

UNC Workgroup 0761 Minutes
Arrangements for Interconnectors with additional Storage capability
10:00 Thursday 01 July 2021
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Maitrayee Bhowmick-Jewkes (Secretary)	(MBJ)	Joint Office
Adam Bates	(ABa)	South Hook Gas Ltd
Alex Nield	(AN)	Storengy
Andrew Blair	(AB)	Interconnector UK
Angus Paxton	(AP)	Afry
Anna Shrigley	(AS)	ENI
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Carlos Aguirre	(CA)	Pavilion
Chris Wright	(CW)	ExxonMobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	Northern Gas Networks
Hannah Reddy	(HR)	Correla on behalf of Xoserve
Henk Kreuze	(HK)	Vermilion
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	ConocoPhillips
Lauren Jauss	(LJ)	RWE
Lucy Manning	(LM)	Grain LNG
Max Lambert	(ML)	Ofgem
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Rebecca Hailes	(RH)	Joint Office
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Rudi Streuper	(RS)	BBL Company
Samuel Dunn	(SD)	Interconnector UK
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0761/010721>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 September 2021.

1.0 Introduction and Status Review

Eric Fowler (EF) welcomed all to the meeting.

1.1. Approval of minutes (03 June 2021)

The minutes from the last meeting were approved.

1.2. Approval of Late Papers

EF advised the Workgroup that an amended Modification had been submitted for review, which was accepted.

1.3. Review of outstanding actions

0601: Existing Contracts: It was agreed that PL will quantify the amount of Existing Contracts Capacity at the Bacton ASEP

Update: Phil Lucas (PL) presented an update on this action. Please see the published paper on the meeting page for detailed information.

The Workgroup discussed the data presented and agreed the action could be closed. **Closed**

0602: Additional Storage Entry Overrun: National Grid (PL) to consider limiting the storage allocation to the Storage Capacity i.e. the lower of (a) sum of IO specified storage capacity; and (b) IP Available Capacity excluding Existing Contracts in order to avoid need for additional storage overrun.

Update: PL presented an update on this action. Please see the published paper on the meeting page for detailed information.

Nick Wye (NW) noted that permitting storage flows in excess of storage capacity could reduce the availability of capacity for transportation. PL advised that the storage service would only be offered where there was sufficient additional capacity for storage. **Closed**

0603: Point Definition: National Grid (PL) to consider the definition of a new multi-purpose point (as opposed to refining the existing Storage Facility definition).

Update: PL advised National Grid is seeking legal advice on this topic. **Carried Forward.**

0604: Point Definition: Review TPD Section R: Storage to identify if any further changes are required.

Update: PL advised National Grid is seeking legal advice on this topic. **Carried Forward.**

0605: Point Definition: Nation Grid (PL) to advise if the storage aspect of the Interconnector would be available for use by National Grid to support Operating Margins arrangements. (TPD K)

Update: PL advised that in terms of criteria when assessing operating margins, it would be necessary for the storage aspect of the Interconnector to be available throughout the year. Please see the published paper on the meeting page for detailed information. **Carried Forward.**

0606: Point Definition: Joint Office to include this issue on the next NTSTCMF agenda:

Consider: The impact on the Forecasted Contracted Capacity (FCC) Methodology in the event that Proposal 0761 is directed for implementation. Any additional Storage discounts applied as a consequence of this change would impact the process to determine capacity Reserve Prices and may necessitate revision of the FCC Methodology – refer to material presented to Workgroup 0761 on 03 June 2021.

Update: RH noted the Joint Office would ensure this was completed. *Post meeting update: the action has been added to the NTSCMF agenda for 06 July 2021.* **Closed.**

0607: Allocations: National Grid (PL) to investigate what measurement/allocation information is currently published on MIPI in respect of storage points.

Update: PL provided this information. Please see the published paper on the meeting page for detailed information. **Closed.**

Update on Action 0501: National Grid (PL) to evaluate the compliance with Gas Act Section 6A and consider the exceptions.

PL noted there was a follow up question on Action 0501.

