

## UNC Transmission Workgroup Minutes

Thursday 07 November 2019

at Elexon, 350 Euston Road, London, NW1 3AW

### Attendees

Alan Raper Chair	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild*	(AN)	Storengy UK
Andrew Blair*	(ABI)	IUK
Andrew Pearce	(AP)	BP
Angela Fletcher*	(AF)	Ancala Midstream
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter*	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CR)	Exxon Mobil
David Adlam	(DA)	Cadent
David Cox*	(DC)	London Energy Consulting
Debra Hawkin	(DH)	TPA Solutions
Edd Fyfe*	(EF)	SGN
Emma Buckton*	(EB)	Northern Gas Networks
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Jennifer Randall	(JR)	National Grid
John Costa*	(JCo)	EDF Energy
Julie Cox*	(JCx)	Energy UK
Kamila Nugumanova*	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Lea Slokar	(LS)	Ofgem
Leyon Joseph*	(LJ)	SGN
Loraine O'Shaughnessy	(LO)	Joint Office
Malcolm Montgomery*	(MM)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Paul Youngman	(PY)	Drax Power Station
Phil Hobbins*	(PH)	National Grid
Shiv Singh*	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton*	(SB)	Cornwall Energy
Terry Burke	(TB)	Equinor
Will Webster*	(WW)	Oil & Gas UK

\*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/tx/071119>

## 1. Introduction

### 1.1. Approval of minutes (03 October 2019)

The minutes from the previous meeting were approved.

### 1.2. Ofgem update

An overview was provided by Lea Slokar (LS) of the Industry Updates document which covered the following topics:

- **State of the Energy Market 2019**

- On 3 October 2019 Ofgem published their State of the Energy Market Report which included an assessment of competition in retail and wholesale energy markets, affordability and vulnerability, the UK's progress in reducing greenhouse gases, the security of the energy supplies, and, for the first time, how energy networks are performing.

<https://www.ofgem.gov.uk/publications-and-updates/state-energy-market-2019>

- **Statutory Consultation on the proposed modification of Special Condition 8I of National Grid Gas Plc's Gas Transporter Licence to amend all references to 'Gas Deficit Warning' (GDW) to 'Gas Balancing Notification' (GBN)**

- On 6 October 2019 Ofgem published a consultation on the proposed Modification of Special Condition 8I of National Grid Gas Plc's Gas Transporter Licence. Ofgem are proposing to amend all references in the licence to 'Gas Deficit Warning' (GDW) with 'Gas Balancing Notification' (GBN), to align the licence with the Uniform Network Code (UNC). Responses to this statutory consultation should be submitted by email on or before 13 November 2019.

<https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposed-modification-special-condition-8i-national-grid-gas-plc-s-gas-transporter-licence-amend-all-references-gas-deficit-warning-gdw-gas-balancing-notification-gbn>

- **Decision on Modification of National Grid Gas plc's gas transporter licence for treatment of new entry and exit points with zero baseline capacity**

- On 9 August 2019, Ofgem published a statutory consultation on a proposal that all new entry and exit points with zero baseline capacity are added to the entry/exit baseline capacity tables contained in a report called the "Long Term Summary Report" and not to the Licence. Ofgem received one response. Following consideration of this response, on 14 October 2019, Ofgem decided to modify Special Conditions 1A, 5F and 5G of NGG's gas transporter licence. The licence changes will take effect from 10 December 2019. Statutory consultation on proposed modification of National Grid Gas plc's gas transporter licence for treatment of new entry and exit points with zero baseline capacity 09 August 2019.

<https://www.ofgem.gov.uk/publications-and-updates/decision-modification-national-grid-gas-plc-s-gas-transporter-licence-treatment-new-entry-and-exit-points-zero-baseline-capacity>

- **Decision on proposed modifications to Interconnector (UK)'s Access Rules and Charging Methodology**

- LS explained that on the 17 July 2019, IUK proposed modifications to its Access Rules and Charging Methodology to the Authority to approval. On 16 October 2019, after careful consideration, Ofgem decided to approve the proposed modifications to IUK's Access Rules and Charging Methodology. Ofgem made this decision on the basis that Ofgem are satisfied that the proposed modifications met the relevant Access Rules and Charging Methodology objectives.

<https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-interconnector-uk-s-access-rules-and-charging-methodology>

- **Approval of National Grid Gas plc's proposal for exit capacity substitution in respect of Rawcliffe National Transmission System Exit Point**
- On 1 November 2019 Ofgem approved National Grid Gas's request to substitute National Transmission System (NTS) exit capacity to its Rawcliffe exit point.

