

UNC Workgroup 0751 Minutes
Capping price increases for Long-Term Entry Capacity
Monday 12 April 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Maitrayee Bhowmick Jewkes (Secretary)	(MBJ)	Joint Office
Alex Nield	(AN)	Storengy
Anna Shrigley	(AS)	Eni Global Energy Markets SPA
Anna Stankiewicz	(ASt)	National Grid
Carlos Aguirre	(CA)	Pavilion Energy
Colin Williams	(CWi)	National Grid
Daniel Hisgett	(DH)	National Grid
Debra Hawkin	(DH)	TPA Solutions
Henk Kreuze	(HK)	Vermilion Energy
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Kirsty Ingham	(KI)	ESB
Kieran McGoldrick	(KG)	National Grid
Lauren Jauss	(LJ)	RWE
Nick Wye	(NW)	Waters Wye Associates Ltd
Nigel Sisman	(NS)	Sisman Energy Consulting
Richard Fairholme	(RF)	Uniper
Samuel Dunn	(SD)	Interconnector UK
Sinead Obeng	(SO)	Gazprom

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0751/120421>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 April 2021.

1.0 Introduction and Status Overview

1.1. Approval of Minutes (02 March 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

None.

2.0 Development of Workgroup Report

The Workgroup considered the ROM provided, which estimated approximately 12-14 weeks development.

Daniel Hisgett (DH) provided an overview of the provided legal text and the required amendments. The Proposer and National Grid believed that the legal text met the intent of the

Modification. A minor amendment was noted for the legal text and DH confirmed updated Legal Text would be provided after the meeting.

The Workgroup considered the highlighted Modification amendments and updated the impact assessment.

The Workgroup discussed the legal opinion supplied by Paul Brennan (PB) and noted comments on page 7 within the Workgroup Report. PB believed that version 2.0 of the Modification was compliant however the Workgroup could not provide an opinion on this.

The Workgroup discussed the overall impacts and captured comments.

The Workgroup considered the Charging Relevant Objectives. Colin Williams (CWi) believed that in regard to competition this Modification may be detrimental to the market. Nigel Sisman (NS) agreed. Some discussion was held about purchasing capacity and possible issues once parties have committed to a purchase.

Nick Wye (NW) was hesitant with using the term 'retrospective' and that the process is about adjusting.

Rebecca Hailes (RH) asked for views on whether the Modification had been sufficiently assessed for the Workgroup Report to be considered by the April UNC Modification Panel.

Debra Hawkin (DH) enquired if there was any analysis to support the Modification. NW explained it was difficult to provide this but would provide some explanations. CWi confirmed that National Grid have shared some impacts last month and provided some assumptions and an analysis paper in March. It was also clarified that WatersWye had provided some analysis in February. NW and CWi confirmed the numbers were similar in the analysis.

Lauren Jauss (LJ) wished to note for contracts already struck, the impact of going into next price control period, noting reserve prices will be low. CWi believed as existing contracts drop off prices are likely to decrease.

The Workgroup considered if there were any further points for capturing in the Workgroup Report. LJ suggested that it should be more prominent within the Workgroup Report that the floor price may act as a detriment. It was agreed this was clearly captured within Section 6.

The Workgroup agreed they had considered both Panel Questions relating to consequential impacts.

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The Workgroup concluded that the Modification/Workgroup Report should be submitted to the UNC Modification Panel with a recommendation to proceed to consultation.

3.0 Next Steps

RHa confirmed that the Workgroup Report would be submitted to the April UNC Modification Panel.

4.0 Any Other Business

None.

5.0 Diary Planning

No further meetings planned.