

**UNC Transmission Workgroup Minutes**  
**Thursday 06 January 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Blair	(ABl)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(DHi)	National Grid
Davide Rubini	(DR)	Vitol
Debra Hawkin	(DHa)	TPA Solutions
Emma Buxton	(EB)	Northern Gas Networks
Hannah Reddy	(HR)	Corella
Henk Kreuze	(HK)	Vermilion Energy
Hursley Moss	(HM)	Cornwall-Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	Conoco Phillips
Lauren Jauss	(LJ)	RWE
Malcolm Montgomery	(MM)	National Grid (from 2:30)
Marion Joste	(MJ)	ENI
Mark Field	(MF)	Sembcorp
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	NGN
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Hounslea	(RHo)	National Grid
Richard Selmen	(RSe)	Ancala Midstream
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rudi Streuper	(RSt)	BBLC
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/060122>

**1. Introduction and Status Review**

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

### 1.1. Approval of minutes (22 & 29 November, 02 December 2021)

The meeting from the previous meetings were approved.

### 1.2. Approval of Late Papers

EF noted with unpredicted times and time constraints on parties, there had been the publication of a number of late papers for the meeting. Due to the Christmas period, it was agreed not to formally vote this month on approving late papers. EF wished to note the need to push a discipline for timely papers from February to assist and allow consideration of material ahead of meetings, especially where papers require decisions. EF encouraged the provision of papers where parties will need to form opinions/express views and that these are provided in good time to allow consideration ahead of meetings.

### 1.3. Review of Outstanding Actions

**1101:** Ofgem (ML) to consider the concerns raised regarding the interim ability to implement Modification 0785 in light of the licence change.

**Update:** Max Lambert (ML) confirmed Ofgem had equal concerns, which had been communicated to National Grid. ML confirmed that National Grid have responded with an accelerated implementation timeline and was assured that National Grid are working to comply as soon as possible. Ritchard Hewitt (RHe) asked for Ofgem to note the Modification's timeline, the delivery date and the need for Ofgem to provide a timely decision to enable 01 March 2022 implementation date to be achieved. **Closed.**

**1102:** Xoserve (HR) to provide a view on the ability to re-prioritise system changes, particularly Modification 0785.

**Update:** See Action 1101. No further update. **Closed.**

**1103:** National Grid Gas (MM) to provide a formal response to the industry regarding the available capacity.

**Update:** Malcolm Montgomery (MM) provided an update with an accelerated plan to deliver competing auctions from 01 March 2022 and a second phase starting April.

Pavanjit Dhesi (PD) asked about the interim period solution whereby the baseline capacity will be reduced to 80% on a pro-rata basis for both parties, PD thought this had been previously dismissed as an option. MM explained the constraints with time and the ability to implement complete options in line with the obligations and the need to find a solution which fairly shares what National Grid can manage in the interim period. ML was asked for a view on limiting the capacity in the interim period, recognising a time lag from the licence and UNC implementation. ML expressed that the interim solution was not the one hoped for or expected. ML recognised that system wide changes are required to manage the competing auctions and these changes cannot be made overnight.

MM confirmed the 100% baseline is being offered when the system solution is implemented. In the interim 80% will be offered until system implementation. MM confirmed non-obligated releases will be made.

Some concern was expressed about the communication for the solution and disappointment that a dismissed option had been utilised at very short notice. It was acknowledged that National Grid at the time of Workgroup discussions had not been able to undertake a full system solution assessment and the confirmation of the ability to provide a fully systemised solution was not possible.

Anna Shrigley (ASh) enquired about the capacity which has been sold for BBL and if this was sold utilising within-day or day-ahead auctions. MM confirmed within-day auctions. MM also confirmed firm capacity will be available for all future auctions from January.

MM noted the request for National Grid to provide a response to re-evaluate baseline capacity. MM explained that the baselines are agreed as part of the Price Control settlements, non-obligated capacity release is determined dynamically and published when relevant auctions are published so that the most up to date assessment is used, and that a new annual process has been initiated to better articulate network capability to stakeholders.

