

UNC Transmission Workgroup Minutes
Thursday 09 June 2022
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Sealey	(AS)	South Hook Gas
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Ayan Bhattacharji	(AB)	Interconnector Ltd
Bethan Winter	(BW)	WWU
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	ExxonMobil
Claire Proctor	(CP)	PTUK
David Mitchell	(DM)	Scotia Gas Networks
Emma Buckton	(EB)	Northern Gas Networks
Hannah Reddy	(HR)	Correla
Hursley Moss	(HM)	Cornwall Insight
Iwan Hughes	(IW)	VPI
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Malcolm Montgomery	(MM)	National Grid
Marion Joste	(MJ)	ENI
Mark Field	(MF)	Sembcorp
Mathieu Malichecq	(MM)	Total
Matthew Newman	(MN)	National Grid
Matthew Newton	(MNe)	Vitol
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector Ltd
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steve Mulinganie	(SM)	Gazprom
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/090622>

1. Introduction and Status Review

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

1.1. Approval of minutes (05 May 2022)

The minutes from the previous meeting was approved.

1.2. Approval of Late Papers

None to consider.

1.3. Review of Outstanding Actions

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**

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

Update: Phil Hobbins (PH) provided an overview of the '*GS(M)R Review: CV Shrinkage Analysis*' presentation during which he provided summary assessments for Terminal A – Bacton Perenco and Terminal B – Grain LNG, concluding that if the lower Wobbe limit was breached National Grid Gas (NGG) would not expect the associated volumes to be sufficient to impact downstream offtakes.

When concerns were voiced that the two CCGTs that are adjacent to the Bacton site could potentially be impacted by 'slugs' of low CV gas entering the system (which can potentially trigger plant shutdowns), PH acknowledged the point and suggested that any requests to National Grid Gas to provide a report on low Wobbe gas would assist National Grid to instigate an assessment, which could then be utilised to form the 'groundwork' for any potential UNC Modifications to be raised in the future.

PH went on to also advise that he is continuing to monitor the matter as part of the build up to National Grid Gas raising a subsequent UNC (enabling) Modification (to consider amongst other things topics such as new baseline requirements, operator communication and engagement aspects and information provision) during the course of the next few months.

A discussion ensued around whether or not a 'blanket' or 'individual' Modification approach would be preferable with concerns being voiced that a blanket style Modification could involve potential downstream impacts.

Additional concerns were also raised around the current lack of a Terminal Operator (TO) view(s) when low CV is predicted to be flowed. Responding, PH advised that he has discussed options with the TOs including provision of a 5 year out view before he also observed that commingling is taking place offshore and that perhaps one solution could be to provide indicative volume related data going forward – it is expected that the TOs would be actively engaged during the development of any UNC Modification.

When asked, PH confirmed that it is National Grid Gas's intention to look to 'group' those Terminals who appear ready to accept a lower Wobbe by region during the analysis phase of the new Modification. Some parties in attendance indicated that they believe provision of a longer-term data report on gas quality would be beneficial, on the grounds that any proposed lowering of the Wobbe (number) needs detailed supporting data to accompany the change.

Noting the points being raised, PH went on to advise that he has been liaising with Continental Terminal Operators, on matters such as the low Wobbe at Bacton, volumes and timings, although it should also be noted that Interconnector – Continental Europe aspects could influence Bacton lead time and the potential Wobbe index reduction levels.

When it was noted that further consideration of these matters would be undertaken within the main '*GS(M)R Review*' item on the agenda at future meetings, parties in attendance agreed that this action could now be closed. **Closed**

1.4. User Representative Appointment Process

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

Key Stages	Commencing:	Respond by:
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

In the absence of an Ofgem representative, consideration was deferred until the July 2022 meeting.

Julie Cox (JCx) also advised that at the 07 June 2022 NTSCMF meeting, Ofgem Representatives in attendance, committed to ensuring that an Ofgem representative would be present at the 07 July 2022 Transmission Workgroup meeting in order to provide an update.

Please see the 24 May 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-ofgem-decision-expected-publication-dates-timetable>

1.6. Pre-Modification discussions

1.6.1. Enhanced pressure service at Bacton

Matthew Newman (MN) introduced the 'BBL Enhanced Pressure Service. Pre-Mod Discussion' presentation, during which discussions centred around the following key points (by exception):

