

**UNC Transmission Workgroup Minutes**  
**Thursday 07 April 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andre Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Clare Caple	(CC)	E.ON
David Mitchell	(DMi)	Scotia Gas Networks
Debbie Mulinganie	(DM)	BP
Emma Buckton	(EB)	Northern Gas Networks
Fiona Morrison	(FM)	SSE
Henk Kreuze	(HK)	Vermilion
Hursley Moss	(HM)	Cornwall Insight
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Malcolm Montgomery	(MM)	National Grid
Mark Field	(MF)	Sembcorp
Mark Barnes	(MB)	National Grid
Marion Joste	(MJ)	ENI
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	Gazprom

**Apologies**

Jeff Chandler	SSE
Joseph Glews	Ofgem
Max Lambert	Ofgem

*Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/070422>*

**1. Introduction and Status Review**

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

### **1.1. Approval of minutes (03 March 2022)**

The minutes from the previous meeting was approved.

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

EF noted 3 late papers had been provided for information after the publication deadline.

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

**0103:** Joint Office to remove European Code Updates from the agenda going forward.

**Update:** Complete. **Closed**

**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) confirmed that the Joint Office are currently considering the way forward and the incorporation of discussions within Workgroups to ensure Implementation dates are explored during the assessment process. **Carried Forward.**

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

Eric Fowler (EF) provided the Ofgem update on behalf of Max Lambert for the below listed items. For full details, please refer to the Industry Update from Ofgem published at:

<https://www.gasgovernance.co.uk/tx/070422>.

- UNC790: Introduction of a Transmission Services Entry Flow Charge
- Decision for changes to Ofgem's Enforcement Guidelines and Sectoral Penalty Statement
- Decision on new guidance documents for gas or electricity licence applicants
- Direction to distribute funding for the Strategic Innovation Fund
- Consultation on our minded-to decision to fund detailed design studies for a Hydrogen Village Trial
- Direction to make modifications to the Regulatory Instructions and Guidance for RIIO-GT2 (version 1.13)

Please see the March 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>

Julie Cox (JCx) wished to note that 'to be confirmed' on the expected publication timetable is not particularly helpful, suggesting a date should be available from the work plan.

Chris Wright (CW), also wished to note in addition to the provided update that Ofgem had issued an update on the Energy Code reform

([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1066722/energy-code-reform-consultation-government-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1066722/energy-code-reform-consultation-government-response.pdf))

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

#### **1.5.1. 0806 – Change to Curtailment Trade Price Compensation in Section Q**

Julie Cox (JCx) on behalf of Jeff Chandler presented the new Modification being submitted to the April UNC Modification Panel.

JCx explained that this Modification proposes to change the Emergency Curtailment Trade Price defined in UNC TPD Section 6.1.1 (c) from the arithmetic mean of the SAP of the 30 Days

preceding the Day to the SAP of the Day preceding the Day, to provide adequate incentive and compensation to help ensure gas is purchased in advance.

JCx explained the process for compensation rates for Firm Load Shedding, that this may not be reflective of price, and how the Modification will address this.

Steve Mulinganie (SM) asked about the scope and if includes to all types of large Users including producers. JCx clarified this Modification is not just focused on generators, it will apply to any party who load sheds.

Nick Wye (NW) enquired about the concept of self-interruption to limit emergencies. JCx referred to the P70 process on how the generation market interacts, noting the market has changed, gas generation is uncertain, and whether this was still fit for purpose as the market is very different now.

NW challenged gas arrangements being done in isolation, explaining the purpose of the arrangements is to encourage self-interruption and the need to ensure there is still an incentive for self-interruption, when appropriate, to avoid an emergency.

Lauren Jauss (LJ) explained the compensation needs to be not too high to encourage self-interruption and as it may disincentivise parties from buying ahead. LJ stressed the need to consider the trade-offs, the Rigsby Project and emergency procedures.

Eric Fowler (EF) noted that during the Workgroup Assessment the timetable provided will also need consideration with regards to the consultation period.

Further consideration on the Modification will be undertaken next month.

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

Phil Hobbins (PH) provided a brief update to the GS(M)R review confirming that the HSE Consultation had ended and provided a summary of National Grid Gas response to the HSE Consultation.

Full details can be found on the published presentation: [www.gasgovernance.co.uk/tx/070422](http://www.gasgovernance.co.uk/tx/070422)

Chris Wright (CW) enquired about the potential increase in the upper Wobbe limit which was unexpected and asked if National Grid provided a response to this. PH confirmed that a specific response had not been provided on this point.