For further details please refer to the presentation published at:

<https://www.gasgovernance.co.uk/tx/060122>

PD expressed that evidence shows that National Grid's capability is higher than the baseline and referred to the obligation for National Grid to maximise the available technical capacity. PD suggested the baseline capacity could be higher.

PD enquired if baselines are agreed as part of the price control settlement if this will only be reviewed on a yearly basis. PD also asked about non-obligated capacity with a more forward assessment and within day mismatches/constraints. He suggested more of an effort for assessment could be made and capacity available within day. PD welcomed more transparency and asked National Grid to take these points away and look at how non-obligated capacity is managed.

ASh asked for more clarity on the levels of non-obligated capacity, and if this will be released for Interconnector and BBL shared across both IPs. MM explained that demand has risen over a period, and that there will be a proportional release of non-obligated capacity offered, this can be targeted if only one party requires it. MM explained the order in which capacity is sold, with obligated capacity being sold first.

PD expressed concern that if there is a constraint when there does not need to be, this has implications on Shippers paying premium prices.

Phil Hobbins (PH) explained that baselines are part of the price control settlement, are independent on each other and baseline changes need to strike the right balance for obligated release and assessed on a Network wide basis not to cause an effect elsewhere. **Closed.**

#### **1.4. Industry Update from Ofgem**

Max Lambert (ML) 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/060122>

- Statutory Consultation on modifications regarding Last Resort Supply Payment Claims for electricity supply, gas supply, electricity distribution and gas transporter licence conditions
- UNC797: Last Resort Supply Payments Volumetric Charges – Authority Decision on Urgency
- Re-opener Guidance and Application Requirements document
- Statutory Consultation on modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions
- UNC791: Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of undertaking – Authority Decision on Urgency
- UNC687: Creation of new charge to recover Last Resort Supply Payments – Minded-to position and Authority Decision to 'Send Back'
- Call for evidence on the evaluation on RIIO-1 and RIIO-2 Innovation Funds
- UPDATE: Code modification/modification proposals with Ofgem for decision – Expected publication dates timetable

#### **1.5. Pre-Modification discussions**

##### **1.5.1. Enablement of Exit Assignment process at Interconnectors**

Daniel Hisgett (DHi) introduced the draft Modification explaining that this Modification amends the European Interconnection Document (EID) to remove the barrier between UNC and the Capacity Allocation Mechanisms Network Code (CAM NC) compliance allowing full implementation of UNC 0755S - Enhancement of Exit Capacity Assignments and makes a minor change to clarify the Legal Text.

Capacity Allocation Mechanisms NC (CAM NC), Article 19 Paragraph 6, allows for unbundled capacity at interconnectors to be traded on secondary markets. UNC 0755S

was implemented with the intent to enable unbundled capacity to be assigned at Exit Points. In between these two codes, the European Interconnection Document (EID) currently blocks the Assignment of Exit Capacity from taking place at Interconnectors. The intent of this Modification is to remove this barrier.

DHi explained these changes to the UNC & EID fully enable a Modification which has already been approved for implementation. No changes to the intent of the UNC are required and no additional impacts have been identified. DHi believed this was not a material change and could be dealt with as a Fast Track Modification on the basis this was within the intent of Modification 0755S.

The Workgroup discussed the Governance Route and whether this Modification could be processed as a Fast Track Modification. The Workgroup did not disagree with the Modification being processed through the Fast Track route.

Anna Shrigley (ASh) enquired if this Modification is going to enable bundled and unbundled capacity to be traded on the secondary market. DH clarified that bundled capacity cannot be traded in the secondary market.

