

UNC Workgroup 0745 Minutes
Mandatory Setting of Auction Bid Parameters
Thursday 07 January 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy Ltd
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(Dhi)	National Grid
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0745/070121

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 February 2021.

1.0 Introduction and Status Review

1.1. Approval of Minutes (03 December 2020)

Rebecca Hailes (RH) advised there have been some updates to the minutes and showed onscreen the changes made.

The minutes were accepted.

1.2. Approval of Late Papers

Rebecca Hailes (RH) confirmed that there were no late papers to approve.

1.3. Review of Outstanding Actions

No outstanding actions.

2.0 Amended Modification

RH confirmed the modification has been amended and invited the Proposer, Malcolm Montgomery (MM) to provide an overview of the amendments.

MM advised of the changes to the timeline, on the assumption the Workgroup Report is completed at this meeting, it is intended the Workgroup Report will be submitted early to the January UNC Panel.

When Bill Reed (BR) asked if there will be a check of the figure that is input to the User Defined Limit, MM clarified the modification is not trying to change the parameters just changing the field from an optional field to a mandatory field and confirmed the Legal Text should substantiate this.

2.1. Issues and Questions from Panel

2.1.1. **Workgroup** to consider potential 'double counting' concerns.

This has been answered as part of the development of the Workgroup Report.

2.1.2. **Workgroup** to consider the question of materiality, and as a consequence, the suitability of Self-Governance status for the Modification.

This was considered as part of the amendment to the modification where justification for Self-Governance has now been updated.

3.0 Review of Legal Text

MM provided an overview of the Legal Text and advised the change will be applied to TPD Section B.

It was confirmed that the Legal Text will be resubmitted and will include the additional instruction at the beginning which will say to insert paragraphs into TPD Section B and removal of the word can from 1.21.2.

MM clarified the material for this modification was discussed at the September 2020 Operational Forum.

4.0 Development of Workgroup Report

RH added comments to the Workgroup Report according to MM clarifications and noted that the modification is requiring Users to set what is effectively a cap on their future bids in terms of price and volume so that any future bids will be compared against this cap and rejected if they exceed the parameters set.

Governance

RH highlighted the sentence in this section that refers to the consequence of this modification being a small one-off administrative task that Users would need to perform in order to take part in the auctions.

Solution

MM confirmed that the Bid being made cannot exceed the parameter that is set.

When Christiane Sykes (CS) asked if the change to the parameter would be effective immediately, MM confirmed this would be the case.

Relevant Objectives

MM confirmed the justification for Relevant objective d) Securing of effective competition, and f) Promotion of efficiency in the implementation and administration of the Code.

Relevant Objective d) makes sense of bid errors that are split into those that are not corrected by National Grid and those that are corrected and explained those that are corrected fall into Relevant Objective f) which would be a small administrative burden.

Implementation

It was confirmed that Interconnection Point (IP) auctions are not included in the scope of this modification because they are conducted on a different platform (PRISMA).

The Rough Order of Magnitude (ROM) was briefly reviewed, no questions were asked by Workgroup.

Legal Text

The change will be applied to TPD Section B.

It was confirmed that the Legal Text will be resubmitted and will include the additional instruction at the beginning which will say to insert paragraphs into TPD Section B and removal of the word can from 1.21.2.

Implementation Date

MM confirmed the implementation says 8-12 weeks in the ROM, however, he further clarified this work would need to be planned in with the Gemini Change Program.

MM will follow up with the same amendment to the modification as done in the Workgroup Report.

5.0 Next Steps

With the modification now being fully developed it was confirmed that workgroup recommend this should proceed to consultation.

6.0 Any Other Business

None.

7.0 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	Paper Publication Deadline	Venue	Programme
No further meetings			

Action Table (as of 07 January 2021)

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