

**UNC Transmission Workgroup Minutes**  
**Thursday 04 May 2023**  
**via Microsoft Teams**

<b>Attendees</b>		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	SEFE Energy Ltd
Alex Neild	(AN)	Storengy
Anna Shrigley	(ASh)	ENI
Anna Stankiewicz	(ASt)	National Gas Transmission
Antony Miller	(AM)	South Hook Gas
Benjamin Cull	(BC)	Department for Energy Security and Net Zero
Carlos Aguirre	(CA)	Pavilion Energy
Chris Wright	(CWr)	ExxonMobil Gas Marketing Europe Limited
Christiane Sykes	(CS)	Shell
David Mitchell	(DM)	Scotia Gas Networks
Eddie Proffitt	(EP)	Major Energy Users Council
Ellie Rogers	(ER)	Xoserve
Hannah Reddy	(HR)	Correla on behalf of Xoserve
James Lomax	(JL)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randel	(JR)	National Gas Transmission
Julie Cox	(JCx)	Energy UK
Kathryn Adeseye	(KA)	Xoserve (0844 only)
Kirsty Appleby	(KA)	National Gas Transmission
Lauren Jauss	(LJ)	RWE
Lucy Manning	(LM)	BP
Mariachiara Zennaro	(MZ)	Centrica
Marion Joste	(MJ)	ENI
Maryam Khan	(MK)	Ofgem
Megan Bray	(MB)	National Gas Transmission
Nick Wye	(NW)	Waters Wye Associates
Oliver Weston	(OW)	Ofgem
Ofordi Nabokei-Hazekamp	(ONH)	National Gas Transmission
Ore Ogundipe	(OO)	Interconnector
Phil Hobbins	(PH)	National Gas Transmission
Phil Lucas	(PL)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Richard Pomroy	(RP)	Wales & West Utilities
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	SEFE Energy Ltd

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

Please note these minutes do not replicate 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 papers are available at: <https://www.gasgovernance.co.uk/TX/040523>

## 1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

### 1.1. Approval of minutes (06 April 2023)

The minutes from the previous meeting were approved.

### 1.2. Approval of Late Papers

It was noted that some information was provided late in support of providing the Action updates and Horizon Planning updates. All papers provided were approved for consideration.

### 1.3. Review of Outstanding Actions

**1201:** National Grid (PL) to provide more clarity about emergency procedures and scenarios when overruns occur.

**Update:** Phil Lucas (PL) provided a detailed action update. Please see publication 1.3. **Closed.**

**0102:** National Grid (PL) to provide a cross-reference between UNC Section B and Section J about Overruns.

**Update:** Phil Lucas (PL) provided a detailed action update. Please see publication 1.3. It is anticipated that a UNC Modification will be raised in due course. **Closed.**

Lauren Jauss (LJ) expressed a need for greater understanding where a party does not hold any capacity rights. PL explained under Sections I and J National Gas Transmission (NGT) are not obliged to [provide capacity accept gas into, or make gas available for offtake from, the System](#) in excess of capacity rights. PL clarified that NGT are not stipulating they can't or won't [provide capacity allow such flows,](#) only that they are not under an obligation [in the UNC](#) to do so. PL further explained that holding sufficient capacity [means that Users](#) avoids [exposure to](#) supply point ratchet and overrun charges, but parties do not have to hold capacity and are still able to offtake gas if capacity is not held. LJ requested more narrative on the process if a party does not have the capacity, for example, how gas is made available above and beyond purchased capacity rights. It was suggested that NGT (PL) should consider the operational elements of users not having sufficient capacity with the Modification [however PL questioned if there was a need to do so.](#)

Jeff Chandler (JCh) [questioned the rationale for not including a](#) [enquired if there would be an impact across reference to TPD Section Q in TPD B1.3.1.](#) Referring to [the action response provided PL summarised that none of the other commercial activities dis-applied in stage 2 of a Gas Deficit Emergency \(as set out in -TPD Q4.1.1-\(a\)-\(i\), PL\) contain such a cross reference to TPD Section Q -confirmed there will be no additional commercial activity for stage 2 Gas Deficit Emergencies, as not to prevent entry when in a gas emergencyhence to do so for B1.3.1 only would not be appropriate.](#)

Julie Cox (JCx) enquired about what happens when a party exceeds their capacity holding seeking clarification in respect of a contradiction between TPD Section B and J [in the context of offtake rates \(i.e. hourly\).](#) PL explained this was not within the scope of this proposal. JCx expressed that NGT needs to address the concerns which have been raised.

