

UNC Transmission Workgroup Minutes
Thursday 07 September 2023
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Alex Nield	(AN)	Storengy
Amy Howarth	(AH)	Storengy
Andrew Blair	(AB)	Interconnector
Anna Shrigley	(AS)	ENI
Antony Miller	(AM)	South Hook Gas
Benjamin Cull	(BC)	Department for Energy Security and Net Zero (DESNZ)
Brian McGlinchey	(BM)	Vermillion
Carlos Aguirre	(CA)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Gavin Williams	(GW)	National Gas Transmission
Hannah Reddy	(HR)	Corella
James Lomax	(JLo)	Cornwall Insight
Joseph Leggett	(JL)	Interconnector
Julie Cox	(JC)	Energy UK
Kirsty Appleby	(KA)	National Gas Transmission
Lauren Jauss	(LJa)	RWE
Marion Joste	(MJ)	ENI
Maryam Khan	(MK)	Ofgem
Mathew Chandy	(MC)	Ofgem
Matthew Atkinson	(MA)	SEFE
Matthew Newman	(MN)	National Gas Transmission
Neville Henderson	(NH)	BBL
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(PO)	Northern Gas Networks
Phil Hobbins	(PH)	National Gas Transmission
Phil Lucas	(PL)	National Gas Transmission
Rebecca Stevenson	(RS)	Department for Energy Security and Net Zero (DESNZ)
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	SEFE Energy
Terry Burke	(TB)	Equinor
Tim Davis	(TD)	CNG Services

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/0844/070923>.

1. Introduction and Status Review

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

1.1. Approval of minutes (03 August 2023)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

EF noted 3 late papers for items 1.3 and 1.5.3, 2.2 which were all approved by the Workgroup.

1.3. Review of Outstanding Actions

0701: Tim Davis (TD), rather than raising a Modification, to have offline discussions with National Gas Transmission and report back to Transmission Workgroup in September 2023.

Update: Phil Lucas (PL) provided the background referring to a pre-Modification discussion at the July Workgroup meeting by CNG Services relating to Reverse compression. PL confirmed bilateral discussions have taken place.

An illustration of the physical installation was provided where there is insufficient capacity in the Distribution Network (DN) to accept biomethane entry. PL outlined the short-term interim solutions and the intention of seeking a UNC Derogation under the facility introduced with UNC0800 to temporarily remove the requirement for delivery of gas to NTS to be subject to TPD Section I.

For full details please refer to the presentation published.

If required a subsequent UNC Modification will be raised to implement an enduring solution.

EF asked for clarity on the timing of the derogation and the need for a consultation and Ofgem approval (General Terms B Section 7). It was confirmed to allow for the derogation to be requested this would be presented to the October UNC Modification Panel.

Nick Wye (NW) enquired if the owner of Anaerobic Digestion (AD) plants would be paying for connecting the pipeline and compression. Tim Davis (TD) confirmed the IGT would own the pipeline and compression and that the AD will be covering all costs of the solution.

TD explained the background for using this route as a solution, as applying the existing rules would double count the gas and would result in being paid twice and that CNG have projects that need an innovative solution.

Julie Cox (JC) asked about the period of the derogation. It was anticipated a 3-year derogation would be requested to allow for an interim solution whilst allowing time for the industry to consider an enduring solution and development of a UNC Modification. **Complete.**

1.4. Industry Update from Ofgem

Maryam Khan (MK) referred to the Ofgem Expected Decision Dates (EDD) publication timetable at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable> dated 17 August 2023 noting the most recent updates (see below table).

Modification	Estimated Decision Date
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	29 September 2023
0761 - Arrangements for Interconnectors with additional Storage capability	Rejected 24 August 2023
0808 - Reverse Compression	TBC
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	22 December 2023

0839 - Revision of the Modification Panel Membership Cessation Provisions	TBC
0846 - Use of Entry Capacity Holdings at Easington at the Rough Storage ASEP in Winter 2023/2024	14 September 2023

1.5. Pre-Modification discussions

1.5.1. Increasing flexibility in the UNC: Trails for balancing and pre-emergency tools

Matthew Newman (MN) provided the background to increasing participation in DSR across non-daily metered (NDM) sites using trial solutions to support the effective and efficient balancing of the gas networks and enhance the pre-emergency tools that National Gas Transmission (NGT) could use.