## **2. European Code Updates**

Phil Hobbins (PH) provided a brief presentation outlining the Gas Regulation public consultation published on the European Commission (EC) Website in related to the EU Hydrogen and Gas Markets Decarbonisation Package,

PH confirmed the EC published a suite of documents on 15 December 2021. The key proposals are to amend the Gas Regulation (EC) 715/2009 and the Gas Directive 2009/73/EC, plus other supporting documents.

PH confirmed the consultation is open to the public until 03 March 2022. Following the consultation, it is expected this will trigger amendments to and new EU Regulations such a Network Codes in 2023.

Further information can be found at: [https://ec.europa.eu/energy/topics/markets-and-consumers/market-legislation/hydrogen-and-decarbonised-gas-market-package\\_en#:~:text=On%](https://ec.europa.eu/energy/topics/markets-and-consumers/market-legislation/hydrogen-and-decarbonised-gas-market-package_en#:~:text=On%20)

Julie Cox (JCx) wished to note changes may not need to be made dependent on what the UK decides to adopt. It was noted that further consideration would be required on how this is pursued, along with the risks of not being able to trade across Interconnectors.

PH noted, post Brexit, some proposals may not be followed, those that impact cross border trades will need consideration. It was noted changes maybe challenging.

Mark Field (MF) recognised that as EU develop involvement in hydrogen, infrastructures need to remain competitive and equitable, and that any EU competitive advantage could result in the UK becoming net importers. MF expressed the need for UK to consider staying equitable in the market.

EF enquired with the location of Britain, with mainland Europe and Ireland, what the consequence of changes will be. PH confirmed this will pose some interesting challenges with European countries and land borders and there will be a need to consider positions when looking at the proposals.

Ritchard Hewitt (RHe) noted the interchangeability, the considerations with the GS(M)R specifications, and the need for a lead from BEIS and Ofgem on what the UK Gas Market needs to be. RHe stressed the need for direction from the Government of the future market.

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

Phil Hobbins (PH) provided an update on the GS(M)R Review advising of the HSE impact assessment and consultation. PH provided a recap of the Institution of Gas Engineers & Managers (IGEMs) Proposals, recommending changes to the gas quality specification and a recommendation that the specification is removed form the GS(M)R and placed into a new IGEM standard with GS(M)R being referred to.

Andrew Blair (ABI) enquired about the official publication from the HSE. PH confirmed there was an ongoing dialogue between IGEM and HSE, the HSE have responded and IGEM have informed the Gas Quality Working Group.

Nick Wye (NW) asked about the timing, and sense of urgency from the HSE. PH explained that the consultation will facilitate a parliament process in October, with a further 6-month process undertaking work into Quarter 1&2 2023, with system changes expected mid 2023.

Chris Wright (CW) enquired about the increase to the WOBBE upper limit, and how this would affect the process. PH clarified that the HSE they will explain the rationale in the impact assessment, to look at the evidence and points raised, he believed there would be an opportunity to provide and consider evidence to help inform decisions.

JCx believed that with a potential for WOBBE limit changes this would suggest the need for a further separate consultation. It was understood that there would not be a lifting of the limit relating to Carbon Monoxide (CO) poisoning risks.

NW noted the need to be more nimble and this is a matter for Government to work with the HSE.

#### **4. Review of Transmission Modification Implementation dates**

Anna Stankiewicz (AS) presented the Gemini Horizon Plan which provided an overview of the implementation build dates and confirmed 0752S, 0755S and 0759S (*0752S - Introduction of Weekly Entry Capacity Auction, 0755S - Enhancement of Exit Capacity Assignments, 0759S - Enhancements to NTS Within-Day Firm Entry and Exit Capacity Allocations*), remained on track towards the end of April 2022.

ASt noted the addition of the Application of UNC processes for the aggregated Bacton (Exit) Interconnection Point and the earlier implementation date. ASt also noted the flow weighted Average CV had been updated to include an implementation date.

#### **5. Overrun Update**

Anna Stankiewicz (ASt) provided the Workgroup with the monthly Overrun Report including the October 2021 data, comparing the data to the new charging regime figures and providing details of the charges increase, and the largest overruns (with percentages) for 3 Users.

