

UNC Workgroup 0805S Minutes
Introduction of Weekly NTS Exit Capacity Auctions
Thursday 07 April 2022
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andre Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Clare Caple	(CC)	E.ON
David Mitchell	(DMi)	Scotia Gas Networks
Debbie Mulinganie	(DM)	BP
Emma Buckton	(EB)	Northern Gas Networks
Fiona Morrison	(FM)	SSE
Henk Kreuze	(HK)	Vermilion
Hursley Moss	(HM)	Cornwall Insight
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Malcolm Montgomery	(MM)	National Grid
Mark Field	(MF)	Sembcorp
Mark Barnes	(MB)	National Grid
Marion Joste	(MJ)	ENI
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	Gazprom

Apologies

Jeff Chandler	SSE
Joseph Glews	Ofgem
Max Lambert	Ofgem

Copies of all papers are available at: www.gasgovernance.co.uk/0805/070422

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 June 2022.

1.0 Outline of Modification

Nick Wye (WY) provided on behalf of Iwan Hughes the background/purpose of the Modification to introduce Weekly NTS Exit Capacity Auctions to allow for more economic and efficient capacity bookings.

Under the current arrangements for the booking of National Transmission System (NTS) Exit (flat) Capacity, Users are restricted to booking Annual or Daily NTS Exit Firm Capacity. It is proposed to expand the options available to Users by adding a weekly exit capacity auction to the suite of NTS Exit Capacity products. D-5 Exit Capacity Auctions and Allocations on D-4.

NW provided an overview of the level of bookings / booking behaviours noting low bookings of annual capacity and reducing number of enduring capacity at Direct Connects. It was anticipated the Modification would have a positive impact on collected revenues and subsequent impact on prices.

Anna Shrigley (ASh) asked if [Interconnector Points \(IPS\)](#) direct connects would be included within the scope, NW explained as the product is not included in the CAM Code it wouldn't be appropriate to include these, [as that wouldn't be compliant with CAM](#).

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Impact of this Modification on charges (for example on annual capacity)

It was anticipated there would be very little impact on charges dependent on behaviour.

2.1.2. Should the Modification remain Self Governance

The Workgroup agreed that National Grid would need to do undertake some analysis to better understand the likely impacts.

New Action 0101: National Grid (ASt) to provide some analysis on the potential impacts of the Modification on Capacity Bookings. (amended).

2.2. Initial Representations

Question raised by Bethan Winter, Wales & West Utilities:

Given that NTS will still need to recover the same amount of revenue from Exit Capacity charges, is there a risk that with extra auctions along with processes and systems to support them, it ends in a position where the capacity prices go up and parties end up paying the same amount for capacity overall.

It was believed this had been covered under Item 1.0.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <https://www.gasgovernance.co.uk/0805>

3.0 Next Steps

Nick Wye (NW) asked for parties to feedback any elements they would like considered ahead of the next meeting to allow progression of the Workgroup Report. It was anticipated if the Legal Text and cost estimate could be produced for the next meeting the Workgroup Report could be concluded early.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 05 May 2022	5pm Wednesday 27 April 2022	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> • Review of Impacts and Costs
10:00 Thursday 09 June 2022	5pm Monday 30 May 2022		Detail planned agenda items. <ul style="list-style-type: none"> • Consideration of Legal Text • Development of Workgroup Report

Action Table (as at 07 April 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0101	07/04/22	2.1.1	National Grid (ASt) to provide some analysis on the potential impacts of the Modification on Capacity Bookings. (amended).	National Grid (ASt)	May 2022	Pending