Workgroup agreed that the original action could be closed and replaced with a new one.

**New Action 0501:** National Gas Transmission (PL) to provide an explanation of [inconsistencies why it's Proposal between regarding B 1.3.1 \(which allows contemplates offtake without holding capacity\) and will not encompass J 3.10.1 and 3.10.25](#) which limits [entitlement to offtake to the maximum](#) rate of offtake ~~or NGT obligations to a rate determined by capacity holdings.~~

#### 1.4. Industry Update from Ofgem

The following update was provided to the estimated decision dates timetable published on 25 April 2023 at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	TBC
0761 - Arrangements for Interconnectors with additional Storage capability	28 April 2023 To be updated
0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers	19 May 2023
0818 - Releasing of unused capacity under a specific set of circumstances	Rejected 24 April 2023
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	22 December 2023

#### 1.5. Pre-Modification discussions

##### 1.5.1. Capacity Holding at Rough

The Proposer's Representative Nick Wye (NW) introduced the Modification, explaining that it will ensure existing capacity holdings at the Easington ASEP can be utilised at the Rough Storage ASEP during Winter 2023/24 in the same way as they were during Winter 2022/23.

The proposal seeks to extend to Winter 2023/24, the capacity redesignation mechanism introduced by Urgent Modification Proposal UNC817 - *Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP*, in response to the disaggregation of the rough facility from the Easington ASEP in August 2022, as a consequence of the resumption of gas storage activities at Rough. The mechanism will enable Centrica Storage Limited (CSL) to redesignate the capacity which it holds at the Easington ASEP for use at the rough storage NTS Entry Point so that it has an assurance that it will have sufficient capacity to support the withdrawal of stored gas as and when required over the Winter of 2023/24.

NW explained the Modification would open access to all Shippers to optimise capacity holding and not be restricted to Centrica. NW clarified once moved/transferred the capacity parties will not get the storage discounts.

NW proposed that as the Modification is an extension of arrangements the assessment period should be limited to 1 month to enable implementation for this Winter.

##### 1.5.2. Alignment of Entry and Exit Capacity Constraint Management Provisions

The Proposer, Phil Lucas (PL) provided an overview of the current capacity constraint management arrangements referred to in UNC TPD Section B and the Licence Conditions. PL explained this proposal will seek to enhance clarity/transparency in the UNC of the approach taken by NGT in the management of Exit Capacity Constraints.

PL explained from an operational perspective there would be no change in the way NGT currently operates in accordance with the System Management Principles (SMPS) and ExCR in the management of Exit Capacity Constraints. It was therefore proposed that the Modification should be considered an immaterial change and subject to Self-Governance.

JCx expressed general concerns about issues that exist with inconsistencies [between methodologies and the UNC](#), and this is not being actively addressed. JCx wished for more clarity on the hierarchy of the System Management Principles, Licence and UNC.

PL confirmed Transporters must adhere to the Licence. The obligation to adhere to the System Management Principles is set out in the Licence.

Steve Mulinganie (SM) suggested a review is undertaken by raising a Request to address the observed inconsistencies within the UNC.

**New Action 0502:** Request to be submitted to investigate apparent inconsistencies between the System Management Principles (SMPs), Licence and UNC.

### **1.5.3. Hydrogen Blending: Commercial Framework Review**

The Proposer, Megan Bray (MB) introduced the Request advising that the Department for Energy Security and Net Zero (DESNZ) are set to make a decision on hydrogen blending into the Gas Distribution Networks. The current assumptions are that blending hydrogen into the networks will provide an interim role in reducing carbon emissions as the industry transitions to 100% Hydrogen. The application of blending needs to be compatible with existing market arrangements, with minimal amendments to implement. The purpose of the Request will be to identify and develop the necessary commercial framework changes required to enable hydrogen blending into the Distribution and Transmission Networks.

MB provided a timeline with the key assumptions and parameters. MB proposed that the review would require 6 months, with an objective to agree on commercial framework changes required by the wider industry and to raise suitable Modifications.

The Workgroup considered the maximum volumes of up to 20% hydrogen and how long the initial 5% blend volumes would be in place. MB explained that there is no timeline for this as the detail needs to be considered on the move up to 20% with more changes to the market framework. MB explained the main drivers for limiting the initial blend volumes to 5% linked to the settlement regime, future billing methodology and CV capping risks.

