAFA personnel to chair & secretary PAC meetings.	16.6.3 & 16.3.4
2	7	Identify & clarify any IGT requirements should the mod be directed for implementation.	IGT138
2	8	Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information.	16.1.5 & GTB4.4.2
2	9	Clarify the rules with respect to quoracy.	16.6.2
3	10	Comment on the Performance assurance Objective (PAO) and its effect on Code Parties.	16.1.1(b) & 16.1.2
3	11	Comment on the PAO and its effect on non-Code Parties.	16.1.1(c) & 16.1.2(b) & (d)
3	12	Comment on the interaction, (if any), on the requirements of the PAO and the "Relevant Objectives".	16.1.1(b)
3	13	Comment on the interaction, (if any), on the requirements of the REC Performance Assurance Framework and those set out in this proposal.	REC Schedule 6 & REC Code Manager Performance Assurance Consultation (April 2021)
4	14	Comment on the effect the application of the PAO could have on operating costs.	
4	15	Clarify the CDSP's, (and other parties'), implementation costs.	

2.0 Review minutes from previous meeting

The minutes from the meeting held on 23 August 2021 were approved.

3.0 Review of Outstanding Actions

Action 0801: ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.

Update: Mark Bellman (MB) advised this is currently being considered. **Carried forward**

Action 0802: ScottishPower (MB) to add into the arrangements that changes to the Performance Assurance Framework Document (PAF D) should be discussed in an open meeting – amendment to 16.7.2 b)

Update: MB confirmed that changes to the Performance Assurance Framework Document (PAFD) will be discussed in an open meeting. **Closed**

Action 0803: ScottishPower (MB) to include in the arrangements that the PAC may ~~be required~~ decide to consult on any changes requested to the PAFD in an open meeting.

Update: MB confirmed he is considering this and that it would be for PAC to decide if a change is of sufficient materiality as there could be instances of minor changes to PAFD where there would not be a requirement for a consultation. MB suggested a change to the wording of the action which is highlighted as shown above. **Carried forward**

Action 0804: ScottishPower (MB) to produce a process flow/diagram to map the PAFD changes processes.

Update: MB advised this is currently being considered. **Carried forward**

Action 0805: ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings.

Update: MB noted this appears to be continual theme throughout PAC meetings that there is generally very little Ofgem representation at the meetings. Given the nature of the forum, MB thinks Ofgem representation should be at PAC meetings. Action to be carried forward for further consideration. **Carried forward**

4.0 Review of updated Supplemental Report

When Steve Mulinganie (SM) asked for a verbal summary of the Supplemental Report to date, AR advised:

- At the last meeting Workgroup looked at the way the PAC operates, the general view is that it needs to be reinforced that PAC meetings are an open meeting, dispelling the view that PAC is a completely closed meeting. Only the shipper specific, confidential discussions are restricted to the committee only.
- PAFD - to increase the transparency element of the PAFD process, Workgroup agreed amendments to the PAFD would be discussed at the open part of the PAC meeting.
- Workgroup agreed that a Variation Request to the modification would be required once all 4 meetings have concluded.
- Where necessary some of the more extensive changes to the PAFD would trigger a form of consultation which would sit within the operation of the PAC.
- Appeals may be referred to the UNCC and any comments that come out of UNCC could be considered by PAC.

AR provided an overview of the input so far into the Supplemental Report. SM asked for a cross check once all meetings are concluded to make sure that everything has been addressed before it is presented back to Panel.

A participant asked if Workgroup thought there might be a risk that parties might reopen things on the back of the Supplemental Report process and asked if it is worth writing to the parties that made the comments to advise they are being discussed and offer the opportunity for them to represent themselves at these meetings.

Workgroup agreed that the Supplemental Report should be addressed at the final meeting to close off the issues raised.

Dan Fittock (DF) agreed there has been plenty of opportunity for parties to attend these meetings.

A Workgroup participant suggested, for the more contentious points that particular parties have raised, that Joint Office contact those parties and ask them to attend *Meeting #3* on 28 September 2021 to make sure they have had every opportunity to put forward their views.

New Action 0901: *Review of Supplemental Report - Joint Office (AR) to look at the sign-off process of the Supplemental Report to ensure there is a completeness check.*

New Action 0902: *Review of Supplemental Report - Joint Office (AR) to ensure that parties are contacted to ensure meeting attendance.*

5.0 Other Governance Topics

AR opened the discussion for:

Question 1: *Comment on the right for the PAC to raise performance-related Modification proposal*

AR referred Workgroup to the text within the PAFD where it says that PAC would be able to sponsor modifications and that the PAC would be able to raise a modification (page 15). He suggested further definition could be added to be specific about the reasons the PAC are able to raise modifications for and invited Workgroup comments.

When SM commented that the Performance Assurance Objective is for *Meeting #3*, AR agreed and advised this item is to solely consider the high-level principle of PAC being able to raise modifications.

In comparing PAC with another Workgroup, such as Distribution Workgroup, SM asked why PAC should be able to raise modifications.

