

UNC 0669R Workgroup Minutes
Review of the Gas Deficit Warning (GDW) and Margins Notice
(MN) Arrangements

Thursday 01 November 2018

**at Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91
2AA**

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Adrian Waller *	(AW)	Eni Trading & Shipping
Alex Nield*	(AN)	Storengy UK
Andrew Blair*	(AB)	Interconnector UK
Andrew Pearce	(AP)	BP
Angharad Williams	(AW)	National Grid NTS
Anna Shrigley*	(ASh)	Eni Trading & Shipping
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE Supply & Trading GmbH
Colin Hamilton	(CH)	National Grid NTS
Dave Adlam	(DA)	Cadent
David Cox*	(DC)	London Energy Consulting Ltd
Edward Fyfe*	(EF)	SGN
Emma Buckton*	(EB)	Norther Gas Networks
Gerry Hoggan	(GH)	ScottishPower
Graham Jack*	(GJ)	Centrica
Jeff Chandler*	(JCh)	SSE
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova*	(KN)	ESB
Kay Riley	(KR)	South Hook Gas
Lea Slokar*	(LS)	Ofgem
Mark Carolan*	(MC)	Ofgem
Mark Rixon*	(MR)	Engie
Paul Youngman*	(PY)	Drax
Penny Jackson*	(PJ)	Npower
Richard Fairholme	(RF)	Uniper
Richard White*	(RW)	Oil & Gas Authority
Shiv Singh*	(SS)	Cadent
Steve Pownall	(SP)	Xoserve
Steven Britton*	(SB)	Cornwall
Terry Burke	(TB)	Equinor

Apologies

Phil Hobbins	(PH)	National Grid NTS
Nick King	(NK)	CNG Services

**via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0669/01118>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1.0 Introduction and Status Review

1.1 Approval of Minutes (04 October 2018)

The minutes of the previous meeting were approved.

2.0 Review of Outstanding Actions

Action 1001: National Grid (AW) to provide the link to the Operational Forum slides.

Gas Operational Forum slides detailing the events of 01 March 2018:

https://www.nationalgridgas.com/sites/gas/files/documents/Ops_Forum_pack_March_2018.pdf

Update: Angharad Williams (AW) said this action could now be closed as the link and other information had now been provided. **Closed.**

Action 1002: National Grid (AW) to provide information on the pre-Winter webinar sessions.

A link to the recording of the Winter webinar detailing the pre-emergency commercial tools which took place in August 2018 is given here:

https://players.brightcove.net/867903724001/74b4f6ae-bb3f-4534-beb9-787ad6a0c1a1_default/index.html?videoid=5831481131001

Update: AW said this action could now be closed as this information had now been supplied. **Closed**

Action 1003: National Grid (AW) to provide more information to explain the supply data available and the balancing actions taken by National Grid leading up to 01 March 2018.

Update: AW explained the information that was received by the Control Room on a daily basis in relation to the balancing actions. A brief general discussion took place regarding this procedure. Both John Costa (JC) and Roddy Monroe (RM) asked if Ofgem had looked into the remit notification process?

Mark Carolan (MC) said he would investigate this area accordingly. A short general discussion then took place regarding the linepack in relation to the 'Beast from the East' weather event regarding notifications. It was then agreed that this action could be closed as this information had now been supplied. **Closed.**

New Action 1101: Ofgem (MC) to provide information regarding the efficiency of the remit notifications.

Action 1004: Shippers to consult their commercial operations staff about whether a daily Margins Notice position/update (potentially with a traffic light status) would be a useful supplement to the actual Margins Notice.

Update: A brief general discussion took place and opinion was divided as to whether a traffic light type status system would be beneficial or if this would confuse the operational teams. All then agreed this action could now be closed as the information had now been provided. **Closed.**

3.0 Issues Register

Not discussed in this meeting.

4.0 Development of Request Workgroup Report

AW provided an overview of the 'Review of MN & GDW Arrangements' document, which can be viewed via the link: <http://www.gasgovernance.co.uk/0669/011118>

She said that she was hopeful some of the information enclosed in the presentation and the associated documents, would assist with the development of the workgroup report for the next meeting.

AW then explained that the document had been split into various sections to encompass: *The outstanding actions, A day in the life of the Control Room, IUK Flows leading up to 01 March 2018, Gas National Control Centre (GNCC) Learnings and Improvements, Assessing the Non Storage Supply (NSS) figure, GDW name change and next steps.*

AW then moved through the presentation, drawing attention to specific areas as required and highlighted the Gas National Control Centre (GNCC) Learnings and Improvements section as detailed below:

- *NTS Flexibility - Operating the NTS at record low and rate of change of linepack levels has added valuable learning across the teams.*
- *Procedure Reviews - Following the actions taken over the constraint days a review of procedures has been initiated with a view to improving the process.*
- *NTS user response – A review of material is underway to support NTS users in responding to uncommonly used tools (i.e. locational & DSR OCM markets).*
- *Review of System Messages - Working group initiated to review messages issued by National Grid. Potential for change or enhanced transparency based on user feedback.*

A brief general discussion took place and Mark Carolan (MC) said that Ofgem were aware of the Procedure Reviews and that it was felt there was some miscommunication of the required information reaching the Shippers.