EF confirmed this will be a monthly update with a quarterly opportunity for the Workgroup to debate.

Mark Field (MF) asked if the Users reported are the same for Entry and Exit. ASt clarified this is not necessarily the case.

Nick Wye (NW) asked if the analysis could be extended for 6 months with additional data being available for discussion in March/April, in relation to where the overruns have occurred. NW expressed it would also be interesting to get more information on any particular entry points and exit points affected (i.e. LNG, Interconnector). NW requested the provision of any additional information that would help the debate.

Some concern was expressed sharing entry points at offtake levels as this may enable parties to be identified with the limited number of users at the entry point.

Anna Shrigley (ASh) asked about the total cost of £3.4m for the gas year 2021. Referring to the multiplier of 3 if this is the lost revenue which did not feed into the exit. ASt clarified that the money under the current regime is not lost, and that a future adjustment will be made, confirming this does not feed into Transmission Revenue.

The Workgroup discussed when best to debate overruns in further detail. It was agreed to conduct a more thorough review in April.

ASh wished to better understand how overruns are forecasted and adjusted. ASt believed this is being looked at within the NTS Charging Methodology Forum (NTSCMF) as this is managed through the neutrality mechanism.

Bethan Winter (BW) asked what further information could be provided such as any balancing actions that have been taken. ASt explained information can be provided on balancing actions taken but wished to note it would be possible to correlate the two or attribute one to the other. BW also wanted to understand from National Grid what the implications/constraints could be.

## 6. **Transmission Connection Charging Statement – Annual Review**

Richard Hounslea (RHo) provided a presentation on the Connection Charging Statement Annual Review providing an overview on the scope of this year's review and the expected timeline.

For the full details please refer to the presentation published at:

<https://www.gasgovernance.co.uk/tx/060122>

RHo asked for feedback on areas parties would like to be considered and provided contact information.

## 7. **Workgroups**

### 7.1. **0779 - Introduction of Entry Capacity Assignments**

#### **0779A - Introduction of Entry Capacity Assignments With Defined End Date**

(Report to Panel 20 January 2022)

<https://www.gasgovernance.co.uk/0779/060122>

### 7.2. **0780S – Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point**

(Report to Panel 20 January 2022)

<https://www.gasgovernance.co.uk/0780/060122>

### 7.3. **0761 – Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point**

(Report to Panel 20 January 2022)

<https://www.gasgovernance.co.uk/0761/060122>

## 8. **Issues**

No new issues raised.

## 9. **Any Other Business**

### 9.1. **Outcomes of the 2021 Exits Capacity Allocation Process**

Julie Cox (JCx) referring to the Ofgem paper and the new exit capacity planning guidance, explained that the report that came out to explain the process was heavily redacted, and challenged if there was an adequate level of reporting and if there was a view from Ofgem on what may be published.

Max Lambert (ML) confirmed this continues to be appraised, there has been some conclusions made on the transparency on public reports, and Ofgem are looking at what can be made available with the GDNs and the need to redact specific elements.

JCx enquired how best to take this forward as an issue to log progress. It was agreed to record this as a standing item on the Transmission Agenda as an issue, with further discussion expected in March.

<b>New Action 0101:</b> Action of Ofgem to provide update on what information can be made available regarding the 2021 Exit Capacity Allocation Process.
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### 9.2. **Mercury content in natural gas**

Phil Hobbins (PH) provided a presentation on the NTS Specification for Mercury and the mercury content they wish to deliver into the NTS. PH confirmed since the LNG storage sites

closed, there are no particular issues with Mercury content on NTS assets. GS(M)R does not specify a limit for mercury content is not an issued as assets are concerned.

National Grid was interested in views on the risks to customers and proposed to launch a questionnaire later this month to obtain feedback and inform the next steps.

