

UNC Transmission Workgroup Minutes
Thursday 04 April 2024
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Aidan Lo	(AL)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Adam Lane	(AL)	Spirit Energy
Alex Nield	(AN)	Storenergy
Amy Howarth	(AH)	Storenergy
Anna Shrigley	(AS)	ENI
Bethan Winters	(BW)	Wales & West Utilities
Bernard Kgomotso	(BK)	Spirit Energy
Chris Wright	(CW)	Exxon Mobil
Claire Scarfe	(CS)	Cadent
Conor McClarin	(CM)	National Gas Transmission (NGT)
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Gavin Williams	(GW)	National Gas
James Lomax	(JL)	Cornwall Insight
Joseph Leggott	(JLe)	Interconnector
Julie Cox	(JC)	Energy UK
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Lauren Jauss	(LJ)	RWE
Malcolm Mackenny	(MM)	National Grid Grain LNG
Mariachiara Zennaro	(MZ)	Centrica
Marion Joste	(MJ)	ENI
Matthew Atkinson	(MA)	SEFE Energy
Matthew Brown	(MB)	Ofgem
Mathew Chandy	(MC)	Ofgem
Michael Crowley	(MCr)	Gas Networks Ireland
Nick Wye	(NW)	Waters Wye
Ofordi Nabokei	(ON)	National Gas Transmission
Phil Hobbins	(PH)	National Gas Transmission
Phil Lucas	(PH)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Samantha Wilson	(SW)	Spirit Energy
Tim Gwinnell	(TG)	South Hook
Tim Davis	(TD)	Barrow Gas Shipping

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/TX/040424>.

1. Introduction and Status Review

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

1.1. Approval of minutes (07 March 2024)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

The Chair noted that the papers for the third Pre-Mod were published late on the Joint Office website. No objections were made by the Workgroup.

1.3. Review of Outstanding Actions

1002: Mercury Content - NGT (KA) to provide an update following further sampling and risk assessment.

Update: Carried Forward.

0202: Phil Hobbins to discuss with Tom Wilcock the process for demonstrating that customers remain within the scope of classification and how is to be actioned by Shipper Members.

Update: Phil Hobbins (PH) provided an update on Priority Customers, confirming that since the re-categorisation by the Secretary of State in 2022, all Category C Customers previously on the priority list have had their priority status maintained. If such sites wish to continue to maintain priority status, they need to provide a demonstration to the relevant Gas Transporter to show that they meet the new Category C criteria. If this is not provided by 1 November 2024, the Gas Transporter will give instruction to remove the site from the priority list.

PH provided detailed guidance on what Shippers need to provide and by which date:

- An independent assessment, which demonstrates that the site meets Fixed Tangible Asset Values.
- An independent assessment or manufacturer quote for repair or replacement of equipment onsite that would be required if the site were to lose their gas supply.

The total value of the quote would need to exceed 10% of the Fixed Tangible Asset Value. PH confirmed that Shippers would need to provide this no later than 1 November 2024.

'Minimise Flows' Decision

PH explained that if some Category C sites received instruction to cease taking gas in Stage 2 of a Network Gas Supply Emergency it could be detrimental to their business. If the instruction was to minimise gas demand, it could still deliver a material reduction in demand but avoid a need to direct them to cease taking gas.

It has been agreed to issue an amendment to the E1 NGSE Procedure, which would require Gas Transporters to issue a direction to minimise their gas demand before they are instructed to cease taking gas completely.

PH noted that further details will be communicated at a later date.

Please see the published slides in further information.

Action: Closed.

1.4. Industry Update from Ofgem

Matthew Brown (MB) provided an update from the latest Ofgem Expected Decision Dates (EDD) publication timetable at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0842 - Gas Entry onto the Total system via an Independent Gas Transporter	Awaiting IGT172 FMR TBC
0854 – Revision of Virtual Last Resort User	10 May 2024
0856 - Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)	Decision Received 19 March 2024
0857 - Revision to the Determination of Non-Transmission Services Gas Year Target Revenue	12 April 2024
IGT169 – Aligning the Capacity requirements for NExA Supply Points in the UNC with Capacity requirements for LDZ CSEP Ancillary Agreement (LCAA) Supply Points under the IGT UNC (i.e. bringing Code in line with UNC0701 and UNC0853)	Published 27 March 2024

MB informed the Workgroup that there are 2 further Modifications which are awaiting an EDD:

- 0841 – Introduction of cost efficiency and transparency requirements for the CDSP Budget
- 0852 – Shipper notification in relation to option exercise for customer Demand Side Response

MB noted that due the publication date of the EDD timetable and its close proximity to the UNC Panel Meeting, there are occasions where a delay is expected on the provision of EDDs for new Modifications.

