

**UNC Workgroup 0871 Minutes
Facilitating IGTs with NTS Entry
Thursday 06 June 2024
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Alex Nield	(AN)	Storengy
Amy Howarth	(AH)	Storengy
Amy Rawding	(AR)	Northern Gas
Ash Adams	(AA)	National Gas Transmission (NGT)
Ben Stodel	(BS)	Perenco
Christiane Sykes	(CS)	Shell Energy
Chris Wright	(CWr)	Exxon Mobil
Conor McClarin	(CM)	National Gas Transmission (NGT)
Francois Gonsior	(FG)	European Commodity Clearing AG
Gavin Williams	(GW)	National Gas Transmission (NGT)
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Jackie Atterton	(JA)	PX Limited
James Lomax	(JLo)	Cornwall Insight
Joseph Leggott	(JL)	Interconnector
Josie Lewis	(JLe)	Xoserve
Julie Cox	(JCo)	Energy UK
Lauren Jauss	(LJ)	RWE
Mariacharia Xennaro	(MX)	Centrica
Matthew Brown	(MB)	Ofgem
Michael Crowley	(MC)	Gas Networks Ireland
Malcolm Montgomery	(MM)	National Gas Transmission
Nicholas Ridley	(NR)	Ancala Midstream Acquisitions Limited
Nick King	(NK)	CGN Services
Nick Wye	(NW)	Waters Wye
Nicola Lond	(NL)	National Gas Transmission (NGT)
Nigel Sisman	(NS)	Sisman Energy Consultancy Ltd
Ofordi Nabokei	(ON)	National Gas Transmission (NGT)
Phil Lucas	(PH)	National Gas Transmission (NGT)
Ricky Hill	(RH)	Centrica
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions
Richard Selman	(RS)	Ancala Midstream Acquisitions Limited
Shiv Singh	(SS)	Cadent
Steve Mulinganie	(SM)	SEFE Energy
Steve Pownall	(SP)	Xoserve
Tim Davis	(TD)	Barrow Gas Shipping

Tim Gwinnell	(TG)	South Hook Gas
<p><i>The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.</i></p> <p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>Please note these minutes do not replicate 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 papers are available at: https://www.gasgovernance.co.uk/0871/060624.</i></p>		

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

Approval of Minutes (02 May 2024)

Steve Pownall (SP) advised that during the previous meeting there was some discussion regarding double counting which had not been captured in the minutes. SP noted that a point was raised that Shippers do not nominate at bio-methane sites within Gemini, but he had found a data extract to suggest otherwise. SP advised that some Shippers do nominate and are allocated daily gas flows, noting that his question regarding the potential consequences on the gas flows allocation process still stands.

SP clarified that some Shippers do nominate at bio-methane sites and are allocated and some Shippers do not nominate at bio-methane sites and are allocated, however if nominations are not entered in the Gemini but are allocated, Shippers would be subject to scheduling charges.

Tim Davis (TD) advised that there was only one bio-methane site that injects into NTS and only one Shipper, and they do nominate and are allocated.

Phil Lucas (PL) advised that TPD Section C 2.3.4. states that when a user has not made an input nomination in respect of gas by a daily user, they will be deemed to have made a nomination of 0.

1.1 Approval of Late Papers

There were no late papers for approval.

1.2 Review of Outstanding Actions

0501: Tim Davis (TD) to provide a walkthrough of different scenarios to ensure common level of understanding of Modification.

Update: TD provided a walkthrough of scenarios to Workgroup Participants. Please refer to section 2.0 for further information.

Closed

2. Scenario Review

TD provided the Workgroup with a walkthrough of generic NTS Entry/Exit Connection, explaining that an AD Plant generates gas which goes through NTS Injection Compressors to put it up to NTS pressure, the gas then flows partly into the NTS and partly into a local network. TD advised that the logical way to measure this is that the amount of gas injected at the AD Plant is added to Shippers Accounts and the gas which has flowed to the NTS, and local networks is accounted for at Exit Points.