Lauren Jauss (LJ) asked about the levels of mercury and liquid form condensing. LJ suggested it would be good to get more information on the potential impacts.

Julie Cox (JCx) asked about any impacts on health rather than plant and what levels of concentration are considered unsafe.

Ritchard Hewitt (RHe) suggested as UK gas may go beyond UK borders, consideration is given to the impacts on other gas networks.

### 9.3. Provision of Gas Composition Information to National Grid NTS (UNC 0794)

Julie Cox (JCx) referring to Modification 0794 wished to note this Modification relates to the provision of gas quality information with information reporting shifting to DNOs. JCx wished to question the level of detail that exists, as quite detailed gas composition data appeared to be available from the Networks. JCx suggested the industry may want to consider what information is available and how this is published and shared. It was noted that in the past there has been requests for information, but National Grid do not have the right to publish in terms of entry points. JCx enquired if the data exists is there a way to expedite greater transparency. PH confirmed there is a plan to look at this as part of the GMAP Project, to make available more gas quality information. PH believe this would fit well within this Project.

### 9.4. Panel Referral: Consequences of Modification 0788 (Urgent) - Minimising the market impacts of 'Supplier Undertaking' operation

EF wished to note for the February meeting of the Panel referral from November 2021 for National Grid to provide an update on the:

- Utilisation of Modification 0788 (extent and duration).
- Consideration of any consequential activities which may be required and any unintended consequences.

**Panel Action PAN 11/01:** Joint Office (Transmission Workgroup Chair) to ensure Modification 0788 (Urgent) is assessed at the February 2022 Workgroup with the aim to report to the February 2022 Panel.

EF asked National Grid to provide some information to inform discussions with a review of utilisation and observations

**New Action 0102:** National Grid (PH) to provide the Transmission Workgroup with an update on the utilisation of Modification 0788 and any unintended consequences.

### 9.5. Gas Quality Guidance Documents

Phil Hobbins (PHs) wished to note that the National Grid guidance document for parties wishing to make a change to a gas quality parameter at an NTS entry point, had been published on the National Grid website at: [Applying for a connection | National Grid Gas](#)

## 10. 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 Thursday 03 February 2022	5pm Wednesday 26 January 2022	Microsoft Teams	Standard Transmission Workgroup Agenda 0771S

			Panel Referral 0788
10:00 Thursday 03 March 2022	5pm Wednesday 23 February 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 April 2022	5pm Wednesday 30 March 2022	Microsoft Teams	Standard Transmission Workgroup Agenda Overruns Review/Debate
10:00 Thursday 05 May 2022	5pm Wednesday 27 April 2022	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 09 June 2022 (BH 2 <sup>nd</sup> 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



<b>Action Table (as of 06 January 2022)</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>1101</b>	29/11/21	0785 3.0	Ofgem (ML) to consider the concerns raised regarding the interim ability to implement Modification 0785 in light of the licence change.	January 2022	Ofgem (ML)	<b>Closed</b>
<b>1102</b>	29/11/21	0785 3.0	Xoserve (HR) to provide a view on the ability to re-prioritise system changes, particularly Modification 0785.	January 2022	Xoserve (HR)	<b>Closed</b>
<b>1103</b>	29/11/21	0785 3.0	National Grid Gas (MM) to provide a formal response to the industry regarding the available capacity.	January 2022	National Grid Gas (MM)	<b>Closed</b>
<b>0101</b>	06/01/22	9.1	Ofgem to provide update on what information can be made available regarding the 2021 Exit Capacity Allocation Process.	March 2022	Ofgem (ML)	<b>Pending</b>
<b>0102</b>	06/01/22	9.4	National Grid (PH) to provide the Transmission Workgroup with an update on the utilisation of Modification 0788 and any unintended consequences.	February 2022	National Grid Gas (PH)	<b>Pending</b>
<b>PAN 11/01</b>	18/11/21	281.6a	<i>Panel Action PAN 11/01:</i> Joint Office (Transmission Workgroup Chair) to ensure Modification 0788 (Urgent) is assessed at the February 2022 Workgroup with the aim to report to the February 2022 Panel	February 2022	Joint Office (EF)	<b>Pending</b>