PH confirmed that National Grid are currently seeking views from NTS entry terminal operators about whether a reduction to their lower Wobbe Index limit would be of interest. Where terminal operators indicate this change would be beneficial, further information on volumes and timescales will be sought, as suggested by the Workgroup.

## **3. Transmission Change Horizon Plan**

Anna Stankiewicz (ASt) provided a view of the National Grid Change Horizon plan which showed:

- Modification 0785: Part A was implemented at the end of March, and Part B implemented ahead of the April invoices process.
- Modifications: 0752S, 0755S and 0759S (XRN5393) have a target implementation date of 24 April 2022.
- ASt provided a separate presentation on the Introduction of Weekly Entry Capacity Auctions – Modification 0752S, confirming the Rolling Monthly Trade Initiation Surrender (RMTISSEC) and Rolling Monthly Trade and Transfer of System Entry Capacity (RMTNTSEC) bid windows and process window timeframes will change (from June Sub Transaction period onwards). The First Weekly NTS Entry Capacity bid window was 20 May 2022 (D-10) for week commencing 30 May 2022 (Monday), explaining the new schedule.

- Flow Weighted Average CV: moved to an amber status due to a potential risk with the Xoserve solution not quite ready. An interim service has been considered, with the potential for an extension.
- API Enhancements: at risk, a risk assessment is being undertaken however the specific details are not available at present.
- Modification 0790: Ofgem rejected 25 March 2022.
- Modification 0779/0779A: Ofgem decision TBC

JCx noted the uncertainty with Ofgem making a decision for 0779/0779A and that this was impacting development. It was noted this would be something worth capturing, going forward, in Workgroup Reports to ensure consideration.

#### 4. Overrun Update

Anna Stankiewicz (ASt) provided the Workgroup with the monthly Overrun Report, noting it had been agreed to conduct a more thorough review this month.

ASt provided the thought process behind reviewing Overruns when the charging horizon has stabilised. ASt confirmed that National Grid Gas (NGG) have looked at the data internally and based on what's being seen were not proposing to change the multipliers at this time, due to the higher volumes of capacity, the incentive should remain. With system changes being undertaken and upcoming changes it was appropriate to wait to see how these imbed.

ASt provided illustrations/graphs with views on any peaks observed:

Entry Overruns (Oct 2021 – Jan 2022)

Richard Pomroy (RP) noted the highest Overruns for 4 Users asking NGG for a view on whether this is considered a problem. ASt noted that some Users will flow larger volumes and incur larger Overruns, noting that booking behaviours have changed.

RP commented on the data provided suggesting that it could be surmised that the Reduction of Overrun charges has increased overruns. ASt enquired, on this basis, would WWU consider that multipliers should or should not be further reviewed. RP noted that WWU was not in support of the reduction in multipliers.

ASt believed the incentive to book capacity should remain but commercial decisions may be made to Overrun. ASt explained it is likely that Users flowing larger volumes could be incurring the larger overruns.

Anna Shrigley (ASh) disagreed with the views expressed and conclusions being drawn explaining that the nature of booking capacity is labour intensive, there are difficulties to get it right, and Shippers are making errors. ASh's view was that the multipliers have not been reduced sufficiently.

ASt provided the reasons for Entry overruns, which can relate to human error, wrong information being entered into the prediction fields, information from the production field arriving last minute or very late, upstream contractual arrangements with the procedures allowing little or no flexibility. For Exit the benefits on electricity balancing market outweigh the penalty on the gas side, and inaccurate forecasting of the 5 remaining hours in the day.

NW suggested the minor infringements are due to the arrangements in communications and flexibility. NW believed there is a case for a band width tolerance for entry for the smaller volume overruns. Alex Neild (AN) concurred with NW that the smaller overruns 0-3% have a limited impact on the system.

NW noted the problematic nature of the process and the penalisation for activities which cannot be controlled. Steve Mulinganie (SM) noting the large number of errors in the lower range, believed there should be a form of flexibility, as the impact is de-minimis, and there is no benefit arising.

ASh asked how challenging it would be to implement some sort of tolerance and if this would be complicated in terms of the replacement system. It was agreed this would be worth consideration.

The Workgroup considered the provision of monthly updates or quarterly updates. It was agreed to wait and see the impacts of recent changes and reviewing Overruns again in August when National Grid would have more data.