MN explained the limited scope for the trials and that these would only be applicable for System Management Services (SMS) defined in the System Management Principles Statement agreed by Ofgem.

MN further explained that the trials would facilitate learning and data gathering which would aid longer-term thinking and the management of risks.

A typical example of a non-daily metered trial was outlined where NDM consumers in sufficient numbers could provide a material reduction in demand. This could be achieved by adding a new provision into the UNC Transportation Principal Document (TPD) Section D to allow NGT to conduct System Management Services Trials. This would have a specification document for the trial with a time limit. Trials would be no longer than 12 months and would need to be signed off by Ofgem with a published report following the trial before considering an enduring solution.

SM asked if there would be a Stakeholder steering committee. MN confirmed some consumer research had been undertaken with direct consumers and that further engagement will be undertaken with direct consumers and Shippers (via the Transmission Workgroup).

Lauren Jauss (LJ) made a comparison to the Electricity Market, the different timelines and asked about the drivers and materiality. MN reassured the Workgroup that materiality, risk management and price incentives have been considered.

Rebecca Steventon (RS) voiced the support of DESNZ for trials and welcomed the level of innovative thinking to test out new ideas.

JC enquired if the interactions between gas and electricity will be looked at and the risk that electricity demand could increase as consumers turn down their gas heating and turn on electric fan heaters. The risks of domestic customers participating in gas reductions was discussed and that as a result, electricity demand could increase. The impact and protection for vulnerable customers were also considered.

MK confirmed that Ofgem are considering vulnerable consumers, looking at the wider consumer aspects and understanding how they may engage, along with the need for any additional protections for vulnerable consumers.

MN clarified that NGT would not be asking domestic customers to turn off completely, the messaging would be clear that a complete shut-off would not be required. The request would be to reduce demand by turning thermostats down by 1 or 2 degrees if able to.

SM expressed caution of balancing the incentives to ensure parties downstream from a meter are not affected by a commercial decision to turn down, and the need to have a group of advisors involved in the development of trials that thoroughly understand the market.

1.5.2. Extension of the arrangements introduced via UNC Modification 0814

Matthew Newman (MN) provided the background to raising Urgent Modification 0814 - Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS

Exit Point Offtake Rate of the BBL interconnector, for BBL to access an enhanced pressure service and increase their maximum Network Exit Point Offtake Rate (MNEPOR).

MN explained that due to delays in the implementation of this and changes in market conditions BBL have not been able to utilise the services.

MN provided a timeline to illustrate the time-limited period ending 30 September 2023 proposing an extension of the temporary arrangements until 31 December 2024 to allow BBL to trial the service and give NGT the opportunity to gather data.

MN explained the aim will be to raise a Modification which could go straight to consultation based on the solution being the same with only an extension to the end date. It was also suggested this could be dealt with under Self-Governance.

Joseph Leggett (JL) expressed concerns with the risks associated with the Modification, particularly with a risk of contaminated gas and the functioning of the market. With the potential risk of exposure and impacts on the current arrangements, JL believed this Modification would require an Ofgem decision as did the original Modification and it should not go straight out to consultation.

JL clarified that the Interconnector concerns are not directed at BBL Company requesting the enhanced pressure service. They are however concerned that there is a significant risk of contaminated gas coming out of the NTS which continues to go unmitigated, and this needs to be addressed first, especially when this change has the potential to increase the risk exposure. To properly assess this extension, JL stressed that further technical information is needed. JL believed that an Ofgem decision was necessary, to be consistent with the original Modification, given the consequences of contaminated gas and the potential impacts for the functioning of the GB market, security of supply, and cross-border trade. He was concerned that the impact of the current arrangements, and extension, were not fully understood, noting that the new proposal does not include a technical assessment, nor is there mitigation introduced to mitigate contamination risk.