**UNC Workgroup 0779 0779A Minutes**  
**0779 Introduction of Entry Capacity Assignments**  
**0779A Introduction of Entry Capacity Assignments with Defined End Date**  
**Thursday 06 January 2022**  
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Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0779/060122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

**1. Introduction and Status Review**

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

**1.1. Approval of minutes (29 November 2021)**

Minutes Approved.

**1.2. Approval of Late Papers**

None to approve.

**1.3. Review of Outstanding Actions**

None to consider.

**2. Amended Modifications**

EF provided an overview of the progression made to date.

Daniel Hisgett (DHi) introduced the Legal Text explaining this had been provided marked up against Modification 0755S - *Enhancement of Exit Capacity Assignments* which is due to be implemented in due course (not the current text within the UNC), noting some extra housekeeping changes required.

DHi provided an explanation of the changes for both Modifications 0779 and 0779A.

Lauren Jauss (LJ) thanked DHi for the provision of Legal text and asked for clarification that the start date element for Modification 0779A had been included. DHi confirmed Paragraph 6.2.1.a(v) provided the commencement date in the Assignment Period which can be specified.

The Workgroup considered the combined 0779/0779A Workgroup Report and the Self-Governance status, on balance it was agreed that both Modifications would proceed under Authority Direction. Firm confirmation was also provided that both Modifications would have the same implementation costs.

Following a review of the Legal text and draft Workgroup Report the Workgroup agreed that the Modification's text satisfied the intent of the Modifications and could be submitted to the UNC Modification Panel.

**3. Completion of Workgroup Report**

The Workgroup was updated to capture views from the Workgroup and if there was any expressed preference for either Modification. Some preference was expressed by Workgroup participants for the Alternative Modification as it was more market focussed, providing more flexibility.

**4. Next Steps**

Workgroup to be presented to the January 2022 UNC Modification Panel.

**5. Any Other Business**

None.

**6. 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)

No further meetings planned.

**UNC Workgroup 0780S Minutes**  
**Amendment to Gas Quality NTS Entry Specification at the St Fergus**  
**SAGE System Entry Point**  
**Thursday 06 January 2022**  
**via Microsoft Teams**

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Copies of all papers are available at: <https://www.gasgovernance.co.uk/0780/060122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

**1. Introduction and Status Review**

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

### **1.1. Approval of minutes (22 November 2021)**

The minutes from the previous meeting were considered approved.

### **1.2. Approval of Late Papers**

No late papers.

### **1.3. Review of Outstanding Actions**

None Outstanding.

## **2. Reconsideration of Workgroup Report**

EF confirmed that the December UNC Modification Panel had referred the Workgroup Report back to Workgroup to consider an issue which had been identified after the Workgroup Report had been published and wanted to give parties an opportunity to review.

Phil Hobbins (PH) provided a brief presentation on the potential NTS impacts a wave of high CO<sub>2</sub> gas may have on the downstream network and how best to address these.

PH explained the potential impacts on Compressors on the NTS and that the operation could be impacted. PH explained that the CO<sub>2</sub> output could increase and that there could be operational problems with compressors further downstream. National Grid proposed an amendment to the solution, that if an adverse impact is realised, to allow a reduction to the 6.0 mol percentage, to reverse out the relaxation offered in the Modification.

Bethan Winter (BW) enquired if there would be an impact on End User Compressors. PH suggested there is a potential, PH explained National Grid have run some analysis on the CV change expectations and concluded it is unlikely to be a problem but could not exclude that there could be an impact.

