



Modification 0868

Amendments to the Framework for the Appointment of an Allocation of Unidentified Gas Expert

July-24 DWG

Modification 0868 Objectives

The Objectives that AUGE would be responsible for are:

- Production of the AUGE Factors that will apply for 3 years.
- Lessons Learnt and Continuous Improvement Activities.
- Amendment of the existing 'Innovation and Advisory Services' to additional 'Value Add Activities' where directed to do so by the Sub-Committee.
- The 'Value Add Activities' fall within 3 areas:
 - o Market Engagement;
 - o Discovery Activities; and
 - o UIG Reduction Initiatives.

Modification 0868 Objectives continued

- Very specific and defined outcomes for the AUG Factors to remain as is. Frequency of publication of new AUG Factors to change to every three years. We expect that the risk related to procurement is low for this component.
- Lessons Learnt and Continuous Improvement Activities are already part of existing AUGE process, these will be further defined within the Framework if 0868 is approved.
- The output of the 'Value Add Activities' are less defined because:
 - We expect the AUGE to bring the necessary expertise and unique insight to these activities. This is not something we can predict as the AUGE has the knowledge and skills to present these proposals.
 - We can clearly define the process steps the AUGE will need to go through to present and seek approval for any 'Value Add Activities' over the three year AUG Period.
 - It is our expectation that these will develop from year to year based upon experience / future industry priorities and issues / future market developments.

Presentation of 'Value-Add Activity' Proposals to the Sub-Committee

This has been added into section 5.0 of the AUGÉ Framework under 5.2. A high level summary of the changes are shown below.

[Initial Proposal] will contain:

- High-level hypothesis;
- Projected outcome/s;
- Time and effort to create [Formal Proposal].

[Formal Proposal] will contain:

- Objectives of the [Formal Proposal];
- Measurable deliverables and delivery milestones;
- Funding Request containing a clear cost / benefit analysis.
- Data required, expected sources of data. Any dependencies on other parties to gain access to data required.

Seeking approval of 'Value-Add Activity' Proposals

Changes to section 5.0 are to outline:

- The process the AUG E has to go through to **gain approval** for additional 'Value-Add Activities'.

Additional of a section 6.0 to outline:

- The anticipated **AUG Sub-Committee role and responsibilities** as a result of these additional scope activities. (This section may be moved to the AUG Sub-Committee ToR).

At a high level section 6.0 outlines:

1. Review of [Initial Proposals];
2. Approval/rejection of [Initial Proposals] to be developed into [Formal Proposals];
3. Review of [Formal Proposals]
4. Approval/rejection of [Formal Proposals]
5. Ability to approve the release of funds for an approved [Formal Proposal] where funding request is no greater than [TBC];
6. Refer [Formal Proposals] which exceed the threshold in point 3 to UNCC for final approval.
7. Hold AUG E to account on [Formal Proposal] development, including but not limited to:
 - a) Measurable deliverables
 - b) Delivery milestones
 - c) Feedback on progress

Outstanding Points

Question 1: Do we want to consider what 'approval' by AUG Sub-Committee means? Majority or consensus?

Question 2: Do we want a right of appeal either by the AUG or an industry party? If yes, this needs to be defined.

Question 3: We anticipate that AUG Sub-Committee will monitor outcomes and release payment as per milestones? How do we mitigate the risk that if outcomes are not favourable to certain parties, then debate may ensure on whether milestones have been met?

Question 4: Do we want to stipulate that the AUG has to provide a minimum number of Value-Add Activities a year?

Question 5: Do we want the budget for developing an [Initial Proposal] into a [Formal Proposal] to be defined as a set number of working days effort? I.e. [5 WD] to develop a [Formal Proposal]?

Final Points

Funding of Value-Add Activities:

- Caveat here that all funding elements of draft Framework are being reviewed by our Procurement team and are subject to change dependent on the insights they provide. These will be shared at the next Workgroup.

Section 8.0 in draft Framework outlines a new AUG Period Timeline to cover the new 3-year cycle and additional scope activities. Review of this is welcomed.

The logo for xserve, featuring a stylized 'x' composed of two overlapping blue shapes, followed by the word 'serve' in a blue sans-serif font.

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Any questions?