Terry Burke (TB) said one issue was to do with the sheer amount of Automatic Notification System (ANS) messages that were received on a daily basis, which had not helped with this communication process, with regards to urgent and non-urgent messages. AW said that non-urgent, ANS messages, could be excluded and that she would provide information detailing this process.

New Action 1102: National Grid NTS (AW) to supply information on how to get excluded from non-urgent Automatic Notification System (ANS) messaging.

AW then overviewed the Non-Storage Supply (NSS) figures and drew attention to some specific areas detailed in the graphs, which detailed this process. There was a brief general discussion regarding this topic and some individuals were not aware that these figures had changed and were published or communicated. AW agreed to investigate how these changes were presently communicated.

New Action 1103: National Grid NTS (AW) to provide information on how the Non Storage Supply (NSS) figures are published and communicated, together with the reasoning for the change in figures, as these have impacts on the Winter outlook figures.

AW then introduced the 'Bow Tie' exercise and the Workgroup firstly looked at various links in relation to information that was presently available and published, as defined below:

Prevailing View – Current Gas Day

<http://mip-prod-web.azurewebsites.net/PrevailingView>

Forecast Graph

<http://mip-prod-web.azurewebsites.net/PrevailingViewGraph/ViewReport?prevailingViewGraph=ForecastGraph&gasDate=2018-11-01>

Margins Notices (MN) and Gas Deficit Warning (GDW)

<https://www.nationalgridgas.com/balancing/margins-notices-and-gas-deficit-warnings>

Daily Margin Notice (DMN) and Safety Monitor Position/Report

<https://www.nationalgridgas.com/sites/gas/files/documents/311018%20DMN%20and%20SMN%20Daily%20report.pdf>

AW then explained due to the Gas Deficit Warning (GDW) in March that the Bow Tie model was being produced to add to the GNCC lessons learnt, this was then populated on screen by Rebecca Hailes (RH) and suggestions provided for inclusion into the model, as detailed below:

Causes

CA1. Lack of awareness of offshore problems

CA2. Over inflated view of how much LNG terminals can provide

CA3. Over inflated view of how much interconnectors can provide (consider what is likely to flow? Perhaps based on historical conditions?)

CA4. Set pre-winter and updated infrequently

CA5. Review of NSS is currently just an internal NG exercise

CA6. Winter outlook uses historical data for imports (are the fundamentals still the same?) (e.g. UKCS numbers all the same in winter outlook in three different scenarios)

CA7. Costs of transportation of gas into UK not reflected in calculation

CA8. Need to link-in Remit Notifications (to take expected outages into account)

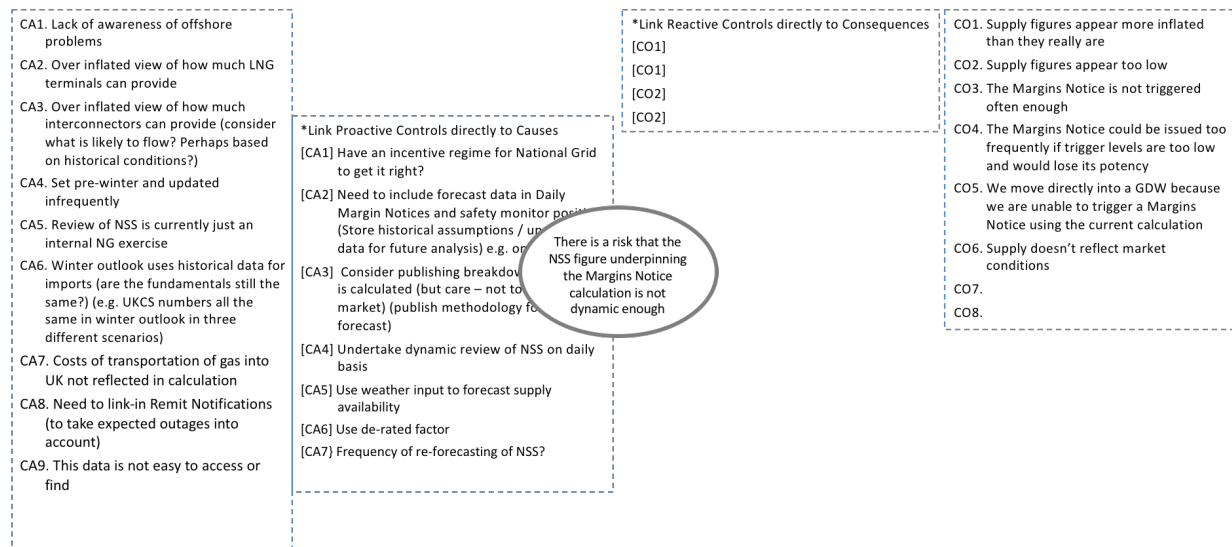
CA9. This data is not easy to access or find

