

**UNC Workgroup 0719R Minutes
Calculation of Energy Value of Gas
Monday 01 June 2020
via Microsoft Teams**

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Cui (Secretary)	(HCu)	Joint Office
Bethan Winter	(BW)	Wales & West Utilities
Catherine Lister	(CL)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
David Mitchell	(DM)	SGN
Gareth Evans	(GE)	WatersWye
Jeanette Gregory	(JG)	Cadent
Joel Martin	(JM)	SGN
Luke Warner	(LW)	Northern Gas Networks
Phil Lucas	(PL)	National Grid
Shiv Singh	(SS)	Cadent
Steve Pownall	(SP)	Xoserve

**via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0719/010620>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 September 2020.

1.0 Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (04 May 2020)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

No late papers to approve.

1.3. Review of Outstanding Actions

0501: SGN (JM) to provide a copy of the Data Attribution Process Map.

Update: See item 2.0. **Closed.**

0502: National Grid (PL) to provide an overview of the daily CV calculation process and any manual interventions.

Update: See item 2.0. **Closed.**

0503: All parties to familiarise themselves with OAD Section F, OAD Section M, TPD Section C1.6, General Terms Section C3.3.1 and the Thermal Energy Regulations¹.

Update: No further action required. **Closed.**

¹ The Gas (Calculation of Thermal Energy) Regulations 1996 (as amended)

0504: Joint Office (AR) to issue a communication encouraging participation from GDNs and Shippers

Update: AR confirmed this had been circulated with the meeting invitation. **Closed.**

2.0 Review of current process

Phil Lucas (PL) provided a presentation on the current process for the Flow Weighted Average CV (FWACV) Calculation outlined in the Offtake Arrangement Document (OAD) Section F – Determination of Calorific Value. PL summarised the arrangements within OAD Section F4 and provided a flow diagram of the Daily CV Process, to illustrate the key inputs and outputs.

Joel Martin (JM) enquired about the 6 Scottish Undertakings and what offtakes these related to. Steve Pownall (SP) enquired about the 243 bio-methane offtakes and if these include facilities connected directly to the NTS.

New Action 0601: National Grid (PL) to confirm if NTS connected bio-methane points are included within the 243 bio-methane offtake count.

JM asked if there was any undertaking to hand-back the process to DNs, acknowledging that there may have originally been an expected end date to the provisions, with a transition period for this to be undertaken as a future DN role. [PL responded that the original end-dating of the service in UNC indicated an initial intention/understanding that DNOs or another party would take the process on from that point.](#) JM noted there was a legal obligation in the Thermal Energy Regulations for DNs to undertake FWACV calculations and suggested it would be worthwhile seeking a view from National Grid on whether they have any legal obligations.

SP asked about applied parameters, and if there was a tolerance/range where the CV values would be deemed invalid. PL referred to directed and non-directed measurements and that non-directed measurements cannot be used and clarified this was not with reference to any tolerance range. SP also asked about the CV capping rules, JM confirmed that the capping rules are set-out in the Thermal Energy Regulations and the UNC processes operated to deliver these rules. SP asked if National Grid could provide the number of instances of when capping had been applied.

New Action 0602: National Grid (PL) to provide the number of instances CV capping is applied/triggered.

Jeanette Gregory (JG) asked about the validation of CVs, where a CV is deemed problematic. JG continued that it was her understanding that DNs receive a notification, if there are any failures in the process and the re-attribution process is required.

PL referred to OAD UNC Related Offtake Communication Document, (page 11), [which specifies that the DNOs are required -F4.2.1 and the need for the to provision de CV -of information to National Grid \(to allow determination of Daily CVs\) as per F4.2.1 -noting the by -06:30am deadline on the day following the Gas Day.](#)

New Action 0603: National Grid (PL) to confirm if the “Loss of Record” occurs after D+5 and if so, what consequence does this have on the CV that has been determined.

PL also provided an overview of the manpower/resource requirements and the tasks required ~~for~~ [to provide](#) the core process, [PL noted that the resources specified in the presentation -which did not include costs of any IS support that may be required in respect of systems that deliver the process.](#) -PL confirmed that the process operates every day and requires up to 2 Full Time Equivalent members of staff, [the bulk of -whose -predominantly spend their time is spent](#) ensuring the [completeness and validity of the CV measurements that feed into the process.](#) PL also noted that a monthly report is provided to Ofgem, ~~but this had~~ [which was](#) -not been included in the manhours [quoted.](#) JM asked if it was possible for the DNs to be provided with a copy of the Ofgem monthly report. PL confirmed he would confirm if this can be provided.

New Action 0604: National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.

PL provided an overview of the [usage of Attributioned Usage-process measurements](#) over a 12-month period, ~~reporting~~ [which covered over](#) 45,000 measurements across 13 LDZs, ~~and the~~ [range of percentages of measurements](#) where attributed CV values were used ~~were~~ [quoted for DNs and LDZs](#).

