

## UNC Workgroup 0813 Minutes Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers

Thursday 04 August 2022

via Microsoft Teams

### Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Vera Li	(VL)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild	(AN)	Storengy
Anna Shrigley	(ASh)	ENI
Anna Stankiewicz	(ASt)	National Grid
Arjan Geveke	(AG)	Energy Intensive Users Group
Bethan Winter	(BW)	WWU
Brian McGlinchey	(BMc)	Vermilion Energy
Carlos Aguirre	(CG)	Pavilion Energy
Chris Wright	(CW)	ExxonMobil
Claire Proctor	(CP)	PTUK
Clare Caple	(CC)	E.ON
Davide Rubini	(DR)	Vitol
Ellie Rogers	(ER)	Xoserve
Hannah Reddy	(HR)	Correla
Hursley Moss	(HM)	Cornwall Insight
Jeff Chandler	(JCh)	SSE
Joshua Bates	(JB)	National Grid
Julie Cox	(JCx)	Energy UK
Louise Hellyer	(LH)	Total
Marion Joste	(MJ)	ENI
Matthew Newman	(MN)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Paul Martin	(PM)	Argus Media (0813)
Pavanjit Dhesi	(PD)	Interconnector Ltd
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	SEFE Energy Ltd
Steve Chambers	(SC)	SEFE Energy Ltd
Steve Mulinganie	(SM)	SEFE Energy Ltd

*The Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2023.*

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/0813/040822>*

## 1.0 Outline of Modification

Phil Lucas (PL) introduced the Modification supported by a presentation explaining recent events have necessitated consideration of the consequences if a Shipper is ~~being subject to impacted by~~ sanctions applied by the UK Government. PL provided an overview of the immediate imbalance risk under the current arrangements with an explanation of the Termination process and ability for an impacted Supplier ~~Shippers~~ to ~~transact~~ under a 'Deed of Undertaking'.

PL explained that the purpose of the Modification to extend the availability of the 'Virtual Last Resort User' (VLRU) and 'Contingent Procurement of Supplier Demand' (CPSD) provisions, which are currently only available as a consequence of User Termination.

PL explained that the proposed solution states that in exceptional circumstances (~~such as where~~ Government sanctions are applied to a Shipper) National Grid may issue a 'User Premises Termination Notice' (UPTN) to ~~a~~ that Shipper User which will have the effect of discontinuing ~~the~~ Shippers Registration for any Supply Meter Points. PL confirmed that as a consequence of ~~a Shipper Termination~~, a Supplier (using that shipper) ~~in respect of the Terminated Supply Points~~ will operate under the terms of ~~a the Deed of Binding~~ Undertaking (i.e. as there is no Registered User in place for the relevant Supply Meter Points) until a new Shipper is in place.

PL explained the proposed extension ~~to include exceptional circumstances of the VLRN and CPSD triggers~~ will enable utilisation of the VLRN and CPSD mechanisms, enabling Suppliers and National Grid to procure gas supplies for impacted supplier demand.

PL noting that the proposal seeks to address the specific consequential imbalance risk, asked for views if there were any other areas which may require consideration and welcomed feedback. PL clarified that further consideration would be needed on the impacts to the Data Service Contract (DSC) and implementation of Faster Switching/Central Switching Service (CSS).

Ellie Rogers (ER) enquired about the deed of undertaking if the Shipper and Supplier are from same entity and what would happen in this scenario. PL explained that it would be difficult for the UNC to address this risk, referring to the Supplier of Last Resort (SoLR) resolution which sits outside the UNC. It was agreed that this should be noted for clarity with the Workgroup Report.

ER agreed to map out the different scenarios with National Grid, including the involvement of multiple suppliers. It was agreed that the SoLR and Supplier sanctions were out of the Modification's scope.

The Workgroup noted that the Distribution Workgroup may wish to contribute to the Workgroup's assessment due to the material impact on Shipper registrations, interactions with the retail market and possible impacts on IGTs. It was suggested that the Modification should be considered at the 25 August Distribution Workgroup.

## 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 [www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)

## 3.0 Next Steps

Further consideration at the August Distribution and September Transmission Workgroups.

#### 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](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 25 August 2022	5pm Wednesday 17 August 2022	Microsoft Teams	Assessment within Distribution Workgroup Consideration of Wider Industry Impacts
10:00 Thursday 01 September 2022	5pm Wednesday 24 August 2022	Microsoft Teams	Assessment within Transmission Workgroup Consideration of Wider Industry Impacts
10:00 Thursday 06 October 2022	5pm Wednesday 28 September 2022	Microsoft Teams	Consideration of Business Rules
10:00 Thursday 03 November 2022	5pm Wednesday 26 October 2022	Microsoft Teams	Review of Relevant Objectives
10:00 Thursday 01 December 2022	5pm Wednesday 23 November 2022	Microsoft Teams	Consideration of Legal Text Development of Workgroup Report

**Action Table (as at 04 August 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			None Recorded		