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

## 5. Workgroups

### 5.1. **0771S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections**

(Report to Panel 21 April 2022)

<https://www.gasgovernance.co.uk/0771>

### 5.2. **0801 - Removal of capacity and balancing services from the role of CDSP**

(Report to Panel 18 August 2022)

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

### 5.3. **0805S - Introduction of Weekly NTS Exit Capacity Auctions**

(Report to Panel 16 June 2022)

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

## 6. New Issues

### 6.1. **2021 Exit Capacity Allocation Process (Report Transparency)**

The Workgroup agreed this item can be removed from the Agenda.

### 6.2. **Gas Goes Green – Hydrogen UNC Impacts**

PH advised there was an IGEM session early March 2022, with a Gas Goes Green project update. It was agreed this item can be removed from the Agenda with a view that the impacts on the UNC will be considered at an appropriate stage.

## 7. Any Other Business

### 7.1. **Mercury Survey Results Summary**

Phil Hobbins (PH) provided the survey results relating to the NTS specification for Mercury, highlighting the concerns raised and the proposed next steps.

For full details please refer to the published presentation.

### 7.2. **Physical Reverse Flow Exceptions**

Phil Hobbins (PH) advised of the need for Transmission system operators to enable physical capacity to transport gas in both directions on all interconnections and plan to issue a Market Assessment Papers in April to market participants to determine if there is a requirement for bi-directional capacity on the South North Pipeline (SNP) and at the Moffat IP.

For full details please refer to the published presentation.

### 7.3. **User Representative Appointment Process**

Helen Cuin (HCu) wished to advise of a paper which had been published for Information purposes only this month on the Transmission Workgroup meeting page to provide an overview of the User Representative Appointment Process advising this will be presented next month.

For full details please refer to the published presentation.

#### 7.4. Exit Capacity Statement Consultation

Anna Shrigley (ASh) wished to note publication of the Consultation Exits Capacity statement at: <https://www.nationalgrid.com/gas-transmission/capacity/capacity-methodology-statements>

## 2. 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 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

**Action Table (as of 07 April 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0103	03/03/22	2.0	Joint Office to remove European Code Updates from the agenda going forward.	April 2022	Joint Office (secretary)	<b>Closed</b>
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)	<b>Carried Forward</b>
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)	<b>Pending</b>



**UNC Workgroup 0771S Minutes**  
**Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections**  
**Thursday 07 April 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andre Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Clare Caple	(CC)	E.ON
David Mitchell	(DMi)	Scotia Gas Networks
Debbie Mulinganie	(DM)	BP
Emma Buckton	(EB)	Northern Gas Networks
Fiona Morrison	(FM)	SSE
Henk Kreuze	(HK)	Vermilion
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Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Malcolm Montgomery	(MM)	National Grid
Mark Field	(MF)	Sembcorp
Mark Barnes	(MB)	National Grid
Marion Joste	(MJ)	ENI
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	Gazprom

**Apologies**

Jeff Chandler	SSE
Joseph Glews	Ofgem
Max Lambert	Ofgem

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0771/070422>

The Workgroup Report is due to be presented at the UNC Modification Panel meeting on 21 April 2022.

**1. Introduction and Status Review**

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

**1.1. Approval of minutes (03 February 2022 / 03 March 2022)**

The minutes from the previous meeting were considered approved.

**2. Completion of Workgroup Report (HSE Safety Case)**

EF clarified that the progression of this Modification had been held back awaiting a response from the HSE.

Phil Hobbins (PH) confirmed that the Safety Case Change developed had been submitted to the HSE requesting a view on whether the changes were considered to be a material or a non-material change. PH reported that a response had been received with notification that the HSE agreed that the changes were non-material therefore the Workgroup Report could be concluded and proceed as a Self-Governance Modification.

The Workgroup finalised the Workgroup Report, having considered the Transporters Relevant Charging Methodology Objectives. The Workgroup agreed that they were not relevant to this Modification and needn't form part of the Consultation. It was recommended that unless the UNC Panel believed otherwise parties did not need to consider the charging objectives.

**3. Next Steps**

Submission of the Workgroup Report to the April UNC Modification Panel.

**4. Any Other Business**

None.

**5. Diary Planning**

No further meeting planned.

