

UNC Transmission Workgroup Minutes
Thursday 05 May 2022
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild	(AN)	Storengy
Andrew Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	WWU
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Emma Buckton	(EB)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Hannah Reddy	(HR)	Correla
Hursley Moss	(HM)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Joseph Glews	(JG)	Ofgem
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Leon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Marion Joste	(MJ)	ENI
Mark Barnes	(MB)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	Northern Gas Networks
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Shiv Singh	(SS)	Cadent
Steve Blackler	(SB)	E (0806)
Steve Mulinganie	(SM)	Gazprom
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/050522>

1. Introduction and Status Review

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

1.1. Approval of minutes (07 April 2022)

The minutes from the previous meeting was approved.

1.2. Approval of Late Papers

EF noted 1 late paper had been provided for information after the publication deadline.

1.3. Review of Outstanding Actions

0203: Joint Office to investigate how the process works and how to be able to move away from TBC implementation dates.

Update: Eric Fowler (EF) explained the Modification assessment process, the ability to consider implementation dates within the Workgroup Assessment and seek input from the CDSP to provide an indication of likely implementation dates. It was agreed going forward these options would be utilised for the Workgroup Report. The Workgroup agreed to close the action. **Closed.**

0401: Overruns to be reviewed in August to consider the effectiveness and impact of industry changes to the regime.

Update: Deferred until August. **Carried Forward.**

1.4. User Representative Appointment Process

EF reminded delegates of the key stages and dates associated with the process:

Key Stages	Commencing:	Respond by:
Registration of Single Point of Contact (SPoC)	by 09 May 2022	by 27 May 2022
Single Point of Contact (SPoC) to submit nominations for Membership	by 06 June 2022	by 24 June 2022
Membership Election (<i>if nominations received exceed the required representative's positions</i>)	by 11 July 2022	by 29 July 2022
Notification of Membership	01 September 2022	
Membership Commences	01 October 2022	

1.5. Industry Update from Ofgem

Joseph Glews (JG) provided the Ofgem update for the below listed items. For full details, please refer to the Industry Update from Ofgem published at:

<https://www.gasgovernance.co.uk/tx/050522>.

- Decision on the proposed Interconnection Agreements between BBL Company and National Grid Gas
- Decision and direction further to National Grid Gas Plc's request for Derogation under Special Condition 9.18 of its Gas Transporter Licence
- Statutory Consultation to modify the Price Control Financial Instruments and Licence conditions for Gas Transmission and Gas Distribution

Please see the April 2022 update of the Code Modification/Modification proposals with Ofgem for decision – Expected publication dates timetable at:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgemdecision-expected-publication-dates-timetable>

1.6. Pre-Modification discussions

None discussed.

2. Gas Safety (Management) Regulations - GS(M)R Review

Phil Hobbins (PH) provided an update on the GS(M)R review explaining the background to amending the lower Wobbe limit. Full details can be found on the published presentation: www.gasgovernance.co.uk/tx/050522.

PH explained if the Lower limit for Wobbe amendment is approved it may result in some NTS entry points delivering gas with a lower Wobbe Index and consequently a lower Calorific Value (CV). PH confirmed that if there is a lower CV, there is a potential risk to CV Shrinkage as a consequence for the GS(M)R Review.

PH explained that a survey had been issued to NTS terminal operators with two questions, to understand the impacts, and committed to report on the results:

13 responses were received out of 18 surveys issued

- 8 responses indicated no change to the range of CV of gas expected to be delivered
- 3 responses indicated minor changes $<0.2\text{MJ/m}^3$ to the lowest CV they may deliver
- 2 responses indicated potential changes between 0.5 MJ/m^3 and 0.8 MJ/m^3 to the lowest CV they may deliver

PH went on to explain the analysis approach and the results for two terminals. In conclusion if the Wobbe Index lower limit is reduced National Grid Gas (NGG) consider it unlikely that a change to the CV range of gas delivered from the majority of NTS entry points would manifest. It was noted that some minor reductions in CV levels could be seen at a few terminals but it was unlikely to result in material increased CV shrinkage risk. Two terminals may deliver more materially lower CV supplies. However, NGG consider it unlikely that additional CV Shrinkage will arise as a consequence.