TD then took the Workgroup through a walkthrough of different scenarios where the gas flows and is measured to illustrate the current problem and suggest the solution. TD explained that the Modification proposes to count gas entering at the AD Plant as entering the Total System for balancing purposes.

TD took the Workgroup through the UNC Precedents, explaining that no flow from one system to another involves Shipper transactions and they are treated as exit rather than entry. SP questioned whether this would mean free capacity and transmission rights. TD advised that Shippers would pay for the costs of using the NTS.

EF clarified that the Modification deals only with the energy balancing of gas flowing within the Network. TD agreed that the Modification is very limited.

Nick Wye (NW) asked whether all the Modification is trying to achieve is to establish that Entry into an IGT is the equivalent of an DN Entry Point. TD advised that there is a different Modification dealing with DNs and only relates to the NTS.

Please see the [published slides](#) for further information.

Potential Regime Rules to Facilitate Physical Arrangement

PL provided the Workgroup with an overview of the framework of commercial arrangements that NGT believes would need to sit around the Modification. PL was of the understanding that it won't always be Entry and could be a bi-directional connection to the NTS. TD agreed that flow could change within day.

PL discussed potential Business Rules with the Workgroup and a potential UNC Change requirement:

(See published material for details – only discussion points are noted below)

Business Rules 2: Incentive to procure Capacity

NW queried whether DNs require Entry Capacity on the NTS. PL advised that DNs are incentivised to acquire Exit Capacity, in the context of existing NTS/DN offtakes, therefore they would intend for IGT members to be incentivised to procure capacity at the IGT/NTS connection.

EF noted that energy balancing may net to zero, but use of capacity may use both Entry and Exit in day, EF questioned whether that amount of complexity is required. PL advised that this had not yet been considered. EF queried what interconnectors do in this scenario, noting that they could potentially reverse flow.

Malcolm Montgomery (MM) advised that the capacity is charged to Shippers rather than Interconnectors, noting that the net position is not considered.

Shiv Singh (SS) requested clarification on DNs being incentivised to procure NTS Exit Capacity. PL explained that there is a potential exposure to overrun charges creates this incentive. SS responded that GDNs are obliged in licence to secure capacity for their 1-in-20 peak day flows.

Business Rules 3:

SP questioned whether the sites are likely to be directed via Ofgem and not included within the Thermal Energy Regulation calculations. TD advised that this would be a question for Ofgem.

Please see the [published slides](#) for further information.

SM questioned whether the considerations impacted the Modification or were follow up rules to consider following the implementation of the Modification. PL advised that NGT were currently unsure whether Modification 0871 could stand alone in terms of delivering the end-to-end solution. SM queried whether NGT would raise an alternate Modification. PL advised this had not been decided.

NW was of the belief that in order for the Modification to proceed, the issue of bi-directional flow for these points needs to be addressed as it not currently permitted within the Code. NW believed that all other considerations were commercial and therefore could be raised by NGT following the Modification.

SM questioned whether the intention was that these systems would operate in a bi-directional nature. TD advised that getting power to an AD plant can be difficult, so this tends to be done through a mini generator and if it tripped gas could be taken off the NTS. TD advised that the variations of flow are small and won't cause issues to NGT system control.

SM raised concern regarding the Modification going to Panel without addressing any of the points raised which may have a material effect. SM questioned whether a quick implementation is still achievable.

Chris Wright (CW) was of the view that in considering the points raised by NGT, these are also relevant for hydrogen entry which could in turn create more points to consider, delaying the Modification further.

3. Development of Workgroup Report

EF advised that the development of the Workgroup Report would be referred to the July meeting, noting that further discussion and decisions would be needed to provide a clear picture to Panel.

SM added that it may be worth agreeing that there are polarising views on the Modification and that it is up to Panel to make the decision.

4. Next Steps

Completion of Workgroup Report

5. Any Other Business

None raised.

6. Diary Planning

0871 meetings are listed at: <https://www.gasgovernance.co.uk/0871>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Microsoft Teams	Completion of Workgroup Report

0871 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	02/05/24	1.0	Tim Davis (TD) to provide a walkthrough of different scenarios to ensure common level of understanding of Modification	June 2024	TD	Closed