

**UNC Workgroup 0808 Minutes  
Reverse Compression  
Thursday 26 May 2022  
via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Energy
Dan Fittock	(DF)	Corona Energy
David Mitchell	(DM)	SGN
David Speake	(DS)	Engage
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
Joel Martin	(JM)	SGN
John Baldwin	(JB)	CNG Services Ltd (0808 only)
Kate Lancaster	(KL)	Xoserve
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
Mark Jones	(MJ)	SSE
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	WWU (0808 only)
Rhys Kealley	(RK)	British Gas
Samuel Lyons	(SL)	Wales & West Utilities
Steve Mulinganie	(SM)	Gazprom Energy
Tim Davis	(TD)	Barrow Green Gas (0808 only)
Tom Stuart	(TSt)	WWU

Copies of all papers are available at: [www.gasgovernance.co.uk/0808/260522](http://www.gasgovernance.co.uk/0808/260522)

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 August 2022.

## 1.0 Outline of Modification

RHa explained that Workgroup will be aiming for a Workgroup Report to be presented to the August 2022 UNC Panel.

Tim Davis (TD) noted that the Modification discussions need to be focussed on the solution as documented as explained by John Baldwin (JB) during the pre-Modification discussion held at the April 2022 Distribution Workgroup meeting. He explained the very basics of the Modification as being a Uniform Network Code (UNC) amendment to clearly state that third-party installation of reverse compression shall not lead to either an entry nor exit meter point being created, (or confirmation that this is the case if so, no UNC change would be necessary).

TD also noted that if this Modification were to progress, the terms and conditions would be similar to those installed, owned and operated by the networks so that a Compressor in the

Network should mean there are no Transportation charges as it would mean that gas does not leave the network but is merely passing through the compressor installation and coming out at a higher pressure into the higher-pressure network. However, If the Networks decide it should be clarified as an entry and exit point, this would at present incur Transportation Charges at both points.

It was confirmed that currently, Code identifies an Exit Point where gas leaves and an Entry Point where gas enters the Network, this Modification is designed to confirm this is not needed.

Richard Pomroy (RP) asked if the new connection and the Compressor would be owned and operated by a third-party or gifted to the Transporter. If it were the latter the Compressor would become part of the Transporter Network. JB commented that mostly Compressors are a bespoke build which may not be to the Network specification.

JB clarified that the service is for the biomethane producer and that in providing this service the expectation is that the biomethane producer will deal with all associated costs. RP noted that a third-party being involved in the operation of the compressor would involve the gas leaving the Network, therefore a Code Modification is required.

Joel Martin JM commented that Networks are generally supportive of the Modification and referred to the solution where it mentions entry; exit points and within grid assets. He noted that there are many obligations within Code, for example in Section J and maybe Q, that relate to the obligations arising as a result of the definition of entry and exit points.

TD commented that if Networks think some things in Code are essential, they will be left in Code.

JM suggested the Metering issue needs to be reviewed and noted there should not be any loss of gas into and out of the Network.

JB advised there are already a lot of Compressors downstream, when injecting gas into the Grid, the compression is generally located after the metering.

JM noted his concern that the solution to these assets are not defined as entry points and could affect any Network Entry Agreement or similar document.

When it was suggested that Compressors could potentially lead to oil contaminating the gas, Workgroup agreed there may be a requirement for a bi-lateral agreement, covering safety; communication; gas quality etc.

It was commented that when the Compressor is upstream the metering might be affected and Workgroup Participants asked whether there would be any potential impact for any large customers in the vicinity.

JB confirmed that whereas the pressure would be high, the appliance the customer has will be 2-Bar and therefore, not affected.

JM advised he would like to see the detail of the Modification so that it can be impact assessed.

JM advised he would like to see the Modification list the obligations that would precisely specify the obligations in the Code that should not apply e.g Section Y and Section I Metering obligations.

Mark Field (MF) suggested, as part of Modification development, consideration should be given, at a high-level, ensure there are no knock-on effects to anyone else in the marketplace.

When asked, it was further confirmed that a Modification is required if the intention is to disapply charges and metering requirements.

RP advised he agrees with the points made and noted specifying in the Modification that these types of installations for this specific purpose could be proposed to qualify as a (new) specific type of exit and entry point with a new definition. He suggested making reference to the purpose of compressing gas back up the Grid and defining this special entry and exit point type and a and then pointing out the parts of Code that does not apply, then a bi-lateral document could be referenced and utilised for the detailed other aspects.

JM noted that asset ownership is a matter for a separate agreement for the GDN covering Standards and Design filtration, which is not a UNC issue.

JB confirmed that his company has started working on a Pilot with Cadent.