<https://www.ofgem.gov.uk/publications-and-updates/approval-national-grid-gas-plc-s-proposal-exit-capacity-substitution-respect-rawcliffe-national-transmission-system-exit-point>

### 1.3. Pre-Modification discussions

#### 1.3.1. Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE Plant (AF)

Angela Fletcher (AF) introduced herself and explained that Ancala Midstream Acquisitions Ltd (AMAL) were presenting the draft Modification on behalf of OMV Gas Marketing and Trading GmbH. She said the enabling Modification was seeking to facilitate an increase in oxygen limit in the Network Entry Agreement at the SAGE Terminal between National Grid Gas Plc and SAGE North Sea Limited (SNSL) and that it was proposed to increase the limit from 0.001 mol% (10 ppm) to 0.01 mol% (100 ppm).

AF explained in the UK, there were two oxygen limits that were pertinent to network entry requirements. The first, 2000ppm (0.2mol%) was a safety limit specified in Schedule 3 Part 1 (regulation 8) of the Gas Safety (Management) Regulations. The second was a guideline limit of 10ppm (0.001mol%) contained in National Grid's Gas Ten Year Statement, which was currently in place in the SAGE Network Entry Agreement, which governed gas export specification from the St Fergus SAGE Terminal.

AF said that Ancala Midstream Acquisitions Ltd (AMAL) were seeking to bring new Norwegian gas volumes into the National Grid via the St Fergus SAGE gas terminal and that OMV Gas Marketing and Trading GmbH's Norwegian affiliate was a co-owner of these gas volumes.

AF explained that OMV, is a UNC shipper, and would be sponsoring the proposal while the SNSL's gas shipper licence application progresses. She explained the processing of this gas to meet the current GS(M)R (1996) defined Incomplete Combustion Factor ("ICF") specification would require ballasting with nitrogen gas. She said the available Pressure Swing Absorption ("PSA") nitrogen generation units produced nitrogen with a minimum 99.5% vol. purity and that analysis of SAGE Terminal export composition showed that this would result in an Oxygen content range of 50 to 70 ppm (0.005 to 0.007 mol%) in gas exported to the NTS.

AF said that the solution to this issue, was to increase the permitted oxygen content of the gas in the SAGE Network Entry Agreement from 0.001 mol% to 0.01 mol%. This increased level would remain well within the level of 0.2 mol% allowable under the Gas Safety (Management) Regulations. It would also appear to be significantly lower than the limits permitted at several other NTS entry points.

Julie Cox (JCx) asked if the Modification proposal was needed if ICF was not a feature of GS(M)R, as is being considered by the IGEM Gas Quality WG. AF replied that the proposal is only required to meet the ICF limit.

Graham Jack (GJ) proposed that from a timeline angle that it would be useful for specific Heat Maps to be produced by National Grid, to give confidence that the overall gas quality process would continue to run smoothly. Phil Hobbins (PH) agreed that National Grid would investigate previous Modifications and look to understand what analysis was done in relation to similar Modifications in the past.

Loraine O’Shaughnessy (LO) enquired if the proposed two month’s timeline was adequate and PH said that would be determined by the team who would be conducting the analysis and whether this could be completed in December, if not, the timeline would need to be reassessed in due course.

Jeff Chandler (JC) also wanted to know what the potential impacts would be at St Fergus and the plant.

LO said the Modification would be presented at the November Panel and would then be allocated to the Transmission Workgroup for further development.

## 2. Workgroups

### 2.1. 0662 - Revenue Recovery at Combined ASEPs

*(Report to Panel 16 January 2020) (awaiting an outcome on Modification 0678 from Ofgem – Modification deferred)*

[www.gasgovernance.co.uk/0662](http://www.gasgovernance.co.uk/0662)

### 2.2. 0705R – NTS Capacity Access Review 0671 – New Capacity Exchange process at

*(Report to Panel 15 October 2020)*

[www.gasgovernance.co.uk/0705](http://www.gasgovernance.co.uk/0705)

## 3. European Updates

### 3.1. EU Code Update – (PH)

Alan Raper explained National Grid NTS had confirmed there was no EU Code update this month.

## 4. Issues

None.

## 5. Any Other Business

None.

## 6. Review of Outstanding Actions

None.

## 7. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10.00, Thursday 05 December 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Transmission Workgroup standard Agenda plus any associated Modifications