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



**UNC Workgroup 0801 Minutes**  
**Removal of capacity and balancing services from the role of CDSP**  
**Thursday 07 April 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andre Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Clare Caple	(CC)	E.ON
David Mitchell	(DMi)	Scotia Gas Networks
Debbie Mulinganie	(DM)	BP
Emma Buckton	(EB)	Northern Gas Networks
Fiona Morrison	(FM)	SSE
Henk Kreuze	(HK)	Vermilion
Hursley Moss	(HM)	Cornwall Insight
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Malcolm Montgomery	(MM)	National Grid
Mark Field	(MF)	Sembcorp
Mark Barnes	(MB)	National Grid
Marion Joste	(MJ)	ENI
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	Gazprom

**Apologies**

Jeff Chandler	SSE
Joseph Glews	Ofgem
Max Lambert	Ofgem

Copies of all papers are available at: [www.gasgovernance.co.uk/0801/070422](http://www.gasgovernance.co.uk/0801/070422)

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

**1.0 Introduction and Status Review**

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

**1.1. Approval of minutes (03 March 2022)**

The minutes from the previous meeting were considered approved.

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

1 late paper approved.

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

None to consider.

## **1.0 Development of Workgroup Report**

Malcolm Montgomery (MM) provided a presentation to provide some further clarity in response to the funding, governance and legal text.

### **Funding**

*Panel Question: Consider how this change will be funded*

Malcolm Montgomery (MM) confirmed there is a fixed RIIO-T2 allowance to fund Gemini, therefore the cost of developing a replacement system will come from this allowance.

Richard Pomroy (RP) enquired about the potential cost implications for Gemini Users due to changes in the existing interfaces or which may arise as a consequential impact if provided by a different service provider and how these would be dealt with.

MM confirmed discussions are being undertaken with Xoserve to understand the potential impacts for discussion at the next Workgroup. Mark Barnes (MB) explained the connections will be utilising existing connections with an additional option for an internet interface as an alternative. This will introduce a new internet connectivity for users to utilise with an ability to use this through various devices.

RP was keen for the Workgroup to capture some assurances on elements being changed. Expressing the need to provide assurances when moving to an alternative solution and removing existing arrangement from the UNC code contract. RP also wanted the Workgroup Report to consider the costs holistically, for all stakeholders.

David Mitchell (DM) enquired what stakeholder engagement had taken place and if this change would be better managed as a review group. MM confirmed a Workshop has been held and discussion have been undertaken at Operational Forums. It was explained this Modification would remove the requirement to limit the provision of services only from the CDSP but wouldn't preclude continuing to use the CDSP. MM confirmed the DSC Documents will need to be updated to allow the service lines and documents to reflect the change.

RP expressed a preference for the Modification to incorporate an assessment of any subsequent changes that will be required rather than taking a step change approach, to ensure the right assurances are provided. RP also suggested the Workgroup need to assess how the new system will interact with UK Link/Central systems.

### **Governance**

*Panel Question: This Modification will take the service outside the remit of DSC Governance - consider potential consequences if this happens*

MM set out the two-stage approach and an overview of the transition arrangements and cut-over. MM confirmed that the DSC would still continue for certain retained services.

MM assured the Workgroup that new governance arrangements will be developed with input from and in consultation with the industry and that this will be supported by the DSC Change Management process and will be documented and transparent.

RP sought reassurances by National Grid tying in all the elements into the Modification.

Steve Mulinganie (SM) concurred there was a required assurance piece when stripping elements out of the UNC, which would in essence allow National Grid to do anything. SM stressed the need for stakeholder assurances.

### Legal Text

MM provided a list of the Sections within the UNC which would be impacted by the Modification and needed amendment within GT-D, TPD-B, TPD-F and TPD-S.

Further consideration will be required on these. MM confirmed that the default when removing the CDSP as the service provider would result in the obligations residing back to the Transporter.

### Appendix

MM provided an overview of the anticipated benefits of the new system Apollo, including the ability to have a system running 24 hours a day with flexibility and the ability to make changes system whilst it is continued to be used.

Julie Cox (JCx) looking to have a system available 24-7 asked for how this is going to be managed and what elements would be included such as Nomination and Allocations. Noting that currently the contract limits availability of the system, and users would not want a system that is artificially constrained by a contract.

SM wished to understand the extent of the level of flexibility and assurance a new system will be fit for purpose.

Phil Hobbins (PH) explained that National Grid are not starting with a blank piece of paper, and have explored the pain points with the current Gemini system to understand what would be desirable from day one.