Proactive Controls

- [CA1] Have an incentive regime for National Grid to get it right?
- [CA2] Need to include forecast data in Daily Margin Notices and safety monitor position (Store historical assumptions / underlying data for future analysis) e.g. on MIPI
- [CA3] Consider publishing breakdown of how NSS is calculated (but care – not to lead the market) (publish methodology for the NSS forecast)
- [CA4] Undertake dynamic review of NSS on daily basis
- [CA5] Use weather input to forecast supply availability
- [CA6] Use de-rated factor
- [CA7] Frequency of re-forecasting of NSS?

Additional Observations:

- Expiration of 20 year IUK contract, (Tariff was 1p/therm, now 5p/therm)
- Significance of market coupling?
- Communications of any NSS changes



AW then asked what the preference was in relation to changing the *Gas Deficit Warning* wording and all agreed that the existing wording was appropriate and would

be actioned accordingly, however it was agreed that all should confirm their opinion in writing to AW, for completeness.

New Action 1104: All to provide confirmation of wording preference to National Grid NTS, Angharad Williams (AW) in relation to Gas Deficit Warning wording. Email: angharad.williams@nationalgrid.com

AW then asked if there were any other areas that she could expand upon for the next meeting to help with the development of the modification. It was agreed that a process flow for the reporting procedure after a Gas Deficit Warning (GDW) would be helpful together with the process that National Grid NTS adopt when buying locational gas when the line pack is low.

New Action 1105: National Grid NTS (AW) to produce a process flow for the reporting procedure after a Gas Deficit Warning (GDW).

New Action 1106: National Grid NTS (AW) to provide information on the process that National Grid Gas adopt when buying locational gas when the line pack is low.

5.0 Next Steps

RH said it was her aspiration at the next meeting to review the amended modification encompassing the extra detail following the various discussions within the workgroup and also to review the actions. She also wanted to commence work on the Workgroup Report.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10.00, Thursday 06 December 2018	Elexon 350 Euston Road London NW1 3AW	Detail planned agenda items. <ul style="list-style-type: none"> Amended Modification Review of outstanding actions Development of Request Workgroup Report

Action Table (as at 01 November 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1001	04/10/18	1.0	National Grid (AW) to provide the link to the Operational Forum slides.	National Grid NTS (AW)	Closed
1002	04/10/18	1.0	National Grid (AW) to provide information on the pre-Winter webinar sessions.	National Grid NTS (AW)	Closed
1003	04/10/18	1.0	National Grid (AW) to provide more information to explain the supply data available and the balancing actions taken by NG leading up to 01 March 2018.	National Grid NTS (AW)	Closed
1004	04/10/18	1.0	Shippers to consult their commercial operations staff about whether a daily Margins Notice position/update (potentially with a traffic light status) would be a useful supplement to the actual Margins Notice.	All Shippers	Closed
1101	0/11/18	2.0	Ofgem (MC) to provide information regarding the efficiency of the remit notifications.	Ofgem (MC)	Pending
1102	0/11/18	4.0	National Grid NTS (AW) to supply information on how to get excluded from non-urgent Automatic Notification System (ANS) messaging.	National Grid NTS (AW)	Pending
1103	0/11/18	4.0	National Grid NTS (AW) to provide information on how the Non Storage Supply (NSS) figures are published and communicated, together with the reasoning for the change in figures, as these have impacts on the Winter outlook figures.	National Grid NTS (AW)	Pending
1104	0/11/18	4.0	All to provide confirmation of wording preference to National Grid NTS, Angharad Williams (AW) in relation to <i>Gas Deficit Warning</i> wording. Email: angharad.williams@nationalgrid.com	ALL	Pending
1105	0/11/18	4.0	National Grid NTS (AW) to produce a process flow for the reporting procedure after a Gas Deficit Warning (GDW).	National Grid NTS (AW)	Pending

Action Table (as at 01 November 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1106	0/11/18	4.0	National Grid NTS (AW) to provide information on the process that National Grid Gas adopt when buying locational gas when the line pack is low.	National Grid NTS (AW)	Pending