MB provided the following updates:

NGT gas transporter license modification:

Ofgem published a statutory consultation on 11 March on our proposal to modify National Gas Transmission’s gas Transporter Licence. Specifically, those sections of the licence that pertain to gas Demand side Response. The consultation is due to end next Thursday (11 April) so if you have any responses to the consultation, please endeavour to have it sent to us by then. The consultation documents will have information on where to send responses to.

Code Governance Reform

We have recently published a joint consultation with DESNZ on our preferred policy options for code manager selection regulations and the code manager licence conditions, which will eventually be designated by SoS. The consultation is available on the [gov.uk](https://www.gov.uk) website and closes on 5 May.

Our Ofgem consultation on the implementation of Energy Code Reform is available on the Ofgem website and will remain open until 23 April 2024. The consultation seeks feedback on our proposed approach, including potential code consolidation.

We have had significant interest in joining our Modification Process Workgroup. The team is currently working toward holding the first meeting in May.

Data Best Practice

[Open Letter regarding Data Best Practice and its future in Codes | Ofgem](#)

We recently published this letter which reflects a clear steer as to Ofgem's intended next steps for relevant parties in the operation of Industry Codes and the proposed requirement to follow Data Best Practice Guidance in their handling of data. This is aimed at standardising data and its use, making data as interoperable as is practicable, and promoting a culture wherein data is used fully for a more efficient energy sector as it transitions towards zero carbon.

1.5. Pre-Modification Discussions

1.5.1. Single-sided Nominations for clearing houses of gas exchanges

PH provided an overview of the draft Modification on behalf of the European Commodity Clearing (ECC). PH explained that the intention of the Modification is to give the ECC, and transporters alike, rights to single sided nominations of trade nominations by clearing houses of gas exchanges. PH clarified that this would include a change to the UNC Uniform Network Code and an adjustment to the National Gas and Xoserve systems which would allow the submission of single sided nominations for the trading hub.

EF noted that the Proposer has submitted the Modification for Self-Governance as in the initial assessment there is no material change and therefore does not need authority direction.

Anna Shrigley (AS) noted that the upgrade to the systems would see all Shippers receiving a new set of passwords which would need to be tested and verified before the 9 September 2024. AS questioned whether a separate set of passwords would need to be declared for ECC.

PH explained that system impacts are going to need to be assessed and expected that the Modification would be allocated to a Development Workgroup where this issue could be discussed. Hannah Reddy (HR) added that they would assess a system solution once the Modification has been allocated for development.

Please refer to the draft Modification published for further information.

1.5.2. Facilitating IGTs with NTS Entry

Tim Davis (TD) introduced the draft Modification explaining the Modification will clarify the treatment of energy entering the NTS after entering an IGT network. TD explained that when gas is currently injected into an IGT network, if it then transfers to the NTS that is classed as a second entry point and the gas is therefore double counted. TD noted that the Modification includes a simple technical change, which allows the gas to be treated as entering the Total System when entering an IGT Network before going into the NTS.

TD noted that the proposal is ringfenced so that it is only within this specific circumstance that gas can be treated as entering the Total System.

MB questioned if it would predominately effect bio-methane producers and asked whether it would need a companion IGT Modification. TD confirmed that it would predominately be bio-methane producers.

Phil Lucas (PL) questioned whether there would be any interaction between this Modification and Modification 0842 and whether it would be useful to provide the Workgroup with an illustration of the physical set up described. TD confirmed that there was no interaction with Modification 0842 and that an illustration could be provided if this would be helpful.

