

UNC Transmission Workgroup Minutes
Tuesday 07 September 2021
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office (0761-0780S)
Rebecca Hailes (Chair)	(RHa)	Joint Office (0705R)
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild	(AN)	Storengy
Amber Talbot	(AT)	Storengy
Andrew Blair	(ABI)	Interconnector
Andrew Pearce	(AP)	BP (0705R, 0761)
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(AS)	National Grid
Ashley Adams	(AA)	National Grid
Ben Hanley	(BH)	NGN
Bethan Winter	(BW)	Wales & West Utilities
Carlos Aguirre	(CA)	Pavilion
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DH)	National Grid
David Mitchell	(DM)	SGN
Davide Rubini	(DR)	Vitol
Hannah Reddy	(HR)	Corella
Henk Kreuze	(HK)	Vermillion
Ian Laing	(IL)	Wood Plc (0771S – 0780S)
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Joseph Leyon	(JL)	SGN
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Nik Cole	(NC)	Shell
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Rachel Hinsley	(RHl)	National Grid (0771S – 0780S)
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Samuel Dunn	(SM)	Interconnector
Samuele Repetto	(SR)	EDF Trading (0777 – 0780S)
Sarah Cooper	(SC)	Interconnector
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/070921>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed all parties to the meeting.

1.1. Approval of minutes (05 & 31 August 2021)

The meeting minutes from 05 August and 31 August were approved.

1.2. Approval of Late Papers

3 later papers were approved which included a late agenda update to include an AOB item.

1.3. Review of Outstanding Actions

None.

1.4. Industry Update from Ofgem

Max Lambert (ML) provided an update for the below listed items. For full details of the update, please refer to the Industry Update from Ofgem published at:

<https://www.gasgovernance.co.uk/tx/070921>

- Decision to modify the Price Control Financial Instruments with respect to TOTEX allocation rates for re-opener variant allowances
- Consultation on proposed amendments to the Data Assurance Guidance submissions for Electricity Transmission, Electricity System Operator, Gas Distribution and Gas Transmission Licensees
- Statutory Consultation on proposed changes to Part C of Special Condition 5.5 of National Grid Gas Plc (NGG) Gas Transporter Licence
- SIF Governance Document
- Modification 0739 - Aggregate overrun regime for Original Capacity held at the Bacton ASEPs
- Modification of National Grid Gas Plc (NGG) Gas Transporter Licence to change Part A of Special Condition 7.14

RHa asked whether he could give an update on the CMA/RIO-2 energy networks price controls appeals. ML confirmed that the provisional findings are provided in an Ofgem statement, published at: <https://www.ofgem.gov.uk/publications/ofgem-statement-cma-provisional-findings-2021-energy-networks-price-controls-appeals-riio-2>.

1.5. Pre-Modification discussions

1.5.1. Combined Bacton IP Exit (October Panel)

Malcom Montgomery (MM) confirmed that Ofgem have raised a change proposal to National Grid's Licence, and if approved, this will result in two exit points which need to be removed from Appendix 2, Part E of Special Condition 9.13 and a combined exit point to be added in. This will require the need to amend the Bacton Exit IP definition and a review of the IP process to ensure they work with the new/amended definitions. A Modification will therefore be required to add clarity.

Anna Shrigley (ASh) questioned, when referring to capacity acquired for Bacton exit point and the interchangeability, if this will change Bacton IP capacity and allow its use at either of the two 'bundled' exit points.

MM explained that the current thinking is, that the existing unbundled capacity could be used at the new point and therefore could be used at either of the two 'bundled' points. This may need to be discussed at Workgroup to ensure this is agreeable.

1.5.2. Upcoming changes to Interconnector Agreements at Bacton (October Panel)

MM introduced another pre-mod relating to Bacton Enhanced Pressure Services available to IUK when exporting gas via Bacton. He confirmed National Grid is working to introduce revised consistent arrangements for enhanced pressure services both to IUK and BBL Interconnector Agreements (IA). The raising of a Modification will allow changes to the IAs to take effect.

Julie Cox (JCx) asked how the enhanced service will be charged for. MM explained there is a method which is currently being reviewed. This is a confidential matter between the TSOs but the outline is in the IA and will be in the Modification.

JCx wished to better understand the services National Grid were committing to, the consequences of this and if this is covered in the licence.

New Action 0901: National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue.

ASh wished to re-enforce the need for this action and asked for clarity to be provided on how the current contracts work, the costs for the service (which are not predictable), and agreed that having more transparency on how this service will work would be valuable. ASh wanted clarity within the Modification of what is secured by the current arrangements and which shippers are obliged to pay and what are the top-up charges that are relevant to IUK and BBL, i.e. what level of service is paid by NTS shippers and what remains to be paid by IUK and BBL shippers

New Action 0902: National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work.

MM also wished to note some additional changes to the IA for Network provisions.

1.5.3. Alternative Modification 0779 – Introduction of Entry Capacity Assignments with a defined End date (September Panel)

Lauren Jauss (LJ) introduced a potential Alternative Modification to UNC 0779 which was raised recently by National Grid. LJ provided a comparison table noting the key aspects of both Modifications and the difference of the intended Alternative.

