

UNC Workgroup 0616S Minutes
Capacity Conversion Mechanism for Interconnection Points
Thursday 01 June 2017
Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Andrew Pearce	(AP)	BP
Anna Shrigley	(AS)	Eni UK
Bob Fletcher	(BF)	Chair
Charles Ruffell	(CR)	RWE
Colette Baldwin	(CB)	E.ON
Colin Hamilton	(CH)	National Grid NTS
Graham Dickson	(GD)	Interconnector
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JCh)	SSE
John Costa	(JCos)	EDF Energy
Julie Cox	(JC)	Energy UK
Karen Visgarda (Secretary)	(KV)	Joint Office
Lucy Manning	(LM)	Gazprom
Malcolm Montgomery	(MM)	National Grid NTS
Mervyn Daniel*	(MD)	Storeng
Nick Wye*	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	Uniper
Robin Dunne	(RD)	Ofgem
Steve Britton*	(SB)	Cornwall
Steve Pownall	(SP)	Xoserve

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0616/010617>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 August 2017.

1.0 Introduction of Status Review

1.1 Approval of Minutes (04 May 2017)

2.0 Amended Modification

MM explained that the modification had previously been amended, but that following this meeting another formally amended version would be submitted with more changes based on the comments received at this meeting.

He provided a brief overview regarding the purpose of the modification which he summarised as a process for converting unbundled capacity into bundled capacity, in compliance with the amended EU CAM code for the 01 January 2018. He also stated the ENTSOG consultation on the capacity conversion model had closed on 05 May 2017 and that National Grid NTS would be adhering to the ENTSOG model, but that they would consider interpretation that falls within the generic model.

MM then overviewed the proposed changes to the ENTSOG Model, which were regarding Capacity Product, Eligible Capacity and Deadlines. He then reviewed the original proposal to offer a capacity conversion service when there was insufficient unbundled capacity offered by

the adjacent TSO. He then added that due to the subsequent feedback received via the Workgroup, National Grid NTS now proposed to amend this in relation to the availability of unbundled capacity with the adjacent TSO and that it would not form part of the commercial validation process.

He did state that while National Grid NTS would not be putting forward a proposal for a daily service, they would be supporting the development of a Daily Service modification if other parties wanted to raise such a proposal. They should take into consideration; the systems impact, timelines for delivery and the cost/benefit of the service assessed against relevant objectives, other than G. AS said she was disappointed in the lack of a Daily Service development because all capacity sold since CAM implementation has been daily/Short term products and MM again reiterated that this was not in the remit for National Grid NTS as it was considering what is required to meet legal and licence obligations only in order to deliver a solution for 1st Jan 2018.

MM gave an overview to the Sufficient Capacity, Legacy Capacity and Legacy Capacity and Trading in relation to criteria/processes and rules. He then talked through the 3 feasible options regarding the rules for legacy capacity and trading and concluded Option 3 of '*Any Unbundled allowing conversion of traded in cap*' was the preference from the Workgroup, based on the feedback just received.

He overviewed the Business Rules and context and wording of specific sections in the modification regarding the Bundled and Unbundled capacity wording, and he confirmed the formally amended modification would be available for the next meeting in July.

New Action 0601: National Grid NTS (MM) to provide a formally amended modification and also to request a Workgroup extension until August Panel.

3.0 Development the Workgroup Report

BF said subject to receipt of the formal modification amendment, he proposed that MM requested an extension from the Panel until August, in order for the changes and updates to be reviewed by the Workgroup at the July meeting.

4.0 Review of Outstanding Actions

Action 0501: National Grid NTS (MM) to investigate Option 2 - *Ignore status of adjacent TSO unbundled capacity* and provide a summary for the 01 June 2017 meeting.

Update: MM said this information had been supplied and so this action could now be closed. **Closed**

Action 0502: National Grid NTS (MM) to investigate the model from a GB perspective as an alternative from the existing ENTSOG Model.

Update: MM said this matter had been discussed and reported back to the Workgroup and so the action could now be closed. **Closed**

Action 0503: Ofgem (RD) to provide an Ofgem position concerning the implementation direction the modification should take regarding a potential solution.

Update: RD said that Ofgem were not in a position to state how National Grid NTS complied with EU law and so this action could be closed. **Closed**

Action 0504: National Grid NTS (MM) to submit the formally amended modification for the 01 June 2017 meeting and provide the Legal Text and Business Rules for the 06 July 2017 meeting.

Update: MM said this action could now be closed. **Closed**

5.0 Next Steps

BF confirmed that his expectations for the meeting were to complete the Workgroup Report ready for consultation and that the modification would be submitted to the August Panel following the extension request.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
Thursday 06 July 2017	Elexon, 4 th Floor, 350 Euston Road, London, NW1 3AW	<p><i>Detail planned agenda items.</i></p> <ul style="list-style-type: none"> • <i>Review Amended Modification</i> • <i>Review Outstanding Actions</i> • <i>Completion of Workgroup Report</i>

Action Table (as at 01 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	04/05/17	1.0	National Grid NTS (MM) to investigate Option 2 - <i>Ignore status of adjacent TSO unbundled capacity</i> and provide a summary for the 01 June 2017 meeting.	National Grid NTS (MM)	Closed
0502	04/05/17	1.0	National Grid NTS (MM) to investigate the model from a GB perspective as distinct from the existing ENTSOG Model.	National Grid NTS (MM)	Closed
0503	04/05/17	1.0	Ofgem (SH/RD) to provide an Ofgem position concerning the implementation direction the modification should take regarding a potential solution.	Ofgem (SH/RD)	Closed
0504	04/05/17	1.0	National Grid NTS (MM) to submit the formally amended modification for the 01 June 2017 meeting.	National Grid NTS (MM)	Closed
0505	04/05/17	1.0	National Grid NTS (MM) to provide the Legal Text and Business Rules for the 06 July 2017 meeting.	National Grid NTS (MM)	Closed
0601	01/06/17	2.0	National Grid NTS (MM) to provide a formally amended modification and also to request a Workgroup extension until August Panel.	National Grid NTS (MM)	Pending