

UNC Workgroup 0611 Minutes
Amendments to the firm capacity payable price at Interconnection Points

Thursday 04 May 2017
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Andrew Blair	(AB)	Interconnector UK
Anna Shrigley	(AS)	Eni UK
Colette Baldwin	(CB)	E.ON
Colin Hamilton	(CH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JCh)	SSE
John Costa	(JC)	EDF Energy
Karen Visgarda (Secretary)	(KV)	Joint Office
Les Jenkins	(LJ)	Joint Office
Malcolm Montgomery	(MM)	National Grid NTS
Peter Bolitho	(PB)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Rebecca Hailes (Chair)	(RH)	Joint Office
Robin Dunne*	(RD)	Ofgem
Sarah Carrington	(SC)	National Grid NTS
Sean Hayward	(SH)	Ofgem
Steve Britton*	(SB)	Cornwall
Steve Pownall*	(SP)	Xoserve
Terry Burke	(TB)	Statoil

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0611/040517>

1.0 Introduction and Status Review

The minutes of the previous meeting were approved.

Note it is planned that the Workgroup report will be submitted to the June panel meeting on 15 June 2017.

2.0 Review Amended Modification

CH provided an overview of some minor changes that had been made to the modification, with regards to definitions and context of the Legal Text. He confirmed that a formally amended modification would be submitted, to include the updates discussed in the Workgroup meeting, as detailed below.

Legal Text

CH provided slides to give an overview of the wording amendments in relation to the 'Reserve Price' definition and the 'NTS Auction Price' as stated in *EID Section B2.1.5*. He flagged other minor definition amendments and noted the word alterations in *EID Section B 2.1.6*, which were: *For the purposes of TPD Sections B2.11 and B3.12 the Applicable Daily Rate in respect*

of Interconnection Point Capacity allocated in an Auction is, subject to TD Part IIE paragraph 4.3, the NTS Auction Price.

GJ said he was not comfortable with the wording of 'subject to' in the EID Section B 2.1.6. and CH agreed to discuss this section with National Grid NTS' legal colleagues to see what alternative wording could possibly be used instead, to achieve the desired outcome.

New Action 0501: National Grid NTS (CH) to seek an alternative wording/definition for 'subject to' in EID Section B 2.1.6 with National Grid NTS' legal colleagues.

CH then overviewed the wording amendments for the Mandatory Minimum Premium (MMP) in the Capacity Methodology Statements within EID Section E.8, specifically regarding 'Applicable Daily Rate for Interconnection Point Capacity', as detailed below:-

'For the purposes of TPD Sections B2.11 and B3.12 the Applicable Daily Rate in respect of Interconnection Point Capacity allocated under an alternative allocation mechanism is the Reserve Price plus any mandatory minimum premium referred to in paragraph 4.1.4(d)(i)(3) and calculated in accordance with National Grid NTS's Entry Capacity Release Methodology Statement or National Grid NTS's Exit Capacity Release Methodology Statement.'

GJ said that there was no mention of any 'withheld capacity or incremental capacity' and he felt this should also be referenced in the above statement. CH agreed he would re-word the statement accordingly and include these areas.

New Action 0502: National Grid NTS (CH) to amend the wording of 'Applicable Daily Rate for Interconnection Point Capacity' statement to include references to both withheld capacity an incremental capacity.

CH moved on through the rest of the slides, drawing attention to any other minor alterations. In conclusion, he confirmed that a formally amended modification would be submitted in due course, to include the updated areas as discussed in the Workgroup in time for the next workgroup meeting.

New Action 0503: National Grid NTS (CH) to submit a formally amended modification ready for the next workgroup meeting to include the proposed amendments discussed within the Workgroup.

RH drew attention to the 'Consumer Impact Assessment' section of the Workgroup Report and said this also needed to be completed. She said she was aware this was a new requirement, but explained that every Workgroup Report would from now on, would contain this area and thus required input.

Both LJ and RH explained that in some instances, there might be no impacts at all, and in that scenario, the section should be completed with that in mind. SH said that Ofgem had previously published an 'Assessment of the Consumer's Impacts' of what Ofgem expected to see in this section and it was agreed that the Workgroup would review this document in readiness for the next meeting.

New Action 0504: All to review the Ofgem Assessment of the Consumer Impacts document in readiness for the June meeting. (The Impact Assessment Guide can be viewed at: <https://www.ofgem.gov.uk/publications-and-updates/impact-assessment-guidance>)

3.0 Development of Workgroup Report

3.1. Review of Impacts and Costs

Not discussed in this meeting.

3.2. Review of Relevant Objectives

Not discussed in this meeting.

3.3. Consideration of Wider Industry Impacts

Not discussed in this meeting.

3.4. Completion of Workgroup Report

RH said her expectation was to complete the Workgroup Report during the June meeting, ready to submit for the June panel meeting.

4.0 Review of Outstanding Actions

0401: National Grid NTS (CH) to investigate Article 35 Legacy Capacity EU Tariff Code and any associated impacts.

Update: CH confirmed that Article 35 had been investigated and so this action could now be closed. **Closed**

0402: National Grid NTS (CH) to look at the cross referencing between the EU CAM Code and the reserve pricing, to ensure there are no conflicts within the definitions in the EU and GB Codes.

Update: CH confirmed the cross referencing of the EU CAM Code had now taken place and so this action could now be closed. **Closed**

5.0 Next Steps

RH said her expectation for the next meeting was to review the forthcoming Amended Modification, Legal Text, Impact Assessment, Outstanding Actions and to complete the Workgroup Report.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time/Date	Venue	Workgroup Programme
Thursday 01 June 2017	Elexon, 350 Euston Road, London NW1 3AW.	Standard agenda plus: <ul style="list-style-type: none"> • <i>Review of Amended Modification</i> • <i>Review of Legal Text</i> • <i>Review of Impact Assessment</i> • <i>Completion of Workgroup Report</i>

Action Table (as at 04 May 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	10/04/17	3.4	National Grid NTS (CH) to investigate Article 35 Legacy Capacity EU Tariff Code and any associated impacts.	National Grid NTS (CH)	Closed
0402	10/04/17	3.4	National Grid NTS (CH) to look at the cross referencing between the EU CAM Code and the reserve pricing, to ensure there are no conflicts within the definitions in the EU and GB Codes.	National Grid NTS (CH)	Closed
0501	04/05/17	3.1	National Grid NTS (CH) to seek an alternative wording/definition for 'subject to' in EID Section B 2.1.6 with National Grid NTS' legal colleagues.	National Grid NTS (CH)	Pending
0502	04/05/17	3.1	National Grid NTS (CH) to amend the wording of 'Applicable Daily Rate for Interconnection Point Capacity' statement to include references to both withheld capacity an incremental capacity.	National Grid NTS (CH)	Pending
0503	04/05/17	3.1	National Grid NTS (CH) to submit a formally amended modification ready for the next workgroup meeting to include the proposed amendments discussed within the Workgroup.	National Grid NTS (CH)	Pending
0504	04/05/17	3.4	All to review the Ofgem Assessment of the Consumer Impacts document in readiness for the June meeting.	National Grid NTS (CH)	Pending