

**UNC Workgroup 0510 Minutes**  
**Reform of Gas Allocation Regime at GB Interconnection Points**  
**Monday 29 June 2015**  
**Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Daniel Pol*	(DP)	BBL
Fergus Healy	(FH)	National Grid NTS
Francisco Goncalvez	(FG)	Gazprom
Graham Jack	(GJ)	Centrica
Nick Wye*	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Rob Wigginton*	(RW)	Wales & West Utilities

*\*via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0510/290615>

The Supplemental Report is due to be presented at the UNC Modification Panel by 16 July 2015.

**1.0 Introduction**

LJ welcomed all to the meeting and reminded that Modification 0510 had been returned by Panel to the Workgroup for further assessment, with a supplemental report due to be presented to the July Panel. The main focus of this meeting was to consider and assess National Grid NTS' response to the issues identified and to agree recommendations.

**2.0 Review of Minutes (04 June 2015)**

The minutes were approved.

**3.0 Update on response to new issues identified in Consultation representations**

PH briefly restated the two issues identified in the Consultation response provided by BBL and outlined National Grid NTS' responses.

*Legal Text - EID Section D*

Referring firstly to BBL's remarks regarding 3.2.1(b) PH noted that 3.2 effectively set the conditions. Having looked at Section E1.4.2 referring to provisions and requirements which drove the deadline, National Grid NTS proposed to keep the drafting as it is.

PH then referred to BBL's second point regarding 3.2.1(c), etc, and briefly reiterated why this presented difficulties for BBL. BBL will be nominating as allocated every hour; if there was a constraint during the day it can switch backwards/forwards once the problem is past but it cannot have the day finish, and then discuss and go back retrospectively. DP confirmed that BBL could switch OBA to Non-OBA but not retrospectively as this gives flow issues further down the network that are too difficult to surmount.

GJ asked what was the root cause with GTS, the transporter (TSO) on the other side of the interconnector. DP indicated that this also allocated on an hourly basis and informs Shippers of positions. BBL is a single pipeline and cannot accept imbalances - this is

the only difference. GJ questioned if the Netherlands regime was consistent with the Balancing Code. DP explained why it was not applicable. GJ asked if applied to GTS; DP was unable to speak for GTS but believed that it could have an imbalance on the grid but if it was too high there might be a mandatory settlement made and a fee charged. GTS did not have daily allocation. FG believed that allocate as nominated was more a feature of the Interoperability Code. PH observed that the Balancing Code sets out a daily balancing regime as a target model to be adopted, but there may be scope for TSOs to deviate within this. There may be consequential effects upstream, but National Grid NTS has to deal with the interface with BBL and how to manage the particular difficulties presented by that. PH had reviewed the legal text to see what might be done to address the issues.

PH explained how tracking of the cumulative steering difference would be working. If it exceeds the agreed tolerance there are obligations on the TSOSs to correct it. On the day of correction there will be a quantity that is steered to the net position of Shippers' nominations. The text needs to recognise this happens and so a new definition has been added at 1.2.1(f); PH gave a brief explanation of its effect. An addition has also been made at 1.2.1(c) to give clarity; PH explained in further detail. This also feeds into 1.2.1(e). A redundant reference at 1.2.1(d) has been removed.

To deal with the proportional allocation issue for BBL, PH referred to 3.1.1(a), where a reference had been added to new paragraph 3.4. PH then described a scenario as illustration.

Paragraph 3.2 sets out the conditions by which National Grid NTS will follow the Adjacent TSO allocation on a Non-OBA Day and PH explained in more detail, again with an example. Scenarios were discussed and PH explained the proposed process and how allocation might be adjusted/applied. GJ checked his understanding of the process/principles as described by PH and what Shippers could expect.

Responding to a question from FG, DP confirmed there were similar arrangements at Julianadorp and gave a brief description. FG asked how BBL chose whether to adjust one point or the other. PH believed the OBAs are mutually exclusive. The TSOs are constantly monitoring the tolerances. FG asked if BBL adjust one or the other. DP indicated that it monitors the issues very carefully on both sides and also the settlements and volumes built up in the OBAs are considered, together with the influences on BBL linepack and the need to prevent operational issues arising, and makes appropriate decisions.

Moving on to 3.3.2(a), PH responded to a question regarding scheduled difference on a Non-OBA Day and how this was dealt with. PH confirmed the scheduled correction will not be included in the quantity allocated to Shippers. PH referred to 1.2.1(f) and explained the scenarios in more detail. GJ wondered if the modification was sufficiently clear on this point and if further clarity was needed for the avoidance of doubt. PH noted this and would consider if anything further was required. The scheduled correction was an 'ambition' for the TSOs for the new day; it will not be 100% accurate. It would not be right to allocate to Shippers the portion required by the TSOs.

PH then considered the specific issue with BBL, i.e. the operation of two regimes across a day - allocate as nominate for the first half of the day; proportional allocation for the second half of the day. Example scenarios were briefly described. PH then referred to new paragraph 3.4, the "Part Day Steering Difference" and how this might work and the TSOs may agree to act and take account of what needs to be done in terms of allocation and measurement.

GJ asked how Shippers would be alerted and when they might expect to receive the necessary information regarding allocations. DP indicated that online allocations give a 'heads up', and can be seen in real time. GJ asked how Shippers would be told if a Non-OBA Day was called within day. DP indicated that BBL would put information onto

the system to give advance warning of the risk of constraint on BBL and this will be visible to Shippers. National Grid NTS would also give active notification of this. Both TSOs will need to alert Shippers to give opportunity to renominate/bring gas in elsewhere, etc. The Interoperability Code requires TSOs to make available certain information to parties to allow appropriate reactions to occur.

GJ asked what information would be provided, how quickly, and when, noting that Shippers need to have sufficient time to react; they also need to know the scale of the constraint and as much detail as possible to formulate appropriate actions. Stressing that this was likely to be an 'exceptional event' PH explained that if the problem was on the National Grid side it would first invoke its constraint management tools. BBL can bring Shipper nominations down. If the event was more towards the end of the day then constraint management tools were less likely to be able to take effect and it was more likely that a Non-OBA Day would be invoked. It was noted that it would have to be a very high flow day where an exceptional event had to be declared and constraint management tools were not able to take effect. GJ noted that this scenario would mean proportional allocation at the end of the day for Shippers but they will have had most of what they intended to flow.

GJ questioned the use of the word 'forecast' - was this appropriate? This was briefly discussed. Forecasts will be as accurate as possible given the circumstances and the information available - it was hard to make this 'firmer' in perception. PH added it was only likely to be used in connection with BBL's arrangements, to manage the difficulty that BBL can only act on a prospective basis rather than retrospectively.

Concluding the discussion LJ summarised that the text as revised seems to resolve the issues raised in BBL's representation.

PH confirmed that the revised solution and text presented had been discussed with BBL and would work for BBL.

## **4.0 Way Forward**

### ***Variation Request***

LJ confirmed that a Variation Request is required to vary the Solution and extend it to make clear the specific circumstances and how these were to be resolved. The revised Legal Text should be appended, noting that the Workgroup had confirmed that it was appropriate for the changes highlighted.

The Workgroup believed that the Variation Request introduces a material change and recommended to Panel that the varied modification (i.e. 0510V) should be re-issued for further consultation.

### ***Supplemental Report***

This was not necessary as a Variation Request is to be raised.

## **5.0 Next Steps**

PH will provide a Variation Request and revised text for submission to July's Panel meeting, with accompanying examples to be provided to support the consultation process, to clarify what processes/actions would be followed in various scenarios.