- UNC Modification 0786S 'Amendment of the framework for the Bacton exit pressure service to interconnectors' was (unanimously) approved by Panel at the 17 February 2022 meeting;
 - Whilst the associated Interconnector Agreements are expected to be signed 01 July 2022, BBL have requested access to the enhanced pressure service;
 - The 01 July 2022 date enables both parties to be in attendance at the signing;
- BBL have indicated that their request is not solely driven by commercial reasons and seeks to ensure reinforcement of the European markets during the current concerning geo-political landscape;
- It was recognised that BBL have historically benefitted (unofficially) from previous Interconnector Ltd enhanced pressure service provisions and are now seeking a more formal provision;
- Noting both the current and impending issues being experienced across Europe, some parties wondered whether addressing the issue via another

means whilst waiting for the related Modification to 'catch up' would provide a swifter solution;

- Noting the point, MN advised that this is one option that is currently being considered;
- It was suggested that there are also potential Gas and Electricity Security of Supply aspects that would need to be considered from both a European and GB market perspective;
- Consideration of the potential impacts upon Shippers of increases in pressure and associated reduction in flow rates would be needed along with consideration of any capacity changes (increases or decreases);

Concluding the presentation, MN thanked parties for their feedback and comments and indicated that he would take the points raised into consideration as part of the ongoing development of the new Modification.

2. Milford Haven Risk

Anna Stankiewicz (ASt) provided an overview of the 'Milford Haven Risk' presentation, during which the following key points were noted (by exception):

Historic v recent flows – slide 3

- The short purple line to the right of the 'Daily MH flows' chart reflects revised capability;
 - May / June 2022 data has not yet fully closed out;
 - During winter months National Grid has higher levels of capability at their disposal;
 - The values provided are median values and therefore parties can expect to observe both higher and lower (actual) readings at various times;
- Concerns were voiced that in not having previous years historical data, National Grid's view would not necessarily be correct, especially as the April / May values (referred to as the 'shoulder months') are not necessarily a true indicator of summer requirements

– responding to the concerns, National Grid committed to providing a better comparison going forward, and

- Some parties questioned whether the data suggests that the Milford Haven baseline is potentially meaningless, to which ASt responded by acknowledging that there might be alternative options as outlined on the following slide.

Options Description Table – slide 4

Concerns were voiced that the late provision of the updated presentation did not allow Workgroup attendees sufficient time to consider, and provide views for the proposed options ahead of the meeting;

- Option 1
 - ‘do nothing’ is not viable;
- Option 2
 - could potentially involve a 3 – 6 month lead time for any licence changes;
 - concerns voiced that should a decision be made in October 2022 would the associated system changes be delivered in time;
 - some parties felt that the ‘perception of scarcity’ statement is believed to be a potentially dangerous route to adopt, especially when bearing in mind the UK Governments recent approval of the Jackdaw project;
 - concerns also voiced around potential ASEP Capacity Constraint Management impacts;
 - these are believed to be restricted to the summer period only as winter should not be an issue;
 - If requested (or deemed preferable), National Grid could also examine and adopt an all ASEP based approach (rather than simply focusing on Milford Haven) – to be considered / developed further;
 - In referencing historical capability restrictions at the Isle of Grain (as referenced within National Grid’s Capability Plans), some parties also believed that the focus should not be solely on Milford Haven – National Grid to consider providing additional Isle of Grain information for consideration at the July Workgroup meeting;
 - National Grid is looking to set a repeatable precedent for forthcoming years;
 - In noting the concerns being voiced, Nick Wye (NW) pointed out that these are exceptional times involving exceptional circumstances and as a consequence he feels unable to support consideration of baselines at this time and is of the opinion that National Grid should look to develop the proposed options for utilisation during summer 2023, rather than 2022;
 - Some parties noted that whilst industry is keen for improvements in transparency, the focus should not just be on ASEPs and should also include exit points etc.;
 - A better view of capability (and pressures) under various scenarios (inc. exceeding baselines) could be beneficial, preferably supported by provision of an Annual Capabilities Statement / Report, and
 - Whilst National Grid is trying to provide a clearer picture, parties are asked to note that there are many variables that potentially

effect capability, although they will endeavour to provide more information on those that have a direct impact upon capability.

- Option 3
 - Is essentially where we are now.
- Options 4, 5, 6 and 7
 - As outlined within the presentation, options 5 and 7 are very similar and the industry could potentially end up in the same position next year, which would be unfavourable;
 - Some parties believe a return to the previous era Commercial Capacity Arrangements would be preferable supported by a review of the tools available to hand, in order to ensure the industry can continue through summer 2023;
 - Some parties believe that what has been put in place has not been needed and instead would prefer to focus ahead on next summer's requirements – to this end Option 4 is not necessarily a viable option;
 - Some parties are of the view that the UK Government would likely 'relax' their current position to ensure that a more pragmatic and workable set of proposals / solutions could be enacted for summer 2023;
 - It was noted that the more visibility parties have, the better they can plan;
 - It was suggested that National Grid, South Hook Gas and Dragon should consider an offline meeting to consider what requirements might be needed in order to resolve any potential summer 2023 issues;
 - National Grid are looking for a Workgroup consensus on the proposed options before approaching Ofgem on this matter, and
 - National Grid's focus in preparing the presentation centred around reserve price related aspects rather than gas commodity price aspects.

