

**UNC Modification Panel Minutes**  
**Meeting 308 held on Thursday 15 June 2023**  
**via Microsoft Teams**

<b>Attendees</b>		
<b>Voting Panel Members:</b>		
<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
D Fittock (DF) Corona Energy O Chapman (OC) Centrica and on behalf of D Morley (DMo) and M Bellman (MB) R Fairholme (RF) Uniper S Mulinganie (SM) SEFE Energy	A Travell (AT) BUUK D Mitchell (DMi) SGN S Singh (SS) on behalf of G Dosanjh (GD) Cadent J Bates (JB) National Gas Transmission R Pomroy (RP) Wales & West Utilities and on behalf of T Saunders (TS) Northern Gas Networks	E Proffitt (EP) Major Energy User's Council S Hughes (SM) Citizens Advice
<b>Non-Voting Panel Members:</b>		
<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG) Chair	J Semple (JS)	None
<b>Also, in Attendance:</b>		
<b>Joint Office</b>	<b>Observers:</b>	
H Cuin (HC) K Elleman (KE) R Hailes (RH) P Garner (PG)	B Cull (BC) Department for Energy Security and Net Zero E Rogers (ER) Xoserve/CDSP I Capp (EC) Department for Energy Security and Net Zero	J Lomax (JL) Cornwall Insight M Brown (MB) Ofgem P Lucas (PL) National Gas Transmission
Copies of all papers are available at <a href="https://www.gasgovernance.co.uk/Panel/150623">https://www.gasgovernance.co.uk/Panel/150623</a>		

**Record of Discussions**

**308.1. Introductions**

The UNC Modification Panel Chair, W Goldwag (WG), welcomed all attendees.

**308.2. Note of any alternates attending the meeting**

O Chapman on behalf of D Morley and M Bellman  
R Pomroy on behalf of T Saunders

S Singh on behalf of G Dosanjh

### 308.3. Apologies for Absence

D Morley

G Dosanjh

M Bellman

T Saunders

### 308.4. Minutes from 16 March 2023 and 18 May 2023.

J Semple (JS) requested an amendment to the March 2023 minutes within section 305.14 Any Other Business item c) Potential Change to Relevant Objectives – Ofgem, as follows:

R Pomroy (RP) enquired if Ofgem will be considering equity as a new measure/relevant objective when assessing Modifications (under Standard Special Condition A11.).

The minutes from 16 March 2023 and 18 May 2023 were Approved.

### 308.5. Review of Action(s) and Issue(s)

**0301:** Ofgem (JS) to confirm the process (for Pre v's Non-Pre-Payment) going forward for assessing Modifications and the need to consider equity.

**Update:** JS advised that Ofgem do not intend to amend the relevant objectives to reflect equity between PPM and non-PPM consumers. JS confirmed that Ofgem expects Panel members to make an assessment against the relevant code objectives as required under the UNC, including setting out their reasoning for determining if the Modification does or does not better facilitate the code objectives. **Closed.**

### 308.6. Consider Urgent Modifications

None.

### 308.7. Consider Variation Requests

None.

### 308.8. Final Modification Reports

#### a) Modification 0816S - Update to AQ Correction Processes

R Hailes (RH) presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0816>

RH summarised that this Self-Governance Modification would add two further 'eligible causes' to the Annual Quantity (AQ) amendment process within TPD G2.3.21 and prevent AQ amendments from being processed where there is no change in value to the AQ.

This Modification also seeks to prevent AQ amendments where there is only a de minimis change being made to the current AQ value.

Panel Members considered the representations made noting that implementation was unanimously supported in the 7 representations received.

It was noted that a late representation was received suggesting the criteria for BR2 should be changed to enable Shippers 24 months instead of 12 months, due to the 2022 energy crisis. Panel members did not believe this to be a new issue, as the Workgroup had considered that 12 months was an appropriate period. It was noted, as implementation is likely to be in February 2024, that the basis for 24 months was a transitional issue in relation to 2022 volatility which would be less relevant in 8 months. It was suggested that a further Modification could

be raised to consider the benefits of 24 months as opposed to 12 months, but this should not delay a decision being made on this Modification.

