

UNC Workgroup 0805S Minutes
Introduction of Weekly NTS Exit Capacity Auctions
Thursday 05 May 2022
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild	(AN)	Storengy
Andrew Blair	(AB)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	WWU
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Emma Buckton	(EB)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Hannah Reddy	(HR)	Correla
Hursley Moss	(HM)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Joseph Glews	(JG)	Ofgem
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJa)	RWE
Leon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Marion Joste	(MJ)	ENI
Mark Barnes	(MB)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	Northern Gas Networks
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Shiv Singh	(SS)	Cadent
Steve Blackler	(SB)	E (0806)
Steve Mulinganie	(SM)	Gazprom
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0805/050522

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

1.0 Introduction and Status Review

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

1.1. Approval of minutes (07 April 2022)

Anna Stankiewicz (ASt) wished to correct the 4th paragraph, in last month's minutes to state:

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](#).

ASt also wished to challenge the recorded action to provide further analysis on the potential impacts advising a ROM was in the process of being prepared. ASt offered to work with Nick Wye and Bethan Winter on the likely impacts on capacity bookings.

The minutes from the previous meeting were considered approved.

1.2. Approval of Late Papers

None to approve.

1.3. Review of Outstanding Actions

0101: National Grid (ASt) and NW to provide some analysis on the potential impacts ~~of the Modification~~ [on GDNs making Weekly Capacity Bookings](#).

Update: See item 1.1 above. **Carried Forward.**

2.0 Review of Impacts and Costs

Bethan Winter (BW) confirmed that the Gas Distribution Networks (GDNs) have discussed the Exit Capacity Planning Guidance and changes for this year's process. BW noted that the Modification appears to be written on the basis of the GDNs not using the weekly product. However, having considered this the GDNs did not believe this should be assumed, suggesting that the implications of GDNs using the product needs to be considered in the Workgroup Report.

BW explained the obligations for GDNs relating to Capacity Planning and asked the Workgroup to consider the impacts of the GDNs having to use the weekly product and the impacts to the unit price.

Nick Wye (NW) understanding the drivers to allow modelling, asked what the reasonable expectation would be for DN bookings to change. BW suggested the DN capacity requirements could be provided to understand the worst-case scenario, for the purpose of the analysis.

BW explained that the DNs may need to use product for licence efficiency obligation reasons. BW suggested the Workgroup should therefore assess the likely impact on unit price and the benefit of doing this verses the cost, to ensure there are not any unintended consequences.

Steve Mulinganie (SM) concurred there could be an unintended consequence. As DNs are obligated to book efficiently they would be obliged to utilise the product. Expanding the scope would make this a material change, with potential increase of costs for DNs. It was noted that including DNs would result in the Modification not meeting the Self-Governance criteria.

NW explained that the Modification had been drafted with a specific type of customer in mind not necessarily for DNs. The Workgroup considered the appropriateness of targeting the service to limited parties. BW suggested some analysis on the potential use by GDNs would be beneficial to justify restricting the scope and to avoid an increase in unit costs for DNs.

It was considered worthwhile having some analysis to justify why the product would only be provided to certain parties and that the Modification would proceed carving out the DNs. If there were benefits identified for DNs to be included, a further Modification could be raised to expand the scope of the service.

Anna Stankiewicz (ASt) offered to work with Nick and Bethan on capacity bookings and likely impacts.

It was agreed that the Legal Text would be produced on the basis of excluding the GDNs.

3.0 Issues and Questions from Panel

3.1.1. 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.

3.1.2. Should the Modification remain Self Governance

See item 2.0. No further discussion.

4.0 Consideration of Legal Text

Anna Stankiewicz (ASt) confirmed with the carve out of DNs the legal text could be provided for consideration at the next meeting.

5.0 Development of Workgroup Report

Eric Fowler (EF) confirmed a draft Workgroup Report will be provided ahead of the next meeting to aid discussions, with the aim of concluding the report in June.

6.0 Next Steps

Eric Fowler (EF) requested the provision of Legal Text for the next meeting and confirmed that the intention will be to conclude the Workgroup Report.

7.0 Any Other Business

None.

8.0 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 09 June 2022	5pm Monday 30 May 2022		Detail planned agenda items. <ul style="list-style-type: none"> • Consideration of Legal Text • Completion of Workgroup Report

Action Table (as at 05 May 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 on Capacity Bookings.	National Grid (ASt)	May 2022	Carried Forward