Future considerations – slide 6

- Subject to what occurs during summer 2022, it may be beneficial for the Workgroup to consider whether a 'do nothing' option is viable going forward, and
- National Grid to consider providing a Constraint Management Cost Flow Through update at the July 2022 Transmission Workgroup meeting.

For more details, please refer to the published presentation.

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

When asked, PH confirmed that this item had been covered under consideration of outstanding Action update 0501 above.

4. Transmission Change Horizon Plan

Anna Stankiewicz (ASt) provided an update on the National Grid Change Horizon plan (as updated since the May meeting), focusing attention on:

- The Indicative Ofgem Decision Dates (as starred) for Modifications 0779/0779A and 0761 which are awaiting a decision;
- In respect of 0779/0779A, 'Functionality Parameterised' an early Ofgem decision might potentially benefit customers, although there is always the 6 month system notice period to consider;
 - When asked, Hannah Reddy (HR) confirmed that where all parties concerned agree, the 6 month period can be waived;
 - Whilst there are invoice document impacts, there are minimal system (screen) changes involved with implementation of the Modification 0779/0779A – it is

more of a process related change, which as a consequence could benefit from a shortened deployment (i.e. this side of Christmas 2022) whereby the system changes are pre-loaded ahead of full deployment at a later time, and

- Ofgem indicated decision date is 23 December 2022, which coincides with the system freeze period, so actual delivery would be the second half of January 2023.

For more details, please refer to the published presentation.

New Action 0601: *Reference Transmission Change Horizon Plan – Potential UNC Modification 0779/0779A Delivery* – Correla (HR) and National Grid (ASt) to update Ofgem on a potential delivery approach.

5. Overrun Update

Deferred until August.

6. Workgroups

6.1. 0801 - Removal of capacity and balancing services from the role of CDSP

(Report to Panel 18 August 2022)

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

6.2. 0805S - Introduction of Weekly NTS Exit Capacity Auctions

(Report to Panel 16 June 2022)

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

6.3. 0806S - Change to Curtailment Trade Price Compensation in Section Q

(Report to Panel 21 July 2022)

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

7. New Issues

No new issues raised.

8. Any Other Business

8.1. 7-day Margins Notice Forecast

Phil Hobbins (PH) provided a brief overview of the '7 Day Margins Notice Forecast' presentation during which the following key items were noted (by exception):

7 – Day Margins Notice Forecast – slide 2

In the example graphical representation, the term '*Gas Day Executed on*' refers to the day the report was run, whilst the '*Reporting For*' provides a summary of dates for the week ahead view.

Industry Impact – slide 3

When asked, PH confirmed that the associated information would be published on the "prevailing view" portion of National Grid's web site (<https://mip-prd-web.azurewebsites.net/>). He then confirmed that National Grid is keen to develop the provision over the next few months.

When it was suggested that perhaps a Daily (look ahead report) view would be preferable to a Weekly one on the grounds that the Weekly could potentially go out of date very

quickly, PH responded by pointing out that the proposed provision would be supplementary to existing reporting provisions.

Methodology (Initial View) – slide 4

PH pointed out that the [30%] threshold figure is only a guide provided for example purposes and would be determined in due course.

Further Steps – slide 5

When PH confirmed that it is highly likely that the report title would be ‘7 Day Margins Notice Forecast’, JCx kindly provided a link to the National Grid reporting portal at:

<https://www.nationalgrid.com/gas-transmission/document/99811/download>

8.2. Distribution Lists

When Julie Cox (JCx) provided a verbal update on the rationale behind raising concerns around the various industry communication routes and whether or not the Joint Office could consider taking over responsibility for those communication being issued via the Energy Networks Association (ENA), Malcolm Montgomery (MM) provided an overview of the ‘TSO Markets Distribution Lists’ presentation.

When RHa explained that if requested by the Transporters, the Joint Office would consider whether it could assist further, JCx enquired whether as an alternative, National Grid could consider issuing the various communications instead, on the grounds that this is possibly a Code Manager related matter anyway. Whilst acknowledging the point, MM outlined the potential limitations of the current process whilst explaining that National Grid are looking for a pragmatic solution that benefits all parties.

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 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 09 June 2022)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
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)	Update provided. Closed
0601	09/06/22	4.	<i>Reference Transmission Change Horizon Plan – Potential UNC Modification 0779/0779A Delivery</i> – Correla (HR) and National Grid (ASt) to update Ofgem on a potential delivery approach	July 2022	Correla (HR) & National Grid (ASt)	Pending