

UNC Workgroup 0842 Minutes
Gas Entry onto the Total system via an Independent Gas Transporter
Tuesday 23 May 2023
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Vera Li (Secretary)	(VL)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	SGN
Davide Rubini	(DR)	Vitol
Edd Green	(EG)	E.On Next
Ellie Rogers	(ER)	CDSP
Joel Martin	(JM)	SGN
Kathryn Adeseye	(KA)	CDSP
Nick King	(NK)	CNG Services
Phil Lucas	(PL)	National Gas Transmission
Steve Pownall	(SP)	Xoserve

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/0842/230523>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 August 2023

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed parties to the meeting.

1.1 Approval of Minutes (27 April 2023)

The minutes from the previous meeting were approved.

1.2 Approval of Late Papers

No Late Papers to consider.

1.3 Review of Outstanding Actions

Action 0401:

Proposer to consider the following:

a. to explore the impact on energy balancing

Update: Proposer (JM/DM) has taken this into account and with comments from the previous meeting, and following through with today's discussion, they will make amendments to the Modification. **Closed**

Please refer to the discussion undertaken as part of the consideration of Agenda Item 2.0 below

b. to consider the initial representation

Update: JM/DM confirmed Initial Representation is being reviewed and will be accommodated into Business Rules. **Closed**

Please refer to the discussion undertaken as part of the consideration of Agenda Item 2.0 below

c. to consider the flow out of daily LDZ

Update: JM/DM confirmed that this will be clarified in the Legal Text. **Closed**

0402: Proposer to clarify how to manage the daily LDZ CV Calculation

Update: Discussed and no further action. **Closed.**

2. Review of Business Rules and Initial Representation

Joel Martin (JM) suggested starting with comments from previous minutes on the Business Rules:

Energy Balancing

JM noted that these IGT entry points will be treated identically to a normal LDZ system entry point. It will be the same as what National Gas do to settle a new gas entry point with Gemini then the volume of CV will be sent to Xoserve in the normal way to allow the energy to be calculated and accounted for as a Gemini gas entry point and there will be a Shipper registered to that gas entry point as today's GDN LDZ system entry point.

Phil Lucas (PL) questioned if it could be multiple Shippers registered to these entry points and JM responded that it could be, but they do not have any and if this is the case, then they will need an allocation agent. It has been confirmed that there could be multiple shippers registered with the Biomethane entry point.

It was also noted that in the UNC term, it is the LDZ System Entry Points but in Gemini, it is called Onshore field but effectively entering new gas into the Total System through Gemini.

Ellie Rogers (ER) suggested the Proposer could add new Business Rules to clarify this. DM/JM confirmed they will ensure the Legal Text will support the Business Rule that the energy through the LDZ system entry point on an IGT network is managed in the same way as in the GDN network.

Initial Representation

JM confirmed that they have considered the Initial Representation. He agreed that it would be better if the LDZ system entry points are to be defined as the entry point on the IGT Network and this will be reflected in the amended modification.

ER then queried the IGTs' obligations.

JM confirmed that IGTs would need to enter into a network entry agreement with the delivery facilities operator. IGT will also be responsible for monitoring and sending data to Gemini for that particular entry point. As IGTs are not currently set up and are unlikely to want to set up to do so, there could be an arrangement with the Gas Distribution Network (as per Wales & West's Initial Representation). This is likely to be a Commercial relationship between the IGT and the GDN to facilitate the requirements of network entry agreement and data to go to Gemini and Xoserve.

ER further queried the likelihood if IGTs would want to submit the data rather than through DNS in a later stage and suggested the Proposer add a "For Avoidance of Doubt" statement to avoid confusion.

JM agreed to consider adding a "For Avoidance of Doubt" statement in the solution section of the Modification.

Andy Clasper (AC) suggested that the Proposer provide diagrams to illustrate the flow of responsibility for each party and the UNC obligations diagram for easy understanding. JM confirmed will include in Amended Modification.

New Action 0501: Proposer (DM/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.

PL further asked if this could include the Transportation Charges position. JM confirmed there is a transportation charge question on the LDZ transportation charge associated with the entry point.