Jeff Chandler (JCh) asked if further data will be shared with Shippers operating in the locality. PH offered to share further information with Shippers.

Julie Cox (JCx) enquired about **slugs of lower CV** gas and any planned communications, relating to this. PH agreed to feedback comments to the liaison team.

Chris Wright (CW) challenged if the HSE had access to information on CO related deaths and how the HSE arrived at their conclusion without this.

JCx suggested the Workgroup needed to consider the rules and the reality of operators delivering at the lower Wobbe Index limit, the challenges for Combined Cycle Gas Turbine (CCGT) operators and the lead times required for engineering assessment by OEMs and any adaptation required. JCx expressed concern about efficiency, processes and the next challenges of Hydrogen Blend.

Steve Mulinganie (SM) expressed concern about there being a vested interest, but no joined up thinking, he was concerned that there is no overview to understanding the consequences of decisions.

New Action 0501: National Grid (PH) to enquire with terminals if further Wobbe delivery information can be shared.

3. Transmission Change Horizon Plan

Anna Stankiewicz (ASt) provided an update on the National Grid Change Horizon plan, reporting:

- Modification 0785: Part B implemented ahead of the April invoices process.
- Modifications: 0752S, 0755S and 0759S (XRN5393) implemented 24 April 2022.
- API Enhancements: back on track.
- Modification 0779/0779A: Ofgem decision TBC
- Controls and Batch processing: design complete

JCx expressed concern with the 0779/0779A Ofgem decision and working at risk. JCx also enquired about the potential implementation date. ASt believed this was being considered for the Autumn release due 01 October 2022. It was agreed to add some additional information on potential implementation dates to the Horizon Plan.

Lauren Jauss (LJ) confirmed there was a 7-month delivery lead time associated with Modification 0779/0779A and that some work had started at risk to prepare, with a focus on needing to achieve the October deadline.

SM enquired about the challenges for the DSC Change Management Committee. Malcolm Montgomery (MM) advised of resource constraints with a focus on the Spring release. Richard Fairholme (RF) noted issues with the lack of feedback and transparency in relation to Gemini changes. The Workgroup considered the interactions with the Change Management Committee and the need to present views from the Transmission Workgroup. SM suggested the ultimate question is if the change can still be delivered for 01 October. JCx expressed concern that the recent DSC Change Management minutes do not provide the re-assurances that the Transmission Workgroup are looking for.

ASt explained the Horizon Plan includes the development at risk, analysis and post-delivery support, explaining why the plan appeared to expand into November. ASt agreed to consider how this could be better illustrated within the plan to provide more clarity.

LJ wished to understand the latest Ofgem could provide a decision to achieve implementation on 01 October 2022. Ofgem welcomed any additional information in relation to the need for a decision by a certain date.

4. Overrun Update

Deferred until August.

5. Workgroups

5.1. 0801 - Removal of capacity and balancing services from the role of CDSP

(Report to Panel 18 August 2022)

<https://www.gasgovernance.co.uk/0801>

5.2. 0805S - Introduction of Weekly NTS Exit Capacity Auctions

(Report to Panel 16 June 2022)

<https://www.gasgovernance.co.uk/0805>

5.3. 0806S - Change to Curtailment Trade Price Compensation in Section Q

(Report to Panel 21 July 2022)

<https://www.gasgovernance.co.uk/0806>

6. New Issues

No new issues raised.

7. Any Other Business

7.1. Energy Capacity Release Consultation (late item 04/05)

Anna Stankiewicz (ASt) confirmed that on 19 April 2022 National Grid Gas (NGG) launched a consultation on the proposed changes to the Entry Capacity Methodology Statement. NGG's response to the feedback received, as well as non-confidential responses to the consultation, have been published at: <https://www.nationalgrid.com/gas-transmission/capacity/capacity-methodology-statements> (Entry capacity release (ECR)/2022 annual review – consultation).

ASt confirmed that NGG have considered the responses received and were not proposing to change their original proposal, based on the feedback, and have submitted it for approval to the Authority. ASt confirmed that a capability assessment, a re-run of the analysis over 5 years, had been included in the response.

