

UNC Workgroup 0670R Minutes Review of the charging methodology to avoid the inefficient bypass of the NTS

Tuesday 07 July 2020

Via Teleconference

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alsarif Satti	(AS)	Ofgem
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Bill Reed	(BR)	RWE
Chris Wright	(CWr)	Exxon Mobil
Christiane Sykes	(SC)	Shell Energy
Colin Williams	(CW)	National Grid
Dan Hisgett	(DHi)	National Grid
Daniel Wilkinson	(DW)	EDF Energy
Dave Bayliss	(DB)	National Grid
David O'Neill	(DON)	Ofgem
David Mitchell	(DM)	CIA
Debra Hawkin	(DH)	TPA Solutions
Henk Kreuze	(HK)	Vermilion Energy
Iwan Hughes	(IW)	VPI Immingham
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Julia Haughey	(JH)	EDF Energy
Kamla Rhodes	(KR)	Conoco Phillips
Kirsty Ingham	(KI)	ESB
Laura Johnson	(LJ)	National Grid
Mary Craig	(MC)	Ceres Energy
Nitin Prajapati	(NP)	Cadent
Paul Youngman	(PY)	Drax

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0670/070720>

The Request Workgroup Report is due to be presented at the UNC Modification Panel by 16 July 2020.

1.0 Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting and invited introductions. She noted that using Microsoft Teams participants could indicate they wished to speak using the 'raise your hand' feature and she would endeavour to allow plenty of time and opportunity for this.

1.1. **Approval of Minutes** (02 June 2020)

The minutes from the previous were approved.

1.2. **Approval of Late Papers**

There were no late papers.

1.3. **Pre-Modification Discussions**

There were no Pre-Modifications presented.

1.4. **Review of Outstanding Actions**

Action 0601: National Grid (CW), Uniper (RF), ENI Gas & Trading (ASh) SSE, (JCh), Centrica (RR) and Gazprom (SO) to assist with the writing of basic Business Rules to reflect the ambition of a Secondary Capacity solution and to then investigate the initial systems impact.

Update: Colin Williams (CW) explained that various discussions had taken place concerning the subject of assignments on entry and exit with the preference in favour of focusing on entry and settlements.

He provided an overview of the Secondary Capacity discussion topics, (in no specific order), as detailed below:

- Assignments on Entry and /or Exit;
- Settlement between Shippers and National Grid;
- Credit implications;
- Assignment denominations;
- EU Tariff Code compliance;
- Storage third party auctions;
- Timing of any potential change;
- Legacy transfers and liabilities.

CW said that as the topic was regarding capacity, this discussion would move into the Transmission Workgroup and be part of the Capacity Review from August 2020.

RH said if that there were any more interested parties who wanted to become involved in this area to contact CW directly. CW said that he would happily welcome parties who were prepared to offer specific views on exit and entry and to be actively engaged.

Paul Youngman (PY) asked when the draft Modification was likely to be raised. CW said that discussions were taking place presently to understand the requirements and timelines. Richard Fairholme (RF) said that some good conversations had already been forthcoming with National Grid on this matter and that he was hopeful that a new Modification would be raised in the next 2 months. CW said this action could then be closed. **Closed.**

2.0 Transferred Capacity and Optional Charging Proposals

See Section 1.4; Action 0601 update. This area will be transferred to the Transmission Workgroup from August 2020.

3.0 New Modifications

There were no new Modifications for discussion.

4.0 Basic Business Rules in relation to the Secondary Capacity

Please refer to Section 1.4; Action 0601 update above.

5.0 Review of Workgroup Report

RH explained that she was in the process of conducting an overview of the original Workgroup Report from August 2019 and she drew attention to specific sections of interest, for the Workgroup's input and thoughts.

Bill Reed (BR) said that if none of the 5 Modifications - 0728/A/B/C/D (Urgent) - *Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS* were implemented, then there would still be a need for a Shorthaul Modification.

BR suggested that the Workgroup Report should also contain a reference to the impact on the consumers, as the Panel Domestic Consumer Representative at the 03 July Panel meeting, voiced disappointment that this and the COVID-19 aspect, had both been omitted from all of the 5 0728/A/B/C/D (Urgent) Modifications. BR proposed to reference to the 03 July 2020 Panel meeting minutes, and to refer to the Final Modification Report itself. RH said she would include the appropriate references to encompass these topics within the Workgroup Report.

6.0 Next Steps

RH proposed that she would complete the Workgroup Report offline and she sought agreement from the Workgroup to then submit the completed Workgroup Report to the July Panel, noting that all material would be taken from existing documents.

All agreed with this suggestion and felt it was not necessary to finally review it prior to the Panel submission. RH thanked Workgroup for their support.

RH then announced the 0670R Workgroup was formally closed, pending agreement from Panel on 16 July 2020.

7.0 Any Other Business

None.

Action Table (as at 07 July 2020)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0601	02/06/20	1.4	National Grid (CW), Uniper (RF), ENI Gas & Trading (ASh) SSE, (JCh), Centrica (RR) and Gazprom (SO) to assist with the writing of basic Business Rules to reflect the ambition of a Secondary Capacity solution and to then investigate the initial systems impact.	National Grid (CW) Uniper (RF), ENI Gas & Trading (ASh)	Closed

				SSE, (JCh), Centrica (RR) and Gazprom (SO)	
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