RH/JM confirmed that major questions raised in the Initial Representation have been covered. To summarise:

- The Modification will be changed to reflect WWU's envisaged model and would not be a "Notional" entry point;
- The tri-partite agreement will be amended to a Bi-lateral agreement between IGT & DFO.

Workgroup Participants had a discussion on the Transportation Charges question and the rules and JM provided a brief on the elements of Transportation charges, details can be found in TPD Section Y Paragraph 7 Part B.

<https://www.gasgovernance.co.uk/TPD>

[UNC Transportation Principal Document - Charging Methodologies](#)

JM concluded that for the LDZ system entry commodity charge as drafted in the methodology in Section Y, IGTs do not pay NTS exit capacity charge to National Gas as they do not have the offtakes on the National Gas system thus, Transportation Charge does not apply to LDZ system entry points located on an IGT network.

New Action 0502: DM/JM to investigate the Transportation Charge treatment and rules on the IGT LDZ system and incorporate it into the Modification.

RH recorded that there may be a case for IGT to decide on the IGT Transportation Charge.

JM noted BR9 is no longer required as IGTs do have their own LC4B licence requirement and therefore it will be removed from the Modification.

RH asked the Proposer to liaise with IGT on this issue.

New Action 0503: Proposer (DM/JM) to liaise with IGT regarding the LC4B Statement and Transportation Charges.

Impacts and Other Considerations

RH discussed the Consumer Benefits.

Workgroup agreed that this Modification has positive impacts on:

- Reduced environmental damage

There is a growing number of Bio-methane producers wanting to inject green gas onto the total system, this Modification would allow this to take place and will ultimately expand this market which will have a positive impact on Greenhouse Gas Emissions by allowing the IGT's to provide this facility

- Benefits for society as a whole

By facilitating the building of additional Bio-Methane plants there will be additional jobs and general economic activity for UK Plc.

PL asked if there would be Central System Impacts/Changes.

Steve Pownall (SP) confirmed there is no change on the system and no charge incurred.

New Action 0504: Proposer (DM/JM) to consider Business Rules to cover IGT / DN Commercial arrangements.

Implementation Section

RH pointed out that this is not a Self-Governance Modification and asked Proposer to update this section.

3. Development of Workgroup Report

Awaiting Amended Modifications. To be discussed in the next Workgroup meeting in June.

4. Next Steps

RH confirmed the next steps are:

- Proposer to submit Revised Modification v2.0 for Workgroup Review in June Meeting, and to consider the request of Legal Text and Rough Order of Magnitude (ROM)
- Review of Legal Text and ROM in July meeting
- Further develop and finalise Workgroup Report

RH noted that it might not be enough time to complete Workgroup Report for August Panel Meeting and suggested requesting an extension of one month and reporting to Panel in September.

New Action 0505: Chair (RH) to request an extension of one month for the Workgroup Report to Panel to September.

5. Any Other Business

None raised.

6. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
09:30 Wednesday 28 June 2023	5pm Tuesday 20 June 2023	Microsoft Teams	<ul style="list-style-type: none"> • Review of Amended Modification • Development of Workgroup Report

Action Table (as of 23 May 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	27/04/23	1.0	Proposer to consider the following: <ul style="list-style-type: none"> • to explore the impact on energy balancing • to consider the initial representation • to consider the flow out of daily LDZ 	May 2023	Proposer (DM)	Closed

Action Table (as of 23 May 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0402	27/04/23	1.0	Proposer to clarify how to manage the daily LDZ CV Calculation	May 2023	Proposer (DM)	Closed
0501	23/05/23	2.0	Proposer (DM/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.	June 2023	Proposer (DM/JM)	Pending
0502	23/05/23	2.0	DM/JM to investigate the Transportation Charge treatment and rules on the IGT LDZ system and incorporate it into the Modification.	June 2023	Proposer (DM/JM)	Pending
0503	23/05/23	2.0	Proposer (DM/JM) to liaise with IGT regarding the LC4B Statement and Transportation Charges.	June 2023	Proposer (DM/JM)	Pending
0504	23/05/23	2.0	Proposer (DM/JM) to consider Business Rules to cover IGT / DN Commercial arrangements.	June 2023	Proposer (DM/JM)	Pending
0505	23/05/23	4.0	Chair (RH) to request an extension of one month for the Workgroup Report to Panel to September.	June 2023	Chair	Pending