JL wished to also note that NTS Bacton filter investment is needed for high flows to be accommodated at Bacton exit, and to address the increased risk of solid debris. Temporary operational mitigation measures are in place now, but not fully effective nor sustainable and the industry are awaiting Ofgem's decision regarding this investment.

In the original Modification (0814) JL believed there was a commitment to carry out network analysis should a more enduring arrangement be requested. The Interconnector therefore believes that this should form part of this extension proposal.

It was noted that the technical assessment was not included in Modification 0814 due to the urgency and a lack of time. As the urgency of the European security of supply crisis has subsided now, especially in comparison with when the original Modification was raised, it was suggested as there is now less urgency for this temporary Modification that due-process, analysis and risk management is properly considered in line with the standards of a reasonable and prudent operator.

JL urged the The Workgroup to consider that the issue of contamination of Gas and the dust risk raised within the consultation on UNC 0814 had not been addressed by NGT. It was suggested that further analysis on the risk of increased contamination should be provided before any extension is granted and that a decision from Ofgem should be obtained rather than allowing this to progress as Self-Governance.

Anna Shrigley (AS) supported the extension of the arrangements and for Self-Governance, referring to a recent article in the Telegraph. AS was in support of NGT's proposal to extend BBL's access to enhanced pressure services to the end of 2024. AS noted, that the view that this would be a Self-Governance Modification seemed to be a logical approach given that there were no incidents with dust at Bacton since last summer when a process of double filtering the gas before it enters the Bacton interconnector was adopted.

SM did not believe this would be a Self-Governance Modification and if NGT recommends

it should be issued direct to consultation the Modification needs to be clear as to why this is appropriate, particularly with the points that have been raised.

MN stated the view that the level of risk would not change from the original Modification, and it was simply creating a level playing field with Interconnector Ltd.

Neville Henderson (NH) wished to stress that Interconnector LTD already have access to the higher pressure service and BBL are asking to be treated on the same basis.

Nick Wye (NW) was unclear whether the points being raised were new issues, historical issues already assessed by Ofgem in its decision, or an issue not properly addressed by NGT. He wished for clarification if the issues being re-raised had already been considered in the 0814 decision process. It was noted that Modification 0814 was approved based on the Bacton filtration process still being in development and that the timing of the previous Modification and technical considerations of the re-filtration process needed to be taken into account.

SM advised for the need for due diligence, the reliance on the work previously done and if circumstances remain the same or if there are new issues which require more consideration.

NM agreed to reflect on the discussion and to consider the points in preparing for submission of the new Modification to Panel.

1.5.3. Permanent Change to Wobbe Index upper limit Network Entry Provisions at Shell St Fergus Terminal

Christiane Sykes (CS) advised of the intention of raising a Modification to install an enduring solution to amend the Network Entry Provision at Shell St Fergus Terminal. This would be an enabling Modification to amend the upper limit of the Wobbe Index (WI) from 51.2 MJ/m³ to 51.4 MJ/m³, creating a level playing field and securing effective competition between relevant Shippers. This would align the Shell St Fergus Upper WI in line with GS(M)R legislation and other terminals.

CS provided the background to the Modification and data in terms of the volumes and overall energy impacts. For full details refer to the provided presentation.

The intention was to raise the proposal for September's UNC Modification Panel with a request for it to be issued directly to consultation.

It was noted that the average volume figures presented did not reach the upper limit. A workgroup participant asked if the increase is actually required. CS and EF explained the average CV and Wobbe for the day may not illustrate the maximum that had been reached because it may only have been reached for a short duration on that day.

2. Demand Side response (DSR) Progress Review

2.1. Lessons Learnt

Phil Hobbins (PH) provided a presentation on this year's DSR reforms which have been implemented following Ofgem's approval of UNC Modifications 0844 and 0845 plus consequential changes to the DSR Methodology.

Seeking continuous improvement, NGT had conducted a lesson learnt exercise to reflect on the reforms, present their views and welcome feedback from stakeholders.

PH provided an overview of the lessons learned, what went well and what did not work well and the key learning points. For full details please refer to the presentation.

PH welcomed feedback on the lessons learnt.

2.2. Draft Scope of Work for 2024/25

PH noting the prioritisation of DSR reforms this year advised of the resurrection of Request Workgroup 0835R Meetings from October.

