

**Workgroup 0872S Minutes**  
**Single-sided Nominations for clearing houses of gas exchanges**  
**Thursday 02 May 2024**

**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

<b>Attendees</b>		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Adam Lane	(AL)	Spirit Energy
Alex Nield	(AN)	Storengy
Anna Shrigley	(AS)	ENI
Ash Adams	(AA)	National Gas Transmission (NGT)
Ben Stodel	(BS)	Perenco
Ben Hanley	(BH)	Northern Gas Networks
Bethan Winter	(BW)	Wales & West Utilities
Christiane Sykes	(CS)	Shell Energy
Chris Wright	(CWr)	Exxon Mobil
Conor McClarin*	(CM)	National Gas Transmission
David Mitchell	(DM)	Scotia Gas Networks
David Rubini	(DR)	Vitol Group
Francis Gonsior	(FG)	European Commodity Clearing AG
Gavin Williams*	(GW)	National Gas Transmission
Hannah Reddy*	(HR)	Corella on behalf of Xoserve
Jackie Atterton	(JA)	PX Limited
James Lomax	(JLo)	Cornwall Insight
Julie Cox*	(JCo)	Energy UK
Joseph Leggott	(JL)	Interconnector
Lauren Jauss	(LJ)	RWE
Marion Joste	(MJ)	ENI
Mark Field	(MF)	Sembcorp
Matthew Brown	(MB)	Ofgem
Michael Crowley	(MC)	Gas Networks Ireland
Nick Wye	(NW)	Waters Wye
Nicola Lond	(NL)	National Gas Transmission
Ofordi Nabokei	(ON)	National Gas Transmission
Phil Hobbins*	(PH)	National Gas Transmission
Phil Lucas	(PH)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Samantha Wilson	(SW)	Spirit Energy
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	SEFE Energy
Tim Gwinnell	(TG)	South Hook

*\*at Radcliffe House, Solihull*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.*

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0872/020524>*

## 1.0 Outline of Modification

Francois Gonsior (FG) introduced the modification, explaining that its purpose is to improve the security and effectiveness of the gas market by enabling clearing houses to clear trades with single-sided trade nominations.

FG explained that European Commodity Clearing AG (ECC) is responsible for making the nominations for trades that are done on the exchange. FG explained that clearing houses other than ICE cannot currently make use of single side nominations. This creates an operationally problematic situation.

A solution had previously been formulated in which customers provide clearing houses with their system logins, so that they can enter nominations on their behalf. FG noted that the current process provides a cybersecurity issue and explained that the proposed Modification would help move away from the current process.

FG questioned how ICE clear trades with single-sided trade nominations. Eric Fowler (EF) identified that there were no ICE representatives in the meeting. FG suggested that it may be due to them being the OCM operator and having special facilities. JC queried whether the ability to perform single side nominations for shipper trades was an activity beyond the scope of the OCM.

Anna Shrigley (AS) added that Shippers automatically see the transactions which are automatically posted on Gemini. AS supported the Modification, explaining that it would be an improvement over shippers handing over their log-in details.

FG explained that the solution of the Modification would include a change in the Code and potentially a change to the Gemini system so that clearing houses don't have to do a counter nomination on behalf of the customer.

Julie Cox (JC) queried whether the Modification intended to create a new role entity. FG believed that it would require a new role and this role would help facilitate single-side nominations. JC questioned what would happen if a party was no longer a OCM operator. FG advised that ICE would then face this problem, adding that the Modification would set a level playing field for all exchanges.

Gavin Williams (GW) questioned whether the current workaround by ECC is to use a Shipper's logins. FG confirmed that Gemini logins currently have an IGSM role which only allows clearing houses to do nominations or renominations and that is currently what is being used.

GW advised that the term clearing house is mentioned in TPD section V but noted that he was unsure whether this was a defined term. GW queried whether a solution could be ringfenced if clearing house was a defined term. FG advised that ECC were not experts on the UNC so was unable to advise.

AS advised that all UNC users are currently required to sign/submit a form to Xoserve which says that a shipper has appointed a clearing house to deal with these types of nominations as their agent.

JC noted that it appears that there could be a functionality there which isn't discussed in the solution. FG advised that the functionality is currently tied to OCM trades.

The Workgroup discussed the drafting of a ROM and the potential costs that could be incurred for the Modification if there is a need for changes to systems. Hannah Reddy (HR) advised that they had started looking at the system, looking into the directory to see what roles currently exist. HR confirmed that there is sufficient information to start enquiries.

**New Action 0501:** Hannah Reddy (HR) to provide the Workgroup with further insight into what the system is doing and the potential for extension of the functionality.

FG questioned whether participants agreed that the Modification would be self-governance. EF advised that this is evaluated against a set of criteria. SM was of the view that the Modification would be material and therefore would need Ofgem approval.

AS argued that it was a non-material change and there was no impact on other parties, AS noted that a Shipper would still have to provide Xoserve with an appointment form so that clearing houses could submit these nominations on behalf of Shippers. PH agreed but noted that materiality may depend on the cost required for implementation.

SM suggested that this information be included within the final Modification report and then Panel would be able to consider it.

NGT members and FG agreed to liaise offline to determine whether the current Code drafting can be used as is and the information required for the drafting of the ROM.

**New Action 0502:** Gavin Williams (GW) to liaise with FG help with the mentions of clearing houses within the UNC and to determine whether the drafting of the Modification can be used as-is or whether amendment is required.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

None raised.

### 2.2. Initial Representations

None raised.

### 2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at [www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)

## 3.0 Next Steps

The following next steps were confirmed:

- Review of Amended Modification

## 4.0 Any Other Business

None.

## 5.0 Diary Planning

Transmission meetings are listed at: <https://www.gasgovernance.co.uk/TX>

All other Joint Office events are available via: [www.gagovernance.co.uk/events-calendar/month](http://www.gagovernance.co.uk/events-calendar/month)

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
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10:00 Thursday 06 June 2024	5 pm Tuesday 28 May 2024	Solihull/ Microsoft Teams	Review of Amended Modification
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Solihull/ Microsoft Teams	TBC

0872 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	02/05/24	1.0	Hannah Reddy (HR) to provide the Workgroup with further insight into what the system is doing and the potential for extension of the functionality.	June 2024	HR	Pending
0502	02/05/24	1.0	Gavin Williams (GW) to liaise with FG to help with the mentions of clearing houses within the UNC and determine whether the drafting of the Modification can be used as is or further amendment is required.	June 2024	GW (NGT)	Pending