Julie Cox (JCx) enquired if there a material impact is realised, whereby the compressor keeps tripping out, with the 2-year notice period what practical action could be taken to address the problem in the interim. JCx also enquired if there would be a safety case impact. PH explained that there may be some operational difficulties, but this would not amount to a safety case impact. PH believed some adjustments can be made if CO<sub>2</sub> goes up this can be offset if problems start to arise.

Richard Selman (RSe) clarified that during assessment analysis the worst-case scenario had been considered and assured the Workgroup operational and automatic controls can adjust the operational plant to offset the impact and to mitigate adverse effects.

Jeff Chandler (JCh) expressed concern about Compressors tripping out and if the intended monitoring would be adequate. JCh suggested any incidents should be investigated immediately.

PH explained that as a matter of course prompt action would be taken to minimise risks if there is an incident, but there would need to consider the lead time Ancala would need to investigate.

RSe explained that spikes can be predicted, and notifications can be flagged to National Grid. JCx requested better transparency as National Grid may not be the only affected party of an excursion. JCx was keen to have a framework, with timely notifications and a post incident review.

The Workgroup considered a gas quality excursions and predictions of any slugs, it was suggested that National Grid could provide ANS notifications in order to alert any affected parties. PH confirmed subject to an agreement with Ancala this step would need to be recognised in the NIA Text.

It was agreed that the Workgroup Report could be finalised based on the discussions and the extra points being captured.

Following further consideration of the draft Workgroup Report EF confirmed he would capture the discussion points raised as today's meeting and provide an updated report.

**3. Next Steps**

Final Workgroup Report to be presented to the January UNC Modification Panel.

**4. Any Other Business**

None.

**5. 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)*

No further meetings were planned.

**UNC Workgroup 0761 Minutes**  
**Arrangements for Interconnectors with additional Storage capability**  
**Thursday 06 January 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Blair	(ABl)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(DHl)	National Grid
Davide Rubini	(DR)	Vitol
Debra Hawkin	(DHa)	TPA Solutions
Emma Buxton	(EB)	Northern Gas Networks
Hannah Reddy	(HR)	Corella
Henk Kreuze	(HK)	Vermilion Energy
Hursley Moss	(HM)	Cornwall-Insight
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	Conoco Phillips
Lauren Jauss	(LJ)	RWE
Marion Joste	(MJ)	ENI
Mark Field	(MF)	Sembcorp
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	NGN
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Hounslea	(RHo)	National Grid
Richard Selmen	(RSe)	Ancala Midstream
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rudi Streuper	(RSt)	BBLC
Sarah Cooper	(SC)	Interconnector
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0761/060122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

**1. Introduction and Status Review**

Eric Fowler (EF) welcomed all parties to the meeting advising that the December Panel had directed the Final Modification Report back to Workgroup for consideration, requiring a supplemental report on the clarification of primacy of legislation relating to the definition of storage in the context of an interconnector. It was understood this required input from Ofgem/BEIS.

The concern raised via the UNC Modification Panel was that it could not make a decision on implementing a change to the UNC that could be in breach of the Gas Act or licence conditions.

### 1.1. Approval of minutes (07 October 2021)

The minutes from the last meeting were considered approved.

### 1.2. Approval of Late Papers

No late papers.

### 1.3. Review of Outstanding Actions

None

## 2. Completion of Supplemental Report

Max Lambert (ML) provided a position statement from Ofgem, he recognised that all the issues raised needed a full legal appraisal, which was not possible during the Christmas break. At this time ML did not want to fetter Ofgem's discretion but he wished to note that Ofgem expect the Modification assessment process to consider all aspects including the provision of legal views.