PH provided the scope of work for 2024/25, some points to consider for the 0835R Workgroup and potential new reforms.

For full details please refer to the published presentation.

SM wished to raise an issue that will affect Shipper's DSR for this year, in relation to the site changing shipper, the timing and the constraints window for compliance:

1. The current Shipper A bids in for DSR for the Customer on 15 September 2023.
2. The current Shipper A will only learn of their success or failure on Friday 29 September 2023 and will then need to inform the Customer accordingly.
3. On Friday 29 September 2023 either the old Shipper A or the Customer will need to advise Shipper B that a DSR option exists.
4. Under the rules the new Shipper B must inform National Gas before Sunday 01 October of its willingness for the DSR arrangement to endure or else the DSR will lapse. If this is a working day obligation it requires action on Friday 29 September.

PH noted the points raised and agreed that it is not in the interest of any party for this process to fail. PH committed to provide a communication from NGT to set out how the risk might be managed and avoid the unintended loss of any DSR options.

Post Meeting Note: NGT has provided an update - Potential consequences of a site changing its shipper in relation to the current DSR tender. Please refer to the [NGT DSR webpage](#) which sets out how NGT propose to manage this issue.

JC expressed it would be useful to have some consumer input on these issues for the next meeting. Further discussion to continue on 05 October 2023.

3. Transmission Horizon Plan

Kirsty Appleby (KA) took the Workgroup through the National Gas Transmission Change Horizon plan, noting three key items:

- Gemini Sustain Plus program due to be implemented in September 2024.
- Modification 0846 decision due 14 September 2023
- Modification 0823 expected decision towards the end of this year.

Gemini Sustain Plus Engagement

KA confirmed that dedicated focus groups will commence in September. The first focus group meeting taking place on Monday 25 September. This will be a virtual meeting.

Details and the invitation can be found on the Gemini Sustain Plus website: <https://www.xoserve.com/change/investment-change/gemini-changes-overview/gemini-sustain-plus>

KA advised that future updates will be provided to the Transmission Workgroup pitched at a high level. However, more detail can be provided with input from the Workgroup on any questions or topics. These can be submitted to: kirsty.appleby@nationalgas.com

4. Workgroups

The following Workgroup meetings will take place in October:

4.1. 0835R - Review of Gas Demand Side Response Arrangements

(Report to Panel 21 March 2024)

<https://www.gasgovernance.co.uk/0835/051023>

4.2. 0852 - Shipper notification in relation to option exercise for Customer Demand Side Response

(Report to Panel 18 January 2024)

<https://www.gasgovernance.co.uk/0852/051023>

4.3. 0854 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers

(Report to Panel 18 January 2024)

<https://www.gasgovernance.co.uk/0854/051023>

5. Issues

No new issues have been identified.

6. Any Other Business

6.1. Gas Demand Forecasting Methodology (GDFM)

MN notified the Workgroup that NGT is working closely with National Grid ESO (ESO) to review the Gas Demand Forecasting Methodology (GDFM) to identify improvement areas. MN wished to note monthly updates will be provided via the Distribution and Transmission Workgroups and that there may be some UNC Modifications to align GDFM, Licence and UNC.

More context was requested on the materiality. MN agreed to circulate a post-meeting note ahead of the next meeting.

7. 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 05 October 2023	5 pm Wednesday 27 September 2023	Microsoft Teams	Standard Transmission Workgroup Agenda Including 0835R, 0852 and 0854
10:00 Thursday 02 November 2023	5 pm Wednesday 25 October 2023	Microsoft Teams	Standard Transmission Workgroup Agenda Including 0835R, 0852 and 0854
10:00 Thursday 07 December 2023	5 pm Wednesday 29 November 2023	Microsoft Teams	Standard Transmission Workgroup Agenda Including 0835R, 0852 and 0854

Transmission Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0701	05/07/23	1.5.1	Tim Davis (TD), rather than raising a Modification, to have offline discussions with National Gas Transmission and report back to Transmission Workgroup in September 2023.	September 2023	Tim Davis (TD)	Closed