Panel Members considered two relevant objectives:

- d) Securing of effective competition between Shippers and/or Suppliers; and*
- f) Promotion of efficiency in the implementation and administration of the Code*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0816S, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to implement Modification 0816S (14 out of 14).

#### **b) Modification 0829S - Updates to the Supplemental Agreement Amendments Process**

R Hailes (RH) presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0829>

RH summarised that this Self Governance Modification would change the processes for updating Supplemental Agreements.

Panel Members considered the representations made noting that implementation was unanimously supported in the 3 representations received.

Panel Members considered the need to update the Legal Text to take into account the implementation of Modification 0834S - Inclusion of the "Process for the Update and Retention of Shared Site Drawings" as a Subsidiary Document within the Offtake Arrangements Document. The Members agreed that the updated Legal Text was appropriate to allow the re-numbering of the clauses in the UNC.

S Singh (SS) confirmed as there are no System changes involved, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

Panel Members considered one relevant objective:

- f) Promotion of efficiency in the implementation and administration of the Code*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0829S, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to implement Modification 0829S (14 out of 14).

#### **308.9. Workgroup Issues/Updates**

None

#### **308.10. Workgroup Reports for Consideration**

**a) Modification 0839 - Revision of the Modification Panel Membership Cessation Provisions.**

KE introduced the Workgroup Report summarising that this Modification will revise the Modification Rules to mandate that where a Member of the Modification Panel ceases to be employed or engaged by the same specified entity as at the time of nomination, that Member will cease to be a Member of the UNC Modification Panel. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0839>

S Hughes (SH) enquired about the process for filling any vacancies. P Garner (PG) clarified that any Mid-Term vacancy would be notified, and a replacement sought through the User Representative Appointment Process.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0839, Members determined (with 14 Panel votes available):

- The Modification should be issued with a standard 15-day consultation, and considered at the 20 July 2023 Panel, by unanimous vote (14 out of 14).

**b) Modification 0844 - Enabling Direct Contractual Arrangements with Consumers for Demand Side Response.**

Panel Members agreed to consider this Workgroup Report at short notice.

RHa introduced the Workgroup Report summarising that this Modification would expand the scope of the Demand Side Response (DSR) arrangements to enable the establishment of direct contractual arrangements between National Gas Transmission (NGT) and individual Consumers for the voluntary reduction of their gas demand. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0844>

S Mulinganie (SM) understood that as the bilateral contracts had not been seen by the Workgroup, the terms and conditions (bilateral standard contract terms) for the DSR arrangements would be published alongside the Draft Modification Report to allow these to be consulted upon in parallel with the Modification's consultation.

J Bates (JB) confirmed that National Gas Transmission (NGT) plan to start consultation changes to the DSR Methodology and the draft standard conditions of the contract (DSR Contract) that would apply to DSR arrangements.

R Pomroy (RP) wished to note a concern which had been raised with the Proposer regarding the method of communication with the DNs. RP confirmed that WWU will be commenting on this within their consultation response. JB noted the concern, confirming there is an obligation to communicate through tightly controlled processes. It was agreed that the method of communication should not hold up the progression of this Modification. EP asked about the potential for a further Modification to address the communication process. SM confirmed the intention to raise a further Modification to address these concerns and, as this new Modification will be limited to the method of communication, this should be considered to be a Self-Governance Modification.

EProffitt (EP) suggested that the consultation should also include the I&C representatives NGT had engaged with. NGT was actioned with circulating the consultation invitation to the parties NGT had engaged with during the assessment process.

**New Action 0601:** National Gas Transmission (JB/PL) to circulate the UNC Modification Consultation invite to I&C Representatives engaged in the 0844 assessment process.

S Hughes (SH) enquired about the Workgroup’s assessment of not needing to undertake credit checks. SM confirmed that the Energy Balancing Credit Committee have considered the need to undertake credit checks. JB explained the likelihood of penalties being applied where a direct consumer does not reduce demand, clarifying the chain of events that would need to happen, resulting in the risk being considered very low. NGT noted that introducing securitisation may be seen as a barrier to consumers participating in DSR.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0844, Members determined (with 14 Panel votes available):

- Agreed to consider the Workgroup Report at short notice by unanimous vote (14 out of 14).
- The Modification should be issued with a 20-day consultation, and considered at the 20 July 2023 Panel, (at short notice) by unanimous vote (14 out of 14).