ML agreed that the content of an email sent to the Joint Office could be added to the minutes. Please see quotation below:

*"It should be acknowledged that all of these issues require full legal appraisal on our side, and there has not been the resource to undertake this all over the Christmas and New Year break. We would encourage that it is well within the gift of the UNC panel chair to seek its own understanding of the legal views (e.g. those raised by BEIS, interrelationship between Gas Act/Regulations etc.) for this modification, and whilst we do engage with BEIS frequently on issues, we are an independent regulator and will therefore source our own legal advice and internal views. As always, it is the modification proposer's responsibility to ensure the mod is legally compliant, and we will not fetter our discretion by providing a view on this prior to making our final decision on the mod."*

Phil Lucas (PL) provided a response from National Grid to the questions being raised. PL believed there is an explicit view in Section 5 in the European Union (Withdrawal) Act 2018 in that for matters of interpretation the EU derived law prevails over any domestic legislation.

PL wished to note that it is not the intention for the UNC to police wider compliance in terms of a party's licence requirements.

Richard Fairholme (RF) asked if a view was available from the Department for Business, Energy and Industrial Strategy (BEIS), expressing concern that a difference in views could result in Panel returning the Modification back to Workgroup until there is a clearer assessment on whether the Modification could be implemented based on legislation.

Julie Cox (JCx) wished to note there was a Panel action for BEIS and Ofgem to provide a view to assist. ML suggested the UNC Modification Panel should liaise with BEIS direct for a response.

Mark Field (MF) wished to clarify that the Workgroup were not asking for a view on the merits of Modification itself from BEIS or Ofgem. The request is for a view on the legal framework.

EF agreed to send an email to BEIS asking for a view in time for the January UNC Modification Panel meeting.

**Post Meeting Note:** Joint Office (EF) issued email to BEIS (Erika Melen) for a view on the primacy of legislation relating to the definition of storage in the context of an interconnector.



The Workgroup re-considered the ability for Panel to make a decision on whether the Modification should be submitted to Ofgem for a decision without a clear view on whether the Modification could be implemented in line with Gas Act and Licence conditions.

ML suggested that as the proposer of the Modification National Grid should satisfy themselves that a proposed Modification is not against legislation.

RF explained the difficulty for Panel making a decision if there is an unresolved difference in legal views, between National Grid and BEIS. RF challenged how the Modification can proceed with or without a consensus view.

It was suggested that the Final Modification/Supplemental Workgroup Report should record National Grid's view and that BEIS have not expressed a view. PL challenged the need for BEIS to provide a legal view and if this should hold up the progression of the Modification.

Pavanjit Dhesi (PD) wished to note that Modifications in the past have been allowed to proceed with differing views on compliance to allow these views to be provided and considered by the Authority for a final decision. PD believed there was an unnecessary obstacle in allowing this to Modification to proceed.

Nick Wye (NW) believed the Modification needed to proceed, acknowledging the circular difficulties of the Workgroup with seeking a consensus. NW noted it would be helpful if Ofgem and BEIS could offer support in providing clarification in terms of compliance with law. NW suggested in the absence of securing a view, if the Workgroup assessment provides a difference of views that cannot be resolved and there is a need for legal advice from Ofgem and BEIS this can be considered once the Final Modification has been submitted to Ofgem. NW expressed that ultimately Ofgem is the decision maker on the views expressed within the report.

JCx expressed that the Workgroup have identified issues with the legal interpretation from different parties and this has been recorded.

Ritchard Hewitt (RHe) asked if Ofgem have the power to "call-in" the Modification to be submitted to them for an assessment.

Andrew Blair (AB) wished to understand exactly what view was being asked from BEIS referring to an earlier statement provided to the Workgroup. PL asked if BEIS can be formally asked to provide a view. RHe expressed frustration on the efforts made to contact BEIS to seek a view.

It was suggested as the Workgroup had exhausted all options to provide a definitive view on legislation which may or may not prevent implementation the Workgroup could only provide the differing views and that a consensus could not be reached.

It was agreed to provide a Supplemental Report to the January UNC Modification Panel meeting for further consideration.

### **3. Next Steps**

EF confirmed that the Final Modification Report including the Supplemental Report would be submitted to the January UNC Modification Panel meeting.

### **4. Any Other Business**

None.

### **5. Diary Planning**

No further meetings planned.

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