PL noted that the Modification discusses the potential for gas to exit the IGT network to supply local gas users which he believed was a new concept. TD stated that gas going out of an IGT network is not a new concept.

AS questioned the timing of the process, TD advised that the Modification only addressed gas entering the system at the new entry point and this would flow to NTS in real time.

EF requested clarification on whether the intention that the connection of the IGT and the NTS is one way flow. TD confirmed it can be either one way or two way and this is not dealt with by the Modification.

Please refer to the draft Modification published for further information.

1.5.3. Amendments to UNC to align with Gas Demand Forecasting Methodology

Conor McClarin (CM) provided an overview of the draft Modification, explaining that it proposes to update four sections of the UNC to remove inconsistencies, correct terminology and accurately describe the process for gas demand forecasting.

Currently, the UNC contains out of date references and information and no longer aligns to NGT's licence conditions.

CM provided the Workgroup with an overview of the history of GDFM Modification and noted that the four documents that require update are:

- OAD H
- OAD N
- TPD O
- GTC

CM confirmed that the Modification does not propose any change to processes.

Please refer to the published slides for further information.

2. Transmission Change Horizon Plan

PH provided a brief update on the Gemini Sustain Plus, noting that the focus groups will be continuing, with the next one being held on Monday 22 April 2024 and would be held monthly going forward. PH outlined the agenda for this focus group and provided the Workgroup with the next steps of the programme, advising that Market Trials period commences on 3 June until 12 July. Members were encouraged to register for Market Trials using the following link: https://forms.office.com/pages/responsepage.aspx?id=1dNmOM_OjU-1WvJUHnD52IBZEqLRWWRCvJ0RCIAOUHNUMjQzNDNaU0hIUTIQWldJMUKzWUQ5UUhXQi4u

HR noted that a communication had been sent out regarding on-boarding and information on what screens participants should see when testing. HR urged participants to refer to this communication, so they are able to accurately test connectivity.

Please refer to the presentation slides published for further information.

3. Workgroups

The Chair confirmed that the Workgroup for 0860S had been deferred until May 2024.

Lauren Jauss (LJ) provided a brief update on the Modification, praising the detailed discussion within the dedicated Workgroups so far. LJ confirmed that the Legal Text would be produced in time to be reviewed at the next Workgroup

3.1. 0866S – Amendments to Demand Side Response (DSR) Arrangements

(Report to Panel 20 June 2024)

<https://www.gasgovernance.co.uk/0866>

3.2. 0867 – Gas Demand Side Responses (DSR) Aggregation Arrangements

(Report to Panel 19 September 2024)

<https://www.gasgovernance.co.uk/0867>

3.3. 0870 – Gas Demand Side Response (DSR) Aggregation Arrangements

(Report to Panel 19 September 2024)

<https://www.gasgovernance.co.uk/0870>

4. Issues

None.

5. Any Other Business

None

6. Diary Planning

EF reminded Participants that the meeting in May is going to be held in person at the Joint Office in Solihull, EF requested that all Participants who wish to attend the meeting in person notify the Joint Office. EF advised that those who are unable to attend in person, that Participants will still be able to join on Teams.

Transmission meetings are listed at: <https://www.gasgovernance.co.uk/TX>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 02 May 2024	5 pm Wednesday 24 April 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 06 June 2024	5 pm Wednesday 29 May 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 01 August 2024	5 pm Wednesday 24 July 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 05 September 2024	5 pm Wednesday 28 August 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 02 October 2024	5 pm Wednesday 24 September 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 07 November 2024	5 pm Wednesday 30 October 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda
10:00 Thursday 05 December 2024	5 pm Wednesday 27 November 2024	Solihull/ Microsoft Teams	Standard Transmission Workgroup Agenda

Transmission Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1002	05/10/23	5.1	<i>Mercury Content</i> - NGT (KA) to provide an update following further sampling and risk assessment	June 2024	NGT (KA)	Carried Forward
0202	01/02/24	6	Phil Hobbins to discuss with Tom Wilcock the process for demonstrating that customers remain within the scope of classification and how this is to be actioned by Shipper Members.	April 2024	NGT (PH)	Closed