It was suggested a separate Workgroup is formed to facilitate a diverse range of engagement to include Distribution and Transmission Networks, Shippers, major energy users, Producers, IGTs, and DESNZ.

It was challenged why there would be a limit of 5%. It was noted that work is being undertaken with end users about variability which could be a problem for some users to manage due to the potential need to adjust burners and Networks to manage. It was suggested this would need further consideration within the Workgroup, to understand the issues and build the framework around the recipients of the product.

Other areas of concern were raised which included how realistic the GS(M)R process timeline is, gas exports if there is a cap, capability with European counterparts if there is a separation between Distribution and Transmission how this would be captured, impact to groups such as Generators whose equipment may not be covered by manufacturer warranty if running on a Hydrogen blend. It was agreed that the first Workgroup would need to capture the various considerations required.

## **2. Overrun Update**

Ofordi Nabokei-Hazekamp (ONH) provided an overview of the Entry and Exit Overruns from October 2022 to February 2023, confirming that Adjustments had not been included within this update, these will be incorporated later.

Please refer to the published presentation for full details.

## **3. Milford Haven Risk**

On hold until September 2023.

## **4. Gas Safety (Management) Regulations Review GS(M)R**

No further update.

## **5. Transmission Change Horizon Plan**

National Gas Transmission provided the current Change Horizon Plan.

Kirsty Appleby (KA) reported that NGT, in partnership with Xoserve and Correla is undertaking a programme of work to significantly modernise and enhance the Gemini Platform, this programme of work is called Gemini Sustain Plus. Industry feedback has highlighted that there is a need to improve functional and non-functional aspects of the platform, alongside the requirement to improve the overall customer experience. The scope of the programme was outlined. For full details please refer to the published presentation.

The programme is aiming to deliver in quarter 3 of 2024. Engagement Planning for future targeted comms and industry engagement is underway. Industry focus groups will be organised in the coming months, providing visibility of progress, and sharing initial impacts.

Hannah Reddy (HR) explained this will involve a technical refresh with some functional changes. The intention will be to minimise the external impacts as much as possible. The look and feel will change and will be communicated. Customer System impacts such as API, IX and exchange interfaces are being considered.

## 6. Workgroups

The following Workgroup meetings took place:

### 6.1. 0844 - Enabling Direct Contractual Arrangements with Consumers for Demand Side Response National Gas (PH) Information 6.2

(Report to Panel 15 June 2023)

<https://www.gasgovernance.co.uk/0844>

### 6.2. 0845 -Enhancements to Demand Side Response (DSR) Arrangements including a D-5 Product

(Report to Panel 15 June 2023)

<https://www.gasgovernance.co.uk/0845>

## 7. New Issues

No new issues were raised.

## 8. Any Other Business

None raised.

## 9. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Tuesday 16 May 2023	Agreed later publication deadline of noon Friday 12 May 2023	Microsoft Teams	Workgroups 0844 and 0845
10:00 Thursday 01 June 2023	5 pm Tuesday 22 May 2023	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 06 July 2023	5 pm Wednesday 28 June 2023	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 03 August 2023	5 pm Wednesday 26 July 2023	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 September 2023	5 pm Wednesday 30 August 2023	Microsoft Teams	Standard Transmission Workgroup Agenda

10:00 Thursday 05 October 2023	5 pm Wednesday 27 September 2023	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 November 2023	5 pm Wednesday 25 October 2023	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 December 2023	5 pm Wednesday 29 November 2023	Microsoft Teams	Standard Transmission Workgroup Agenda

Transmission Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1201	01/12/22	1.3	National Grid (PL) to provide more clarity about emergency procedures and scenarios when overruns occur.	May 2023	National Gas (PL)	<b>Closed</b>
0102	05/01/23	1.3	National Grid (PL) to provide a cross-reference between UNC Section B and Section J about Overruns.	May 2023	National Gas (PL)	<b>Closed</b>
0501	04/05/23	1.3	National Gas Transmission (PL) to provide an explanation of <a href="#">why it's Proposal regarding inconsistencies between B-1.3.1 (which <u>contemplates</u> allows offtake without holding capacity) will not encompass and J 3.10.1 and 3.10.52 which limits entitlement to offtake to the maximum rate of offtake or NGT obligations to a rate determined by capacity holdings.</a>	June 2023	National Gas (PL)	<b>Pending</b>
0502	04/05/23	1.5.2	Request to be submitted to investigate apparent inconsistencies between the System Management Principles (SMPs), Licence and UNC.	TBC	Sponsor Required	<b>Pending</b>