TS suggested the PAC should find a sponsor for a modification rather than raise the modification by a group (PAC), as this would provide a dedicated proposer that sees it through to the final stage.

AR clarified that the modification process would apply to any modification when looking at the sponsorship and ownership side of things. He added that the committee has a role to play, to improve performance, and potentially increase obligations on parties, which could mean that finding a sponsor could prove difficult.

MB referred Workgroup to two historical UIG examples where trying to find a sponsor was quite difficult, and these rules had been proposed as a way of avoiding this type of issue.

SM suggested, to make it easier to find a sponsor, the compromise could be that the committee ask the PAFA to draft the modification and then assign a party to sponsor it but noting that the sponsor should not have to do any significant development work.

MB commented there is a perception that the PAC is a closed meeting, which is not the case, there are parts of the agenda that must be closed to non-members for confidentiality reasons. He noted that if there was development of a modification that PAC endorsed, that would form part of the open session. MJ suggested the open part of the meeting should be extended to discuss any modifications that are raised out of PAC, a view that was widely accepted.

SM noted it would be a good idea for PAFA to create the draft modification. MB clarified that PAC as the Committee would be the proposer rather than PAFA as that would be too far removed from UNC, which is not what is intended. SM advised that he supports a signatory to the Code should raise the modification. AR commented there are no restrictions that prevent PAFA representing a PAC modification at Workgroups.

KD noted that the Supplemental Report mentions about raising the modification, but developing the modification is not mentioned. KD also commented that a single PAC member could support the development of the modification and noted that this is not documented in the PAFD. The person that raises the modification has to do development too and suggested it would not work properly if PAC as a Committee raised a modification.

SM said that if PAC, as a Committee raise a modification, there must be a consensus, but there will always be someone that disagrees with the modification therefore it could not be referred to as a PAC sponsored modification, although MB commented that a PAC raised modification would be designated the majority of PAC are in support of it.

SM commented that PAC should not be able to put forward a panel recommendation if it is not unanimous, but MB noted that PAC decisions do not require unanimity and PAC decisions relating to modifications should adopt a similar protocol.

Following these deliberations, AR asked MB if he is happy to put forward that PAC modifications are sponsored by a party or to leave as-is.

MB then raised 2 points:

1. Any proposal would be governed by the mod rules as would have the standard protections of workgroup development, panel discussion and authority direction.
2. PAFA authorship would provide continuity, ensuring a modification doesn't endlessly evolve through different versions of the solution because different individuals are responsible for drafting.

New Action 0903: Question 1: *Comment on the right for the PAC to raise performance-related Modification proposal - ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text.*

MB noted that the majority of PAC could agree when the modification is first raised, but consideration needs to be given that the modification and PAC members will change over time which could lead to a lack of consistency.

KD added that alternative modifications could be raised via individual organisations not in their role as a PAC member.

MB suggested that PAC getting out of touch with the proposal could be ratified by a monthly update at PAC so the committee can see how it is evolving.

Essentially proposal stays the same, fundamentally a PAC modification would carry a PAC endorsement, although the actual sponsor would have to be a Code Party, even though they may be largely dependent on the PAFA doing most of the development and authorship of the modification. Any necessary amendments relating to this point will be included in the Variation Request.

Discussion Completed

Question 2: *Discuss business rule 2a and the corresponding legal text.*

MB confirmed there is a difference between the Legal Text and the Business Rule and that the Business Rule will be amended to reflect the Legal Text.

AR said that there will naturally be slight difference between Legal Text and the Business Rule, however as this is slightly more significant, the two should be appropriately aligned. For ease and completeness, this would be addressed in the Variation Report.

DF requested this discussion to be included in the discussions held in *Meeting #3 – Performance Assurance Objectives*.

New Action 0904: Question 2: *Discuss business rule 2a and the corresponding legal text- ScottishPower (MB) to update the Business Rule to reflect the Legal Text.*

Discussion Completed

Question 3: *Provide views on the facility for PAC to co-opt PAFA personnel to Chair & Secretary PAC meetings.*

TS expressed her concern of a UNC meeting, not having Joint Office involvement, opens flood gates to other governance arrangements being undertaken by non-JO personnel

MB explained that this was inserted as a provision to be introduced which relates to several ad hoc meetings some time ago that Joint Office could not administer at the time due to resource constraints.

SM commented that the Joint Office should be sufficiently resourced to be able to support and meet the requirements of the industry. He added that whereas he agrees with the frustration, the solution is not the right way to go.

AR highlighted that during the time quoted by MB, the Joint Office were particularly resource constrained and confirmed that Joint Office is committed to meeting the demands of its customers.

MB advised he is willing to accept the justification provided by AR and that he is inclined to remove this from the Modification and PAFD on the understanding that some form of discussion is initiated with Penny Garner to obtain reassurances regarding resourcing. AR confirmed he would arrange such a meeting.