UNC Workgroup 0866S Minutes
Amendments to Demand Side Response (DSR) Arrangements
Thursday 04 April 2024
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Aidan Lo	(AL)	Joint Office
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Joseph Leggott	(JL)	Interconnector
Josie Lewis	(JLe)	Xoserve
Julie Cox	(JC)	Energy UK
Louise Hellyer	(LH)	Total Energies Gas & Power
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Tim Gwinnell	(TG)	South Hook Gas

Tim Davis	(TD)	Barrow Gas Shipping
Tracey Bogan	(TB)	Neptune Energy
<p><i>The Workgroup Report is due to be presented at the UNC Modification Panel by 20 June 2024.</i></p> <p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>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/0866/040424.</i></p>		

1. Introduction and Status Review

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

1.1 Approval of Minutes (25 March 2024)

The minutes from the previous meeting were approved.

1.2 Approval of Late Papers

There were no late papers to approve.

2. Workgroup Discussion – Business Rules

Amended Modification

Phil Hobbins (PH) took the Workgroup through V3 of the Modification and noted that only few amendments had been made:

Business Rule 13/14

NGT recognised that there is a risk that the demand estimate might be inflated; it was previously proposed that the option fee instalment for November, December and January would be paid by NGT but the instalments for the option fees for February, March and April would be withheld until after the winter period where actual daily demand could be compared against the forecast. As long as it was within a 10% tolerance the remaining option fee instalment would be released.

A Participant within the previous Workgroup questioned whether all option fee instalments should be withheld until post-winter. PH advised that in discussions with consumers they said withholding all instalments might be too much of a disincentive and hinder growth to the Market.

It was decided that an amendment would be made to Business Rule 14 to state that consumers would receive a third of the payment, namely the November and December instalments and the remainder are withheld.

Louise Hellyer (LH) expressed her support for this change, noting that it still provides consumers with the incentive but mitigates the risk of overinflation of the option fee.

Impacted Codes

PH questioned whether there was confirmation that the IGT Network Code was not impacted within the previous Workgroup. Phil Lucas (PL) advised that an IGT representative, Charlotte Gilbert (CG) made a comment to this effect and that it was recorded in the minutes and the draft workgroup report.

It was decided that this would be further discussed within the Workgroup and V3 would not need to be amended to reflect this.

Legal Text

PH took the Workgroup through the changes to the Legal Text and noted the following changes:

- 7.2.2 – Correction of previous error: ‘National Grid Transmission’ amended to ‘National Gas Transmission’
- 7.2.5 – Legal Text amended to reflect change to Business Rule 14.
- 7.6.2 c (iiii) – Amended from ‘referred to in paragraph 7.5.2 D & E’ to ‘referred to in paragraph 7.5.2’. PH explained that D refers to average demand forecast which isn’t taken into account and is not relevant as far as provisions of 7.6.2 are concerned.
- 7.6.2 b (ii) – Amended to reflect that qualification applies only to within day options, whereas previously it applied to everything.
- 7.6.8 – Amended to include the qualification factor introduced in 7.6.2 b (ii).

Workgroup Report

EF shared the draft Workgroup Report with the Workgroup.

The Workgroup discussed the self-governance element of this Modification and its comparison to Modification 0852. PH explained that whilst when compared Modification 0852, they recognise that the Modification could widen the potential pool of DSR participants, he argued that in itself it would not reach the authority direction bar. In addition, Modification 0852 posed a challenge in principle to which parties should be responsible for providing notifications and would change the routes of communications and would be a more material change. No further comments were made by the Workgroup.

EF proposed that the timetable included within the Workgroup be removed as it reflects the same timetable within the Modification. PH noted that the timetable within the Modification differs in that it states that the Panel decision would be on 20 June 2024, but it is proposed that there is a slightly reduced consultation period as the Modification is now viewed as non-contentious. PH questioned whether the Workgroup would support a shorter consultation period so that the Modification can be brought back to the Panel in May 2024. LH confirmed she was comfortable with a shorter consultation period. No Workgroup Participants objected to the proposal.

PH noted that the Workgroup Report needed to be updated to reflect that it is now believed there is no impacted codes.

EF confirmed that an update to the Workgroup Report would be needed following receipt V3 of the Modification to reflect the change to Business Rule 13/14.