Julie Cox (JCx) enquired when NGG were aware of the issues and the publication of the Summer Outlook Report. ASt confirmed National Grid for some time late March/early April, the timescales of notifying the industry was dictated by the monthly auction and wanting to avoid changing booking behaviours for the month of May, due to consequential risks to constraint management.

Chris Wright (CW) enquired in relation to Milford Haven when Ofgem will make a decision and what will happen if Ofgem make a decision on or after the auctions have taken place. ASt

confirmed it was reasonable to assume there will be an Ofgem decision on 09 May 2022. Joseph Grew (JG) was not in a position to provide assurances that a decision would be provided on 09 May but hoped to be in a position to make a decision in good time.

CW challenged what will happen if a decision is not provided before the auction questioning the validity of the process. ASt understood that NGG will have to make all the capacity available offered/secured before the Ofgem decision. If the Ofgem decision is after 11 May capacity will be subject to the provision of the decision going forward. Deals struck at the time will be honoured until subsequent auctions are conducted.

Adam Bates (AB) suggested if a decision is not provided by close of play 10 May it would not be appropriate to provide a decision during the auction. JG agreed to take the feedback away about the decision dates and appropriateness of providing a decision mid auction process.

Julie Cox (JCx) expressed concerned about the communication of the ECR Consultation and engagement with the industry, noting the subject heading of the 7-day consultation, did not alert parties to an exceptional situation. ASt acknowledged the timing of the issue especially around the Easter break was not ideal. Joshua Bates (JB) understood the communication concerns and agreed to take away the learning points. Adam Bates (AB) was unsure why the principles could not have been discussed at an industry level without the commercial sensitive details.

Chris Wright (CW) enquired whether this action complies with the System Management Principle Statement (SMPS) and if the SMPS will be updated. ASt confirmed if the decision is positive from Ofgem the SMPS will be updated with a consultation in May.

Jeff Chandler (JCh) asked about changes to the SMPS for more frequent auctions. ASt explained the ability to withdraw only in certain circumstances, and NGG were not planning to change the rules.

AB enquired about the maintenance plan, capabilities and if this will apply to all entry points not just Milford Haven. ASt did not believe there was a similar risk at the Isle of Grain.

JCx enquired about non-approval and what happens next in relation to base lines. ASt confirmed the solution put forward that can be implemented by the Summer.

Post Meeting Note:

Ofgem's decision on the 09 May 2022 approved the proposed ECR. On the 10 May 2022 the Energy Networks Association (ENA) released the following message:

Please note there will be an amendment made to the amount of capacity offered at Milford Haven in the Rolling Monthly Transfer & Trade System Entry Capacity (RMTNTSEC) auction which will run on 11th May, for capacity period June 2022. The potential for this change was described in the RMTNTSEC invitation letter (issued 4th May) and follows Ofgem's decision on 9th May to approve the proposed ECR revisions. The volume of Unsold NTS Obligated Firm Entry Capacity that will be made available at Milford Haven in the June RMTNTSEC will be 343,000,000kWh/d.

Please direct enquiries to the Capacity Auctions team: capacityauctions@nationalgrid.com.

2. Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 09 June 2022 (BH 2 nd June)	5pm Monday 30 May 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 July 2022	5pm Wednesday 29 June 2022	Microsoft Teams	Standard Transmission Workgroup Agenda

10:00 Thursday 04 August 2022	5pm Wednesday 27 July 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 01 September 2022	5pm Wednesday 24 August 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 06 October 2022	5pm Wednesday 28 September 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 03 November 2022	5pm Wednesday 26 October 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 01 December 2022	5pm Wednesday 23 November 2022	Microsoft Teams	Standard Transmission Workgroup Agenda

Action Table (as of 05 May 2022)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0203	03/03/22	4.0	Joint Office to investigate how the process works and how to be able to move away from TBC implementation dates.	April 2022	Joint Office (secretary)	Closed
0401	07/04/22	4.0	Overruns to be reviewed in August to consider the effectiveness and impact of industry changes to the regime	August 2022	National Grid (ASt)	Carried Forward
0501	05/05/22	2.0	National Grid (PH) to enquire with terminals if further Wobbe delivery information can be shared.	June 2022	National Grid (ASt)	Pending