Discussion Completed

New Action 0905: Question 3: *Provide views on the facility for PAC to co-opt PAFA personnel to Chair & Secretary PAC meetings:* Joint Office (AR) to arrange discussion on this topic with Penny Garner.

Question 4: *Identify & clarify any IGT requirements should the mod be directed for implementation.*

In the absence of Anne Jackson (AJ), AR confirmed he had previously discussed this with AJ, and both agreed this is naturally done through cross code governance.

Also, AR confirmed that the action raised in the consultation response seemed to relate to ensuring PAC related modifications were raised in both the UNC & the IGT UNC and that this should be reflected in the PAFD.

Discussion Completed

Question 5: *Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information.*

It was suggested by Workgroup that this should be linked more with the Performance Assurance Obligations that are to be discussed at *Meeting #3*.

AR noted that there is a reference in UNC GTB where it states if a Party does not want to provide the information being requested, it is not required to do so. However, for the PAC, this rule has been disapplied for information relating to information requested and being reasonably required for settlement performance.

New Action 0906: Question 5: *Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information - ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business' (please to refer to the specific consultation response provided by SM for further reference).*

It was agreed that a small amendment to the Business Rule is required to consider that PAC could not make an unlawful request.

Discussion Completed

Question 6: *Clarify the rules with respect to quoracy.*

MB clarified that he did not intend for the modification to change to the current quoracy requirements for the PAC.

AR referred Workgroup to paragraph 5.5 of the Modification Rules, paragraph 5.5 state where it states:

Members (of whom two (2) shall be Transporters' Representatives and two (2) shall be Users' Representatives (excluding the Panel Chairperson)) present at a meeting of the Modification Panel who can exercise six (6) votes shall be a quorum.

For PAC meetings:

will be quorate where there are at least four Shipper User PAC Members and two Transporters (DNO and/or IGT) PAC Members with a minimum of six PAC Members in attendance.

It was agreed that a correction to the Business Rule is required so that it reflects the current arrangements.

New Action 0907: Question 6: *Clarify the rules with respect to quoracy:* ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.

Discussion Completed

6.0 Next Steps

AR said:

- Work will continue on the Variation Report;
- AR reminded Workgroup of his aspiration to combine the topics for Meeting #3 and Meeting #4 into the 28 September 2021.
- AR highlighted to Ellie Rogers (ER) for CDSP to be aware and ready for input on Question 15 at the 28 September meeting #3 which was originally planned for Meeting #4.
- The minutes from today will be reflected in the Supplemental Report and added both will be published by close of play Tuesday 14 September 2021.

7.0 Any Other Business

None.

8.0 Diary Planning

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10.00 Tuesday 28 September 2021	Microsoft Teams	Standard Agenda, plus: <ul style="list-style-type: none"> • Performance Assurance Objective • Costs
10.00 Tuesday 26 October 2021	Microsoft Teams	Standard Agenda, plus: <ul style="list-style-type: none"> • Review and update the Supplemental Report • Review the Variation Request

Action Table (as of 06 September 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	23/08/21	2.0	ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.	ScottishPower (MB)	Carried forward/Closed
0802	23/08/21	2.0	ScottishPower (MB) to add into the arrangements that changes to the PAF D should be discussed in an open meeting – amendment to 16.7.2 b)	ScottishPower (MB)	Closed
0803	23/08/21	2.0	ScottishPower (MB) to include in the arrangements that the PAC may be required to consult on any changes requested to the PAF D in an open meeting.	ScottishPower (MB)	Carried forward
0804	23/08/21	2.0	ScottishPower (MB) to produce a process flow/diagram to map the PAF D changes processes.	ScottishPower (MB)	Carried forward
0805	23/08/21	2.0	ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings.	ScottishPower (MB)	Carried forward
0901	06/09/21	4.0	Joint Office (AR) to look at the sign-off process of the Supplemental Report to ensure there is a completeness check	Joint Office (AR)	Pending
0902	06/09/21	4.0	Joint Office (AR) to ensure that parties are contacted to ensure meeting attendance	Joint Office (AR)	Pending
0903	06/09/21	5.0 Q1	Question 1: Comment on the right for the PAC to raise performance-related Modification proposal – ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text	ScottishPower (MB)	Pending

0904	06/09/21	5.0 Q2	Question 2: <i>Discuss business rule 2a and the corresponding legal text -</i> ScottishPower (MB) to update the Business Rule to reflect the Legal Text	ScottishPower (MB)	Pending
0905	06/09/21	5.0 Q3	Question 3: <i>Provide views on the facility for PAC to co-opt PAFAs personnel to Chair & Secretary PAC meetings -</i> Joint Office (AR) to arrange discussion on this topic with Penny Garner	Joint Office (AR)	Pending
0906	06/09/21	5.0 Q5	Question 5: <i>Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information -</i> ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business', (please to refer to the specific consultation response provided by SM for further reference.)	ScottishPower (MB)	Pending
0907	06/09/21	5.0 Q6	Question 6: <i>Clarify the rules with respect to quoracy:</i> : ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.	ScottishPower (MB)	Pending