The Workgroup discussed the ‘Impact of the change on Consumer Benefit Areas’. When reviewing PH the reduced environmental damage benefit, PH noted that the Report needed to be amended to state, ‘there is a view that in the event of a gas supply shortage incident consumers might then switch to an alternative fuel anyway’, instead of ‘will then switch’.

LH advised that this is not a new issue, explaining that there is a pre-existing risk that consumers will switch over the opposite fuel, which is a known problem within DSR. LH noted that this Modification only addresses the need for more participants.

PL clarified that the previous discussion on this matter, and that it was preferable to have a small quantity of parties needing to switch to an alternative fuel source.

The 'Cross-Code Impacts' section of the Report was discussed.

PH proposed the removal of sentence 'IGT UNC may need a consequential change for consistency as has been the case for other recent DSR related Modifications' as this is already covered within the Modification. This was removed from the Workgroup Report.

Ellie Rodgers (ER) questioned whether it was worth confirming within the Report that IGT sites are in scope. This was noted within the Report.

PH noted that the no IGT modification is likely to be required because the IGT UNC points to the UNC in respect of gas DSR provisions.

When discussing 'Central System Impacts', ER noted that the CDSP were comfortable with the detail included within the section and advised that have not yet provided a ROM cost as based on the current volumes it could be managed under existing processes and resources but noted that this would be kept under review.

ER advised that NGT will be raising a DSC Change Proposal for consideration at the April Change Management Committee Meeting.

PH confirmed that the accompanying rationale proposed within TPD D paragraph 7.2.5, needed no ex-ante verification and therefore there would be no additional work for the CDSP.

PH noted for the avoidance of doubt that the change to V.02 Modification in that consumers will receive a third of the payment instead of a half, it will change what the CDSP need to do but it is immaterial.

In respect of the Panel Questions, EF noted that the enhancement has been brought forward from the context of the request group 0835R and in response to other feedback from consumer groups. Workgroup participants agreed that the proposed amendments under this Modification are appropriate as they build incrementally on those already in place.

PH added that there may be need for a reassessment following the summer 2024 tender, and question what the aggregate volumes are and discuss the total cost of options. This would be helpful to access the responses. This might be a report to the Transmission Workgroup in autumn 2024 to consider whether any further development is justified.

PH noted that there was a typographical error within 'Workgroup Impact Assessment'; 'Shoipper' was corrected to 'Shipper'.

EF confirmed that the proposal was amended to V3.0 and the change there adjusted to proportion of the option payment that would be made where the calculation has been based on estimate of demand rather than the default WAD.

When discussing 'Reference Documents', PH confirmed that a change to the DSR Methodology is expected to be required and that a consultation would then be issued. This is a further reason to accelerate the timetable so that this can be completed in good time.

In addition, a revision to the consumer contract will be required and PH suggested that this would be consulted upon.

EF reminded the Workgroup of the Relevant Objectives within the Workgroup Report and asked whether any Workgroup Participants had any objections to the proposed objectives. No objections were made.

PL questioned whether the date provided, being 20 June, was accurate for a decision on this Modification, in time for inclusion in the tender. PH confirmed that this was correct.

In respect of the Legal Text, EF confirmed that further revision to the text were reviewed by the Workgroup against V.3 of the Modification and asked Participants whether they were satisfied that this meets the intent of the Modification. LH agreed that it did satisfy the intent.

The Workgroup agreed with the wording under the 'Recommendations' section.
No further comments were received from the Workgroup in relation to the Workgroup Report.

3. Next Steps

The Workgroup report will be submitted to the Modification Panel in April.

4. Any Other Business

None.

5. Diary Planning

No further meetings planned.

**UNC Workgroup 0867 Minutes
Gas Demand Side Response (DSR) Aggregation Arrangements
Thursday 04 April 2024
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Aidan Lo	(AL)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Adam Lane	(AL)	Spirit Energy
Alex Nield	(AN)	Storenergy
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Louise Hellyer	(LH)	Total Energies Gas & Power
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Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions

Samantha Wilson	(SW)	Spirit Energy
Tim Gwinnell	(TG)	South Hook Gas
Tracey Bogan	(TB)	Neptune Energy

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 September 2024.