**c) Modification 0845 - Enhancements to Demand Side Response (DSR) Arrangements including a D-5 Product.**

Panel Members agreed to consider this Workgroup Report at short notice.

The Workgroup Report was introduced summarising that this Modification seeks to:

- Extend eligibility to participate in gas DSR to Class 2 Consumers;
- Amend the determination of the quantity of demand reduction under a DSR Option;
- Enable DSR Option Offers to specify restrictions to the days on which the DSR Option could be exercised and incorporate this into the NGT assessment process for DSR Options;
- Clarify the obligations of a User if a DSR Option is exercised;
- Provide greater optionality for Users and Consumers in the DSR Options tender process; and
- Enable National Gas Transmission (NGT) to procure DSR Options that may be exercised with a 5-day lead-time.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0845>

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0845, Members determined (with 14 Panel votes available):

- Agreed to consider the Workgroup Report at short notice by unanimous vote (14 out of 14).
- The Modification should be issued with a 20-day consultation, and considered at the 20 July 2023 Panel, (at short notice) by unanimous vote (14 out of 14).

**308.11. Consider New, Non-Urgent Modifications**

None

**308.12. Existing Modifications for Reconsiderations**

The following update was provided to the estimated decision dates timetable published 24 May 2023 at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	29 September 2023
0761 - Arrangements for Interconnectors with additional Storage capability	TBC
0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers	20 July 2023
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	22 December 2023

Panel Members considered Modification 0696V and whether this remained implementable considering the retrospective elements and the delay in receiving an Ofgem decision. JS explained that Ofgem were focussing on the winter arrangements as a priority over retrospective arrangements, noting an estimated decision date of 29 September 2023.

JS provided an update on the Energy Code Reform confirming that several interactive workshop sessions have been held with the industry, advising of further workshops engagements to consider future code modification processes.

### 308.13. Modification Reporting

#### Workgroup Extension Requests:

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0819 - Establishing/Amending a Gas Vacant Site Process	July 2023	August 2023	1-month extension
0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget, and revisions to DSC change processes	July 2023	September 2023	2-months extension
0842 - Gas Entry onto the Total system via an Independent Gas Transporter	August 2023	September 2023	1-month extension
0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert	July 2023	August 2023	1-month extension

#### Legal Text Requests:

UNC Modification Panel Members discussed the Legal Text Requests and determined unanimously to make Legal Text Requests for the following Modification(s):

Legal Text Requests for Modifications	Accepted
0825 - Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434	Yes

**308.14. Any Other Business**

K Elleman (KE) highlighted, with the trajectory of current inflight Modifications, that the September UNC Modification Panel meeting would be particularly busy. It was therefore suggested at the July/August Panel meetings Members should consider whether to extend consultation periods and/or consider reports at short notice.

**308.15. Date of Next Meeting(s):**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	New Mod Deadline	Venue
10:00 Thursday 20 July 2023	5pm Friday 07 July 2023	Teleconference / Microsoft Teams
11:00-17:00 Thursday 17 August 2023	5pm Friday 04 August 2023	Teleconference / Microsoft Teams
10:00 Thursday 21 September 2023	5pm Friday 08 September 2023	Teleconference / Microsoft Teams & In Person
10:00 Thursday 19 October 2023	5pm Friday 6 October 2023	Teleconference / Microsoft Teams
10:00 Thursday 16 November 2023	5pm Friday 03 November 2023	Teleconference / Microsoft Teams
10:00 Thursday 14 December 2023	5pm Friday 08 December 2023	Teleconference / Microsoft Teams & In Person

<b>Panel Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Reporting Month</b>	<b>Status Update</b>
<b>0301</b>	16/03/23	305.14 d)	Ofgem (JS) to confirm the process (for Pre v's Non-Pre-Payment) going forward for assessing Modifications and the need to consider equity.	Ofgem (JS)	June 2023	<b>Closed</b>
<b>0601</b>	15/06/23	308.10 b)	National Gas Transmission (JB/PL) to circulate the UNC Modification Consultation invite to I&C Representatives engaged in the 0844 assessment process.	NGT (JB/PL)	July 2023	<b>Pending</b>