

UNC Workgroup 0735 Minutes

UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')

Thursday 24 September 2020

via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0735/240920>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.

1.0 Outline of Modification

Phil Lucas (PL) introduced the modification and confirmed the intent of the modification:

A number of minor changes to the Uniform Network Code (UNC) are required as a consequence of the end of the implementation period following the United Kingdom (UK) withdrawal from the European Union (EU). In principle, these changes modify existing references to EU regulations with reference to UK amendment regulations and where appropriate remove references to EU entities.

He then went on to explain the following timeline:

- 23 Jun 2016 - EU referendum
- 08 Feb 2019 - *Modification 0680 - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union*, raised to address 'no deal' exit
- Feb/Mar 2019 - 0680S Workgroups
- Mar/Apr 2019 - 0680S Consultation
- 31 Jan 2020 - GB exit the European Union with a Withdrawal Agreement
- 18 Feb 2020 - Modification 0680S withdrawn
- 31 Dec 2020 - marks the end of the GB exit 'Implementation Period'

Why Change

PL explained that the UNC contains a number of references to EU Regulations and EU institutions that require revision, removal and/or updating following GB's exit from the EU.

Proposed Solution

PL clarified that the existing references to EU Regulations; EU institutions etc require revision, removal and/or amendment. He highlighted that this modification is only required in the event that there is no trade agreement.

Development

PL advised the Workgroup of the intended Timeline for the development of this Workgroup:

- 24 Sep 2020 - Distribution Workgroup
- 01 Oct 2020 - Transmission Workgroup
- 22 Oct 2020 - Distribution Workgroup
- 05 Nov 2020 - Transmission Workgroup

To Do

PL clarified the responsibility of the Workgroup will be to:

- Recommend governance route (self-governance / Authority direction)
- Verify impact and name of Statutory Instruments
- Understand proposed changes to Transporter Licence (EU Retained Law etc)
- Finalise legal text
- Maintain awareness of political developments

In particular, PL wanted to discuss with Workgroup the governance route that this modification should take, he reiterated that this proposal is to make minor changes to the Modification Rules to refine the definition of EU regulation 715/2009 and to add supporting definitions of 'legally binding decisions' and 'EU retained law'.

PL explained that UNC Panel were cautious and directed that the governance for this modification should be Authority Directions on the basis of an interpretation of the following guidance which can be found here: <https://www.gasgovernance.co.uk/mods>

Effect on	Likely to require Authority decision if your proposal....
UNC governance or modification procedures	<ul style="list-style-type: none"> • Affects the rights of the industry to be engaged in proposed changes to the UNC. • Changes the User or Transporter representation obligations. • Changes any Authority decision-making capacity

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Workgroup are requested to provide views on the potential suitability of Self-Governance status.

PL informed Workgroup of the National Grid view on the proposed governance route and advised that the proposed changes to the Modification Rules do not:

- affect the rights of the industry to be engaged;
- change User of Transporter representation obligations; nor
- change Ofgem's decision making capacity

PL confirmed that on this basis, application of self-governance is appropriate and should be the Workgroup recommendation in the Workgroup Report.

Members of the Workgroup agreed with this approach.

2.2. Initial Representations

None received.

2.3. Terms of Reference

<https://www.gasgovernance.co.uk/0735/>

3.0 Next Steps

KE confirmed the understanding that this modification should be Authority Direction, however, looking at the three points raised by National Grid, Workgroup is comfortable that it can go down the self-governance route.

KE clarified that, due to this modification being discussed at both Distribution Workgroup and Transmission Workgroup, one Workgroup Report will be created that will sit in between both Workgroups, this will be coordinated by Joint Office.

It is suggested that participants of Distribution Workgroup participate in the Transmission Workgroup meetings where possible.

The completion of the Workgroup Report will be at the last meeting within the Transmission Workgroup on 05 November 2020.

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Thursday 01 October 2020 10:00 (Transmission Workgroup)	Teleconference	Detail planned agenda items. <ul style="list-style-type: none">• Amended Modification• Consideration of Business Rules• Consideration of Wider Industry Impacts• Consideration of Legal Text• Development of Workgroup Report

<p>Thursday 22 October 2020 10:00 (Distribution Workgroup)</p>	<p>Teleconference</p>	<p>Detail planned agenda items.</p> <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
<p>Thursday 05 November 2020 10:00 (Transmission Workgroup)</p>	<p>Teleconference</p>	<p>Detail planned agenda items.</p> <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Completion of Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					