LJ clarified the Alternative proposes the ability to define the start and end date, instead of running with a default end date for the contract

LJ highlighted that 0779 had no suggested implementation dates and excluded day ahead and within day weekly contracts. The proposed alternative will suggest an implementation date of October 2022 and will not exclude weekly contracts (capacity procured within weekly auctions).

LJ suggested the timeline for an assessment could be within 3 months, rather than 6, to allow a 9-month period for the Ofgem Decision and implementation. LJ wished to aim to have the Final Modification Report available for Ofgem to consider in December which would better allow for the Gemini development. Adam Bates (AB) supported a 3-month Workgroup development session if aiming to implementation October 2022.

Daniel Hisgett (DH) explained 6 months was originally envisaged to allow for Alternatives; as this Alternative has been submitted early within the process, a 3-month assessment would be workable.

RHa wished to note that the request for a ROM would probably need to include both Modifications.

2. European Code Updates

No update this month.

3. Workgroups

- 3.1 0705R – NTS Capacity Access Review**
(Report to Panel 21 October 2021)
<http://www.gasgovernance.co.uk/0705>
- 3.2 0761 - Arrangements for Interconnectors with additional Storage capability**
(Report to Panel 21 October 2021)
www.gasgovernance.co.uk/0761
- 3.3 0771S – Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections**
(Report to Panel 21 October 2021)
<https://www.gasgovernance.co.uk/0771>
- 3.4 0772S – Transparency Improvements to the Process for Changing Gas Quality Limits in NTS Connection Agreements**
(Report to Panel 16 September 2021)
<https://www.gasgovernance.co.uk/0772>
- 3.5 0775S – Amendment to the Requirement to Conduct the Transporting Britain's Energy Consultation**
(Report to Panel 16 September 2021)
<https://www.gasgovernance.co.uk/0775>
- 3.6 0777 - Removal of Obstacles to Market Withdrawal**
(Report to Panel 18 November 2021)
<https://www.gasgovernance.co.uk/0777>
- 3.7 0779 - Introduction of Entry Capacity Assignments**
(Report to Panel 17 February 2022)
<https://www.gasgovernance.co.uk/0779>
- 3.8 0780S - Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point**
(Report to Panel 16 December 2021)
<https://www.gasgovernance.co.uk/0780>

4. GS(M)R Review

No update this month.

5. Issues

None raised.

6. Any Other Business

6.1. XRN5393 Implementation of NTS Capacity related UNC Modifications 0752S, 0759S & 0755S - Spring 2022.

Julie Cox (JCx) wished to raise a concern about the Implementation of Self-Governance Modifications:

- 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

JCx believed the CDSP planned Implementation was Spring 2022, which was much later than originally anticipated, especially when there were Shipper benefits to be achieved from implementation. JC also expressed concern generally about tracking Modification Implementation dates when a date is to be confirmed and how going forward these can be monitored/tracked.

Richard Fairholme (RF) confirmed that a concern has been raised with one of the Shipper Members of the DSC Change Management Committee.

Jennifer Randall (JR) confirmed that implementation for all three changes had been bundled and programmed for implementation on 24 April 2022 recognising the efficiencies of making all three changes at once.

The Workgroup considered the best way to manage priorities for system changes by the CDSP and resource allocation constraints with other projects. Concern was expressed about the prioritisation of Gemini changes, especially when there are significant Shipper advantages to be realised from the implementation.

JR explained some of these needed 12 weeks and 3 a month set up process. The Workgroup questioned if this work started from the Modification Implementation Dates, as this would have allowed the changes to be made by the end of the year.

JCx wished to note there was a degree of frustration with undertaking the system changes, and that it appeared Transmission related Modifications were being de-prioritised or taking longer to implement than expected.

Hannah Reddy (HR) confirmed that when a change proposal is submitted to the DSC Change Management Committee these are looked at straight away with the engagement with suppliers as soon as the Change Proposal is received.

New Action 0903: Joint Office (RHa/EF) to include a standing agenda item for the Review of Transmission Modification Implementation dates, for when implementation dates are unclear.

6.2. Alrewas Measurement Error Report for EM009

EF wished to highlight for Significant Measurement Error EM009 - Alrewas EM MTD (<https://www.gasgovernance.co.uk/mer/em009>) that the Measurement Error Report indicates the error size to be greater than 500GWh. If this is the case a decision will need to be taken at the next Offtake Workgroup meeting on 29 September 2021, as to whether a second Independent Technical Expert (ITE) will need to be appointed to assess the error. EF asked parties to refer to the minutes of the Offtake Workgroup from the 01 September for more detail and context (<https://www.gasgovernance.co.uk/OA/010921>) and encouraged parties to join the meeting on 29 September 2021.

7. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:00 Thursday 07 October 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 04 November 2021	Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 December 2021	Microsoft Teams	Standard Transmission Workgroup Agenda

Action Table (as of 07 September 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0901	07/09/21	1.5.2	National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue.	October 2021	National Grid (MM)	Pending
0902	07/09/21	1.5.2	National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work	October 2021	National Grid (MM)	Pending
0903	07/09/21	6.1	Joint Office (RHa/EF) to include a standing agenda item for the Review of Transmission Modification Implementation dates, for when implementation dates are unclear.	October 2021	Joint Office (RHa/EF)	Pending