

UNC Workgroup 0799 Minutes
UNC arrangements for the H100 Fife project (100% hydrogen)
Wednesday 27 June 2022
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Andy Clasper	(AC)	Cadent
Angela Joyce	(AJo)	Octopus Energy
Anik Abdullah	(AA)	SECAS
Anne Jackson	(AJ)	IGT UNC
Ben Madden	(BMa)	Hydrogen UK
Ben Mulcahy	(BMu)	NGN
Clare Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Next Energy
Eric Fowler	(EF)	Association of Meter Operators
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Graeme Cunningham	(GC)	British Gas
Jaimee LeResche	(JL)	Xoserve
Joel Martin	(JM)	SGN
Jonathan Dennett	(JDe)	Cadent
Jon Dixon	(JDi)	RECCo
Julie Cox	(JCx)	Energy UK
Kate Lancaster	(KL)	Xoserve
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Michael Donnelly	(MD)	Hydrogen UK
Michael Robinson	(MR)	ScottishPower
Michelle Niits	(MN)	Xoserve
Oliver Weston	(OW)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Paul Senior	(PS)	Utilita
Richard Pomroy	(RP)	Wales & West Utilities
Rosie McGlynn	(RM)	SGN
Sally Hardman	(SHa)	SGN
Sallyann Blackett	(SB)	EON
Sam Hughes	(SHu)	Citizen's Advice
Shiv Singh	(SS)	Cadent
Simon Harris	(SH)	Xoserve
Tahir Mahmood	(TM)	National Grid
Tracey Saunders	(TS)	Northern Gas Networks
Victoria Mustard	(VM)	Xoserve

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0799/270622>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 August 2022.

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed parties to the meeting confirming that the June UNC Modification Panel had identified new issues when considering the Final Modification Report (FMR) and had requested a Supplemental Report.

Joel Martin (JM), the proposer of the Modification, gave an overview of the Hydrogen trial on a brand new Hydrogen network in Scotland from a renewable energy source. The purpose of Modification 0799 is to amend arrangements in the UNC to facilitate the use of 100% Hydrogen gases specifically required for the industry H100 Fife Ofgem Network Innovation Competition project from June 2023 for a duration of 5 years. The trial will involve up to 300 domestic methane customers switching over to a Hydrogen supply, requiring the replacement of meters and boilers.

2.0 Consequences of Modification 0799 for Gas Suppliers

The Workgroup considered each of the Supplier concerns/questions raised and comments/views were captured for inclusion within the Final Modification Report Supplemental Report.

These were published ahead of the meeting.

Mark Bellman (MB) raised two aspects on the trial and how the proposal works, requiring all Suppliers to assist in proving that hydrogen can be used for domestic properties and ability to mitigate the impact of the trial, including suitable tariffs, billing and ability to switch.

The Workgroup considered:

- That an Ofgem Impact Assessment should be undertaken.
- That Ofgem should progress a Request for Information (RFI) from Suppliers, Agents and central industry parties to evaluate the costs of changes to systems and processes.

The Workgroup concluded that there were a reasonably large number of areas and processes which need to be addressed as to their impact on Shippers and Suppliers and Shipper's/Supplier's systems, whether or not the Shipper/Supplier has customers in the trial area. It was agreed that the materiality of this impact should be made known by Shippers/Suppliers themselves to Ofgem on a confidential basis.

3.0 Development / Completion of Workgroup Report

RHa presented the FMR and Supplemental Report which was reviewed by the Workgroup.

The Workgroup considered the impacts on Suppliers and concluded during discussions that there was no further anticipated changes to the Modification.

The Workgroup considered the ability to raise an Alternative Modification. RHa confirmed that as the Modification has been consulted upon, an Alternative could not be raised at this stage of the process. The Workgroup considered the ability of a Party to raise a new Modification which could be considered separately.

Sam Hughes (SHu) raised concerns about considering the Shipper issues raised within the Consultation process. Joel Martin's (JM) view was that the Shipper issues have been considered in the Workgroup. It was acknowledged there are a number of impacts on Suppliers and these have been considered by the Workgroup, though these are not strictly speaking UNC issues.

It was recognised there was a need for further discussions with REC and SEC. The Workgroup identified there were no changes required to REC and SEC, in terms of processes for REC this would be business as usual, it was not clear from discussion if these impacts were material.

It was agreed that no material issues were raised in the representations or at today's meeting from REC representatives. The primary issue for Shippers were in terms of financial costs as a large number of operational processes needed to be considered by Shipper and Suppliers.

Eric Fowler (EF) confirmed nothing had been identified in Retail Energy Code (REC) Metering Expert Panel, some minor technical concerns were noted and these are being handled. The Cross Code impacts were therefore considered not to be material.

Some Workgroup Participants suggested that the distribution of costs needs to be considered and believed Ofgem should be asked to consider the costs Ofgem may be able to assist with this through an Impact Assessment.

The Workgroup considered whether a Variation Request would be suitable. However, the Proposer did not believe this was necessary as there was no suggestion of a change which would be applicable and he did not plan to vary the Modification.

It was considered that the Workgroup was not in a position to provide an assessment on the financial impacts and it was suggested that an Ofgem impact assessment may be a recommendation the Workgroup wish to make.

All Workgroup Participants wished to ask Ofgem to consider a financial impact assessment and the distribution of costs associated with this Modification 0799.

The Workgroup concluded that there were no additional areas for further Workgroup assessment and wished the Final Modification Report Supplemental Report to be considered by UNC Modification Panel on 21 July 2022.

4.0 Next Steps

RHa confirmed that the completed Final Modification Report with Supplemental Report for submission to the 21 July 2022 UNC Modification Panel with a recommendation that the Modification is issued to Ofgem to consider implementation.

5.0 Any Other Business

None.

6.0 Diary Planning

No more Workgroup meetings were planned at this stage.