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

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1.0 Introduction and Status Review

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

1.1. Approval of minutes (07 March 2024)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

There were no late papers to record.

2.0 Workgroup Discussion

Phil Lucas (PL) provided a verbal update on the progress of the Modification and recognised that determining the scale of any additional DSR volumes via the aggregator mechanism was the key to this proposal. The idea of the engagement with consumer groups was to try and quantify the DSR volume which may be released through the new aggregator role.

PL confirmed that NGT had been engaging with 8 consumer organisations and asked them to issue a survey on NGT's behalf, 4 of the 8 agreed to serve their members with a survey:

- Ceramics UK: No responses have been received to date. PL will look to close this.
- Energy Intensive Users Group: No responses have been received to date. PL will look to close this.
- Confederation of Paper Industries: No responses have been received. Closed.
- Cast Metals Federation: Deadline of 30 April to respond.

PL will look to determine whether there will be any additional DSR volumes that can be realised. A decision can then be made on whether to proceed with the proposal.

An update on progress will be provided either before or within the next Workgroup.

Bethan Williams (BW) questioned whether this was in relation to smaller loads so presumed daily metering would need to be installed, PL clarified that the scope is Class 1 and Class 2 Daily Metered loads.

3.0 Next Steps

None.

4.0 Any Other Business

None.

5.0 Diary Planning

0867 meetings are listed at: <https://www.gasgovernance.co.uk/0867>

All other Joint Office events are available via: www.gagovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
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10:00 Thursday 02 May 2024	5 pm Wednesday 24 April 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 06 June 2024	5 pm Wednesday 29 May 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 01 August 2024	5 pm Wednesday 24 July 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 05 September 2024	5 pm Wednesday August 2024	Solihull/ Microsoft Teams	TBC

**UNC Workgroup 0870 Minutes
Amendments to Wobbe Index and Calorific Value Lower Limits at
NTS System Entry Points
Thursday 04 April 2024
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Aidan Lo	(AL)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Adam Lane	(AL)	Spirit Energy
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Claire Scarfe	(CS)	Cadent
Conor McClarin	(CM)	National Gas Transmission (NGT)
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Gavin Williams	(GW)	National Gas
James Lomax	(JL)	Cornwall Insight
Joseph Leggott	(JLe)	Interconnector
Julie Cox	(JC)	Energy UK
Louise Hellyer	(LH)	Total Energies Gas & Power
Lauren Jauss	(LJ)	RWE
Malcolm Mackenny	(MM)	National Grid Grain LNG
Mariachiara Zennaro	(MZ)	Centrica
Marion Joste	(MJ)	ENI
Matthew Brown	(MB)	Ofgem
Mathew Chandy	(MC)	Ofgem
Michael Crowley	(MCr)	Gas Networks Ireland
Ofordi Nabokei	(ON)	National Gas Transmission
Phil Hobbins	(PH)	National Gas Transmission
Phil Lucas	(PH)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Samantha Wilson	(SW)	Spirit Energy
Tim Gwinnell	(TG)	South Hook Gas
<i>The Workgroup Report is due to be presented at the UNC Modification Panel by 19 September 2024.</i>		

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/include 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 all papers are available at: <https://www.gasgovernance.co.uk/0870/040424>

1.0 Outline of Modification

Ofordi Nabokei (ON) introduced the modification and explained this Modification is needed to enable implementation of a recent change in legislation pertaining to the lower limit for Wobbe Index for which a regulatory impact assessment has already been completed. The Gas Safety (Management) (Amendment) Regulations 2023 entered into force on 6th April 2023 which reduced the lower limit for Wobbe Index that UK gas transporters are permitted to convey on their networks from 47.2 MJ/m³ to 46.5 MJ/m³ with effect from April 2025.

Consequently, some Delivery Facility Operators wish to amend their Network Entry Provisions in their connection agreement with NGT. The UNC requires NGT to consult with Users prior to any such contractual amendments being executed, hence NGT has raised this 'enabling' Modification.

NGT proposed 3 implementation options, noting that the preference was to propose a Group Modification, so that those who had expressed an interest in a reduction could be included.

