

UNC Workgroup 0779 0779A Minutes
0779 Introduction of Entry Capacity Assignments
0779A Introduction of Entry Capacity Assignments with Defined End Date
Monday 29 November 2021
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(KE)	Joint Office
Helen Cui (Secretary)	(HCu)	Joint Office
Andrew Pearce	(APe)	BP
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CA)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(DH)	National Grid
David Mitchell	(DM)	SNG
Guv Dosanjh	(GD)	Cadent
Hannah Reddy	(HR)	Corella
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Malcolm Montgomery	(MM)	National Grid
Marion Joste	(MJ)	ENI
Mark Jones	(MJ)	SSE
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Nigel Sisman	(NS)	Sisman Energy Consultancy
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Rudi Streuper	(RS)	BBLC
Steven Britton	(SB)	Cornwall-Insight
Shiv Singh	(SS)	Cadent
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0779/291121>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

1. Introduction and Status Review

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

1.1. Approval of minutes (04 November 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

EF advised that there were 2 late papers, a draft Amended Modification and Presentation.

1.3. Review of Outstanding Actions

None to consider.

2. Amended Modification(s)

Daniel Hisgett (DH) provided the Workgroup with a brief overview of the amendments which included updates to reflect the analysis and information from the ROM.

DH advised of the hope to provide the legal text on Thursday for the main Transmission meeting to enable the conclusion of the Workgroup Report for Panel to consider in December.

It was clarified that both 0779 and 0779A would continue to proceed rather than combining the two proposals.

The Workgroup briefly considered that Modification 0779 was deemed to require an Authority decision whereas the proposer of Modification 0779A had recommended Self Governance. It was noted that the UNC Modification Panel had considered both modifications requiring an Authority Direction and this needed further review by the Workgroup.

Lauren Jauss (LJ) wished to note the importance of having increased flexibility and that 0779A had additional features, not to exclude weekly assignments and reduce notice periods. It was noted that the ROM response had come back indicating that costs were no greater for the additional features and for both the original and alternative Modifications the costs would remain the same. It was deemed this increased the cost benefit for the additional features.

The Workgroup considered the three options surrounding the transferring of assignments and rejecting assignments that conflict, or results in a negative registered holding position. It was considered whether the system should allow negative positions that could incur overruns.

DH explained the 3 options in further detail. Anna Shrigley (ASh) expressed a preference for the 2nd option, whereby if a negative capacity position would occur the capacity assignment transfer should be automatically rejected. LJ concurred that this approach would make sense.

The Workgroup re-visited the justification for requiring an Ofgem decision. EF wished to note that National Grid Gas (NGG) have set out why the materiality meets the need for an Ofgem decision. LJ challenged that the need when exit assignments will already be approved, it was not clear why entry assignments would be different.

Julie Cox (JCx) believed that the materiality of costs and competition justify the need for Authority direction. DH acknowledged that parties would incur additional costs and within the impact section NGG have indicated a potential impact rate of 4% in 2024/25. For those who have existing contracts it was noted they may be able to realise some appropriate discounts.

DH further explained the revenue impacts for existing contract holders, clarifying that the table presented does not include an assumption for commodity charges being introduced. DH explained that this could lead to a number of other sites taking advantage, potentially increases costs. LJ clarified this is not an increase to the customer, this would be a redistribution of costs, moving some costs from smaller Users to larger Users.

The Workgroup agreed to review the 0779/0779A Workgroup Report further on Thursday 02 December 2021.

3. Development of Workgroup Report

The development of the Workgroup Report was deferred to the 02 December 2021.

4. Next Steps

National Grid (JR) and RWE (LJ) to consider whether to amend their respective Modifications for further consideration at the next meeting.

5. Any Other Business

None.

6. 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 02 December 2021	Late papers expected	Microsoft Teams	Development of Workgroup Report
10:00 Thursday 06 January 2022	5pm Friday 28 December 2021	Microsoft Teams	Completion of Workgroup Report