RHa requested a 'for the avoidance of doubt' statement to be included in the Solution referring to the bilateral document/agreement.

Workgroup agreed that more detail in the Solution is required to specify what change is required to the UNC; once that is done, SGN can then draft legal text.

## **2.0 Initial Discussion**

### **2.1. Issues and Questions from Panel**

#### **2.1.1. Consequential impact on upstream metering**

This question was considered during general Workgroup discussion as part of agenda item 1.0.

#### **2.1.2. Clarification of who would operate the installation and thus whether it is part of "the network"**

This question was considered during general Workgroup discussion as part of agenda item 1.0.

#### **2.1.3. What are the charging implications?**

This question was considered during general Workgroup discussion as part of agenda item 1.0.

#### **2.1.4. Please consider cross code impacts**

This question will be considered at a future Workgroup discussion.

#### **2.1.5. Please consider governance route**

This question was considered during general Workgroup discussion as part of agenda item 3.0.

### **2.2. Initial Representations**

None received.

### **2.3. Terms of Reference**

RHa provided a view of the Terms of Reference and pointed out the items that are different to the standard Terms of Reference. Workgroup had no questions. The Terms of Reference are published alongside the Modification at [www.gasgovernance.co.uk/0808](http://www.gasgovernance.co.uk/0808).

## **3.0 Next Steps**

RH confirmed that an amended Modification is required, once that is published a draft of the Legal Text can be provided.

JM further requested that the Modification needs to be as specific as possible as to what parts of the Code would need to be disapplied.

GD noted his concern that Workgroup are setting a precedent of setting the Legal Text before the Modification and the Workgroup Report has been developed.

It was agreed that TD will liaise with SGN regarding the development of the Legal Text before the next meeting.

RHa asked Workgroup to consider the Governance Route and showed the Self Governance/Authority Direction guidance document ([www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)) onscreen, whilst talking through the various points.

It was noted that the UNC Modification Panel when first considering the Modification determined the Modification should follow Authority Direction route

**New Action 0105:** DNs to provide justification for an Authority Direction Governance route based on v1.0 of the Modification.

RHa noted that after June Workgroup she would ask TD to send in his thoughts on the panel questions to act as a strawman for inclusion into the Workgroup Report so Workgroup can comment on this. This would assist in formulating the Workgroup Report in the short timeframe. She added she expected that the Workgroup Report could hopefully be finalised at the July meeting.

RHa reiterated the next Workgroup meeting would build on the amended Modification from TD and ideally draft Legal text from SGN which could come from a clear solution; business rules; and a/some for avoidance of doubt statement(s) (regarding bi-lateral agreements).

#### 4.0 Any Other Business

RHa referenced the action update from Ofgem

<b>0104</b>	28/04/22	Pre-Mod	<i>Pre-Modification for Reverse Compression - Ofgem (HBr) to confirm where Net Zero fits into the Relevant Objectives within a Modification.</i>
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*The relevant objectives that Code Modifications need to be assessed against do not change because of net zero – they come from the Gas Act and, in turn, the licence. There is a clear hierarchy here. Net Zero is a policy aim and Ofgem assume that the Gas Act is consistent with this; it may change in time to prioritise or discriminate in favour of specific Net Zero approaches (e.g. removing the right to be connected to a gas main, for example) and that may in turn change the objectives but until primary legislation changes this, we should not re-interpret the objectives. Otherwise we risk making decisions on the basis of a random interpretation of these objectives i.e. we should approve project x even though it increases costs, is not cost reflective and may discriminate against some categories of Users because it is “good for net zero”.*

*Overall net zero should fit into all relevant objectives as it is an overarching goal.*

#### 5.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	<ul style="list-style-type: none"> <li>Standard Agenda</li> </ul>
Thursday 10:00 28 July 2022	5pm 19 July 2022	Microsoft Teams	<ul style="list-style-type: none"> <li>Standard Agenda</li> </ul>

**Action Table (as at 26 May 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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<b>0104</b>	28/04/22	Pre-Mod	<i>Pre-Modification for Reverse Compression</i> - Ofgem (HBr) to confirm where Net Zero fits into the Relevant Objectives within a Modification.	Ofgem (HBr)	<b>Closed</b>
<b>0204</b>	28/04/22	Pre-Mod	<i>Pre-Modification for Reverse Compression</i> - CNG Services (JB) to send a briefing on these issues to the Joint Office for Joint Office to share with Distribution Networks	CNG Services (JB)	<b>Closed</b>
<b>0105</b>			DNs to provide justification for an Authority Direction Governance route based on v1.0 of the Modification		<b>Pending</b>