ON explained that the intention of the proposal is to enable implementation of the new Wobbe limit as well as the Calorific Value at some NTS System Entry Points.

ON provided a table of those who had requested a lower limit and the limit they had requested, noting that it would be helpful to hear from those who have requested a reduction and why.

Malcolm Mackenny (MM) explained that Grain LNG have high Wobbe cargos which are then blended with Nitrogen. Sometimes the plant has an upset condition for example if the vapourisers trip off where the output gas quality can blip down. MM noted that this was rare, and they had no intention of routinely operating at the lower Wobbe limit due to costs, but it would help avoid the upset conditions. MM added that they have requested a lower CV limit to accompany the low Wobbe limit.

Jeff Chandler (JC) questioned whether they had any metrics which point to the frequency of the upset events. MM clarified that it was a rare event and indicated it would happen maybe once a year.

Bernard Kgomotso (BK) provided the Workgroup with the reasoning for why Spirit Energy require a lower Wobbe limit. BK explained that they have 4 different gas fields which have different flow rates and when their Nitrogen Rejection Unit is working optimally, the current Wobbe Spec is always achieved. BK noted that the issue occurs when there are issues with their Nitrogen rejection unit.

BK took the Workgroup through the benefits of the implementation of a lower Wobbe limit, noting that it would provide more flexibility and the ability to continue exporting gas when experiencing issues with the equipment on the plant. BK added that the only time they would use the lower limit would be when restarting the Nitrogen removal plant and when any issues occur.

BK explained that they are looking to implement a plant recycle stream which would allow them to have less Wobbe excursions in the future, however at this current stage they are still at risk of tripping below the Wobbe specification, this causes delays of up to 24 hours before they are able to flow into the NTS. BK added that they would not flow at the lower Wobbe for an extended period of time.

Julie Cox (JC) questioned whether they only need to run the Nitrogen Rejection Unit for certain fields, asking whether the Unit could be run less to save costs. BK confirmed that they would

not attempt to reduce costs by running it less and they would not want to bypass the flow which runs through the unit itself.

JC noted that it would be helpful to be provided with some data to show the variability of the results produced over time.

BK explained that they currently do not have an internal recycle on their plant, so when a TFA is received, they have two choices which is to blend the sale gas with incoming gas that has been processed or the gas is vented. BK confirmed that there are optimisation projects which are being implemented to further improve the flexibility of the plant.

JC noted her concern regarding excursions causing powerplants close to Entry Points to trip.

Adam Lane (AL) stated that even if they were flowing at 46.5 on a low flow on a high flow day it wouldn't have that much impact on the system. ON added that this was confirmed within the Impact Assessment completed by HSE.

ON provided reasoning on behalf of Neptune Energy. ON explained that they receive gas from a number of North Sea fields, some which are reliant on blending with higher Wobbe fields to enable flow to NGT. A reduction in the lower limit is believed to reduce those fields dependence on blending and thus improve flexibility and availability.

ON took the Workgroup through GSMAR Implementation in respect of Interconnectors, noting that by not reducing the lower limit it could act as barrier for cross-border flow and avoids risk of stranded gas in their pipelines. NGT carried out some risk analysis to calculate the potential co-mingled Wobbe index, which shows that lowest combined Wobbe remains above the current lower limit of 47.2 MJ/m³.

ON added that they were currently working on harmonising the lower Wobbe limit between TSOs in Interconnection Agreements.

The Workgroup discussed the Gas Quality Data Transparency. ON advised that one of the potential benefits of enhanced gas quality data transparency as it reduces concerns with GSMAR changes, noting that NGT have previously sought to address the issue and explored the potential for gas quality data publication.

NGT proposed the following solutions for Gas Quality Data Transparency:

1. 'Backward Looking' View - Publish CV and Wobbe data measured at GDN offtake points
2. 'Forward Looking' View - Produce [annual] 'heat maps' of where low Wobbe gas might feature.

JC argued that there are various other options to be considered, although accepted that some of those options might be quite difficult to achieve. JC explained backwards looking data is not a good indication of the future and that the heat maps are somewhat useful but do not address the main concern, which JC believed to be the short-term and unpredictable excursions.

