

**UNC Workgroup 0680S Minutes**  
**UNC Changes as a Consequence of 'no deal' United Kingdom**  
**Exit from the European Union**

**Thursday 28 February 2019**

**at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alexander Mann*	(AM)	Gazprom
Andy Clasper*	(AC)	Cadent
Chris Warner	(CW)	Cadent
Dave Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Edward Fyfe	(EF)	SGN
Ellie Rogers*	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates Ltd
Kate Mulvany	(KM)	British Gas
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Mark Jones*	(MJ)	SSE
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shanna Key*	(SK)	Northern Gas Networks
Steven Britton*	(SB)	Cornwall Insight
Tracey Saunders*	(TS)	Northern Gas Networks

*\*via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0680/280219>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

**1.0 Outline of Modification**

Phil Lucas (PL) introduced the Modification explaining that a number of minor changes to the Uniform Network Code (UNC) are required as a consequence of the United Kingdom (UK) withdrawal from the European Union (EU) which becomes effective from 23:00 on 29th March 2019. The changes modify existing references to EU regulations with reference to UK amendment regulations, statutory instruments and where appropriate remove references to EU entities.

PL explained that only option has been considered due to the small number of changes needed. It is proposed that the referencing of Retained EU law is consistent with the approach to the equivalent amendments to the Gas Transporter Licences. He also stated that Statutory Instruments will be brought into force unless any objections are raised. There will be consequential changes in relation to 2 areas:

- party responsible for provision of capacity Auction Calendar
- information taken into account in National Grid's demand assessment report.

In addition, PL added that the Modification Panel agreed the governance of the Modification should be Self-Governance as the changes to Code were not considered to be material and that implementation could be managed based on a no deal BREXIT and rolling out of the necessary Statutory Instruments. The Panel directed the provision of a Workgroup Report at the 21 March 2019 meeting following discussion at both the Distribution and Transmission Workgroups. The Final Modification Report is expected to be considered at the April Panel meeting.

PL provided a walkthrough of the solution section of the Modification highlighting the proposed changes to the current UNC Text in the table. He also indicated that Suggested Legal Text was provided in the Modification.

He concluded his presentation by providing an update from 2 actions that arose from the Transmission Workgroup meeting in February. A response has been provided as follows:

Transmission Action 0201: National Grid NTS (PL) to confirm if National Grid NTS would still be a member of ENTSOG following BREXIT.

National Grid response

*National Grid and ENTSOG's prospective relationship post no deal BREXIT remains the subject of discussion and debate between National Grid and ENTSOG. National Grid will confirm the position to its stakeholders as soon as it is able.*

Transmission Action 0202: National Grid NTS (PL) to confirm which UK organisation would be replacing European referenced organisations to direct Code changes post BREXIT? Will there be any replacement body tasked with making binding decisions current made by the European Commission or ACER i.e. will there be a need for an additional relevant objective to account for decisions made by such a body?

National Grid response

*In summary, there will be no additional UK decision body/ies in place of the European Commission or ACER. Consistent with this, the principle approach of the Statutory Instruments (SIs) is to amend the EU Networks Codes (to the extent they form part of Retained EU Law) to address any inoperabilities. Such inoperabilities include provisions in the Codes which refer to these EU decision making bodies, for example those which contemplate or require an ACER decision.*

*In this scenario, it is contemplated that this decision would be taken by the National Regulatory Authority (Ofgem for GB, or Utility Regulator for Northern Ireland). This approach is reflected in the following example from the EU Tariff Code (Regulation 2017/460):*

**Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas**

Article 37 para 5.

“The national regulatory authorities may revoke a derogation if the circumstances or underlying reasons, or both, no longer apply or upon a reasoned recommendation of the Agency or the Commission to revoke a derogation due to a lack of justification.”

**Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019.**

SCHEDULE 5

Amendments to the Tariffs Code

17.—(1) Article 37 is amended as follows. (5) For paragraph 5, substitute—

“5. The national regulatory authority may revoke a derogation if the circumstances or underlying reasons, or both, no longer apply. The national regulatory authority must endeavour to cooperate with any non-UK regulatory authorities whose approval is required in reaching a decision on whether to revoke a derogation.”.

*The approach of the SIs to other occurrences of ACER references in Regulation 2017/460 are to omit the relevant Article in its entirety, for example Articles 31(1) and 32(2) are omitted by Schedule 5 para 14 of the SI.*

*On the basis of the above principle, Ofgem has not proposed any additional UNC Relevant Objectives in the licence and therefore no further UNC changes (in this respect) are justified.*

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

None raised.

### 2.2. Initial Representations

None received.

### 2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at <https://www.gasgovernance.co.uk/mods>

## 3.0 Next Steps

BF confirmed that the next step is for Transmission Workgroup to consider the Modification at the 07 March 2019 meeting and for the Workgroup Report to be completed. The aim is that the Modification is able to go out to consultation on 21 March 2019.

## 4.0 Any Other Business

None.

## 5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Thursday 07 March 2019	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	Detail planned agenda items. <ul style="list-style-type: none"><li>• Consideration of Modification</li><li>• Review of Relevant Objectives</li><li>• Consideration of Wider Industry Impacts</li><li>• Consideration of Legal Text</li><li>• Completion of Workgroup Report</li></ul>

**Action Table (as at 28 February 2019)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No outstanding actions		