SM wished to see the appropriate assurance and supporting evidence, acknowledging this appeared to be a simplistic Modification. To avoid push back and new issues being raised within the consultation SM encouraged the Workgroup to consider and document the potential impacts.

## 2.0 Next Steps

The Workgroup agreed further assessment was required on Funding, Governance, Impacts and Assurances.

## 3.0 Any Other Business

None.

## 4.0 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)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 05 May 2022	5pm Wednesday 27 April 2022	Microsoft Teams	Funding Governance Impacts Assurances
10:00 Thursday	5pm Monday 30 May 2022	Microsoft Teams	TBC

09 June 2022 (BH 02 June)			
10:00 Thursday 07 July 2022	5pm Wednesday 29 June 2022	Microsoft Teams	Development of Workgroup Report
10:00 Thursday 04 August 2022	5pm Wednesday 27 July 2022	Microsoft Teams	Conclusion of Workgroup Report

**UNC Workgroup 0805S Minutes**  
**Introduction of Weekly NTS Exit Capacity Auctions**  
**Thursday 07 April 2022**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andre Blair	(AB)	Interconnector
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**Apologies**

Jeff Chandler	SSE
Joseph Glews	Ofgem
Max Lambert	Ofgem

Copies of all papers are available at: [www.gasgovernance.co.uk/0805/070422](http://www.gasgovernance.co.uk/0805/070422)

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 June 2022.

**1.0 Outline of Modification**

Nick Wye (WY) provided on behalf of Iwan Hughes the background/purpose of the Modification to introduce Weekly NTS Exit Capacity Auctions to allow for more economic and efficient capacity bookings.

Under the current arrangements for the booking of National Transmission System (NTS) Exit (flat) Capacity, Users are restricted to booking Annual or Daily NTS Exit Firm Capacity. It is proposed to expand the options available to Users by adding a weekly exit capacity auction to the suite of NTS Exit Capacity products. D-5 Exit Capacity Auctions and Allocations on D-4.

NW provided an overview of the level of bookings / booking behaviours noting low bookings of annual capacity and reducing number of enduring capacity at Direct Connects. It was anticipated the Modification would have a positive impact on collected revenues and subsequent impact on prices.

Anna Shrigley (ASh) asked if direct connects would be included within the scope, NW explained as the product is not included in the CAM Code it wouldn't be appropriate to include these.

## **2.0 Initial Discussion**

### **2.1. Issues and Questions from Panel**

#### **2.1.1. Impact of this Modification on charges (for example on annual capacity)**

It was anticipated there would be very little impact on charges dependent on behaviour.

#### **2.1.2. Should the Modification remain Self Governance**

The Workgroup agreed that National Grid would need to do undertake some analysis to better understand the likely impacts.

<b>New Action 0101:</b> National Grid (ASt) to provide some analysis on the potential impacts of the Modification.
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## **2.2. Initial Representations**

Question raised by Bethan Winter, Wales & West Utilities:

Given that NTS will still need to recover the same amount of revenue from Exit Capacity charges, is there a risk that with extra auctions along with processes and systems to support them, it ends in a position where the capacity prices go up and parties end up paying the same amount for capacity overall.

It was believed this had been covered under Item 1.0.

## **2.3. Terms of Reference**

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <https://www.gasgovernance.co.uk/0805>

## **3.0 Next Steps**

Nick Wye (NW) asked for parties to feedback any elements they would like considered ahead of the next meeting to allow progression of the Workgroup Report. It was anticipated if the Legal Text and cost estimate could be produced for the next meeting the Workgroup Report could be concluded early.

## **4.0 Any Other Business**

None.

## **5.0 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)

Workgroup meetings will take place as follows:

<b>Time / Date</b>	<b>Paper Publication Deadline</b>	<b>Venue</b>	<b>Workgroup Programme</b>
10:00 Thursday 05 May 2022	5pm Wednesday 27 April 2022	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>• Review of Impacts and Costs</li> </ul>
10:00 Thursday 09 June 2022	5pm Monday 30 May 2022		Detail planned agenda items. <ul style="list-style-type: none"> <li>• Consideration of Legal Text</li> <li>• Development of Workgroup Report</li> </ul>

**Action Table (as at 07 April 2022)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Reporting Month</b>	<b>Status Update</b>
<b>0101</b>	07/04/22	2.1.1	National Grid (ASt) to provide some analysis on the potential impacts of the Modification.	National Grid (ASt)	May 2022	<b>Pending</b>