JM provided a previous presentation, (courtesy of National Grid), to further explain the attribution mapping process, the purpose, the principles and to provide some mapping scenarios/examples.

The Workgroup considered the offtake flags “CV not valid” and “CV not Attributable” and how these are generated and communicated using file flows and how they apply to the FWACV calculation.

SP asked about the Hydrogen-Live trial taking place in September and if this needed to be considered within the process, going forward. It was noted that at the moment, hydrogen-blending is being deployed in small, discrete part of the network, and associated CV variance issues are being resolved directly with the affected customers, although it was noted that this may not be a suitable solution, if the scale of deployment increases. [PL noted that this issue was outside the scope of this Workgroup](#).

[PL commented that in terms of the levels of CV information provided \(by DNs to National Grid\) by D+1 08:30, performance per DN currently ranges between ~34% and ~95%.](#)

PL agreed two further actions:

New Action 0605: National Grid (PL) ~~Phil~~ to confirm in terms of the DN data provision levels at D+1 08:30, does the data ‘missing’ at this point contain a high proportion of bio-methane sites and if there are any discernible drivers for late data that National Grid observes.

New Action 0606: National Grid (PL) Phil to confirm how the CV and volume data is communicated between DNs and National Grid.

3.0 Review of arrangements in line with Thermal Energy Regulations

The Workgroup briefly considered the Thermal Energy Regulations, the arrangements outlined in the UNC and ability for arrangements to change. It was agreed a line by line review was not required.

4.0 Next Steps

The Workgroup considered and agreed, following today’s discussions, that the next meeting would review the options from a system and process perspective. See diary planning table.

JM confirmed that the DNs have organised an offline meeting to consider the various options of carrying out the process, which included a DN lead process and an option for Xoserve to operate the process on behalf of the DNs. JM explained a hybrid option where the DNs undertake the calculations and then pass these on had been considered but this had been discounted due to its complexities.

The Workgroup considered a further option of ‘do-nothing’ with funding for National Grid under a “paid for” service, which JM confirmed had been briefly discussed as an interim service until an alternative process could be established. PL confirmed that a “do nothing” approach without covering National Grid’s costs was not a palatable option for National Grid.

The Workgroup briefly considered National Grid continuing to provide the service with better contractual arrangements.

SP asked if National Grid required the calculations for other processes and it was clarified that National Grid use calculated CV values in relation to shrinkage.

JM confirmed that SGN will present the various options at the July meeting, and invited National Grid to consider continuing the current service with improved contractual arrangements and scope to charge for the service.

The Workgroup briefly considered paragraph OAD F3.2.2, which allowed National Grid to discontinue the provision of data, impose a reasonable charge for the service, or allow a modification to the process upon giving at least 6-months' notice.

New Action 0607: National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.

5.0 Any Other Business

None.

6.0 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 Monday 06 July 2020	5pm Friday 26 June	Teleconference	Discuss / analysis of alternate options (GDNs / Xoserve / NTS).
10:00 Monday 03 August 2020	5pm Friday 24 July	TBC	Develop selected options / project plan for solutions / UNC Modification requirement if applicable. Develop Workgroup Report
10:00 Monday 07 September 2020	5pm Friday 28 August	TBC	Finalise Workgroup Report

Action Table (as at 01 June 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	04/05/20	2.2	SGN (JM) to provide a copy of the Data Attribution Process Map.	SGN (JM)	Closed
0502	04/05/20	2.2	National Grid (PL) to provide an overview of the daily CV calculation process and any manual interventions.	National Grid (PL)	Closed
0503	04/05/20	2.2	All parties to familiarise themselves with OAD Section F, OAD Section M, TPD Section C1.6,	All	Closed

Action Table (as at 01 June 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			TPD General Terms Section C3.3.1 and the Thermal Energy Regulations.		
0504	04/05/20	2.2	Joint Office (AR) to issue a communication encouraging participation from GDNs and Shippers	Joint Office (AR)	Closed
0601	01/06/20	2.0	National Grid (PL) to confirm if NTS connected bio-methane points are included within the 243 bio-methane offtake count.	National Grid (PL)	Pending
0602	01/06/20	2.0	National Grid (PL) to provide the number of instances CV capping is applied/triggered.	National Grid (PL)	Pending
0603	01/06/20	2.0	National Grid (PL) to confirm if the “Loss of Record” occurs after D+5 and if so, what consequence does this have on the CV that has been determined.	National Grid (PL)	Pending
0604	01/06/20	2.0	National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.	National Grid (PL)	Pending
0605	01/06/20	2.0	National Grid (PL) Phil to confirm in terms of the DN data provision levels at D+1 08:30, does the data ‘missing’ at this point contain a high proportion of bio-methane sites and if there are any discernible drivers for late data that National Grid observes.	National Grid (PL)	Pending
0606	01/06/20	2.0	National Grid (PL) Phil to confirm how the CV and volume data is communicated between DNs and National Grid.	National Grid (PL)	Pending
0607	01/06/20	4.0	National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.	National Grid (PL)	Pending