JC suggested that it might be useful to consider wider gas quality, noting that this raises the need for more transparency on gas quality in the context of future hydrogen blending.

ON noted that this Modification is only concerned with implementing the new limit to those who have requested it. NGT appreciate that things change, and in respect of hydrogen blending they expect the HSE to look at this again and for there to be another review in relation to the Wobbe limit.

JC noted that transparency of Gas Quality Data has been an area of concern for a long time but agreed the Modification itself is limited to the new Wobbe limit implementation.

Michael Crowley (MCR) questioned whether advanced warning could be provided to recipients if the Wobbe was expected to drop below 47.2. ON advised that this could be looked into.

PH suggested a list is created of the options to provide more transparency and then this could be reviewed; cheaper and quicker options could be implemented first and then the focus could be shifted to those which are slightly more difficult and costly to implement. PH pointed out that these options must be proportional to the scale of the problem.

MCR asked whether the intention to discuss the details within the 0870 workgroup or do it offline in parallel with the Modification. ON advised that it would be helpful to discuss it within this Modification Workgroup and advised Participants to contact her directly.

New Action 0401: NGT (PH/ON) to discuss and make an initial assessment on options to implement more transparency of Gas quantity information, to be discussed within the next Workgroup.

Ritchard Hewitt (RH) questioned how they would access the more cost-effective option unless they know what the quantified financial risk is that each option would mitigate. ON advised that they could use the risk assessment that was published within the GS(M)R review.

JC suggested it would be useful to have a commentary from all the DFOs who would like the Wobbe limit reduced for completeness and to provide context within the Workgroup Report. ON noted that a brief rationale for each site's request for a lower Wobbe limit is included within the Modification

The Workgroup discussed further the need for a detailed review of Gas Quantity information which can be published to provide more transparency, highlighting that further discussions are needed with Ofgem and the need to look at sensitive sites.

RH asked whether there were any Mifid or Remit implications created by this Modification, as it could change the way they interact with the Gas Market. NGT agreed to review this.

ON shared a high-level plan with the Workgroup on GSMAR Implementation, including process steps for the UNC Modification, Site Implementation, and Interconnectors.

Please refer to the published [slides](#) for further information.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

Question 1: Consider impacts on Hydrogen Blending.

Adam Lane questioned whether hydrogen blending was relevant, asking why hydrogen would be looked at like that and not look at the other terminals at the same time. JC believed that it wasn't a terminal issue but rather publishing data at GDN points.

PH advised the CV and Wobbe is lower in hydrogen, so if a lower Wobbe limit is implemented it will still be of use in when hydrogen blending is implemented.

The Workgroup discussed the cost benefit of including the hydrogen value at this stage or at a later date.

Please refer to 1.0 and the published slides for further information.

Question 2: Consider the impact on gas-intensive industries of the increase in volatility of the calorific value

Please refer to 1.0 and the published slides for further information.

Question 3: Review cost impacts on CCGTs and end consumers (gas and electricity).

Please refer to 1.0 and the published slides for further information.

Question 4: Consider impacts on Exit Agreement.

PH advised that there was no impact on Network Exit Agreements as they do not have a gas quality specification.

Question 5: Should this modification obligate data provision on gas quality.

PH advised that this Modification should not currently obligate data provision on gas quality. JC disagreed and noted that alternates may be raised in relation to this Modification.

PH believed that this Modification should not be held up pending the delivery of a particular solution on transparency.

Please refer to 1.0 and the published slides.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0870

3.0 Next Steps

None.

4.0 Any Other Business

None.

5.0 Diary Planning

0870 Workgroup meetings are listed at: <https://www.gasgovernance.co.uk/0870>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 02 May 2024	5 pm Wednesday 24 April 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 06 June 2024	5 pm Wednesday 29 May 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 01 August 2024	5 pm Wednesday 24 July 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 05 September 2024	5 pm Wednesday 28 August 2024	Solihull/ Microsoft Teams	TBC

0870 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	04/04/24	1.0	NGT (PH/ON) to discuss and make an initial assessment on options to implement more transparency of Gas quantity information, to be discussed within the next Workgroup.	May 2024	National Gas (PH)	Pending