Richard Fairholme (RF) asked if there were any constraints introduced as a result of the Gas Exemptions Order. Andrew Blair (AB) advised the Gas Exemptions Order did not apply. AB and RF discussed licensed activities related to gas storage and the legality of what this modification is proposing. EF asked whether this discussion was relevant. RF advised it was necessary and relevant to discuss this, adding that a steer from Ofgem was also necessary.

EF suggested Ofgem most likely did not want to fetter their discretion. Max Lambert (ML) confirmed this view. EF noted that it may not be possible to resolve this discussion as there were contradictory views.

Julie Cox (JCx) noted that Ofgem should be cognisant of issues having been identified that needed to be resolved before the Workgroup Report was developed and agreed that an early steer from Ofgem was necessary.

The Workgroup discussed how to progress this and agreed that whilst the Workgroup could not comment on the legalities of the modification or stop it from being progressed, the Workgroup should seek advice from Ofgem regarding whether the modification should proceed.

New Action 0701: Ofgem to advise whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.

2.0 Review Amended Modification

PL presented an amended modification and carried out a walkthrough of the amendments with the Workgroup.

Any further suggested amendments were captured as an amended modification.

3.0 Develop Workgroup Report

EF proposed a review of the Workgroup Report.

The Workgroup reviewed the modification's compliance with the Relevant Objectives.

All Workgroup discussions were captured in the Workgroup Report.

Rebecca Hailes (RH) asked if there was any additional analysis required to support this Modification.

JCx noted a review of security of supply may be relevant as peak Interconnector would be expected to pay an Interconnector role rather than storage.

NW suggested this would be difficult to quantify and highlighted the analysis provided for Modification 0727 may be relevant and suggested it should be reviewed by the Workgroup.

4.0 Next Steps

EF confirmed:

- A rough draft of the Workgroup Report would be presented next month for a further review and to review the charging objectives.

PL confirmed:

- The ROM (Rough Order of Magnitude) had been raised however this had assessed version 1 of the Proposal. PL will liaise with Xoserve to ensure any additional requirements in version 2 of the Proposal are captured in the ROM assessment.
- If the Workgroup was satisfied it understood the solution proposed, National Grid would instruct it's legal team to draft the legal text.

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Venue	Workgroup Programme
10:00 Thursday 05 August 2021	Microsoft Teams	Discuss draft legal text Discuss relevant objectives Consider draft Workgroup Report
10:00 Thursday 02 September 2021	Microsoft Teams	Review Legal Text Finalise Workgroup Report

Action Table (as at 03 June 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0601	03/06/21	2.0	Existing Contracts: It was agreed that PL will quantify the amount of Existing Contracts Capacity at the Bacton ASEP	National Grid (PL)	Closed
0602	03/06/21	2.0	Additional Storage Entry Overrun: National Grid (PL) to consider limiting the storage allocation to the Storage Capacity i.e. the lower of (a) sum of IO specified storage capacity; and (b) IP Available Capacity excluding Existing Contracts in order to avoid need for additional storage overrun.	National Grid (PL)	Closed
0603	03/06/21	3.0	Point Definition: National Grid (PL) to consider the definition of a new multi-purpose point (as opposed to refining the existing Storage Facility definition).	National Grid (PL)	Carried Forward

Action Table (as at 03 June 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0604	03/06/21	3.0	Point Definition: Review TPD Section R: Storage to identify if any further changes are required.	National Grid (PL)	Carried Forward
0605	03/06/21	3.0	Point Definition: Nation Grid (PL) to advise if the storage aspect of the Interconnector would be available for use by National Grid to support Operating Margins arrangements. (TPD K)	National Grid (PL)	Closed
0606	03/06/21		Point Definition: Joint Office to include this issue on the next NTSTCMF agenda: Consider: The impact on the Forecasted Contracted Capacity (FCC) Methodology in the event that Proposal 0761 is directed for implementation. Any additional Storage discounts applied as a consequence of this change would impact the process to determine capacity Reserve Prices and may necessitate revision of the FCC Methodology – refer to material presented to Workgroup 0761 on 03 June 2021.	Joint Office (HB)	Closed
0607	03/06/21	3.3	Allocations: National Grid (PL) to investigate what measurement/allocation information is currently published on MIPI in respect of storage points.	National Grid (PL)	Closed
0701	01/07/21	1.3	Ofgem to advise whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.	Ofgem (ML)	Pending