

UNC Transmission Workgroup Minutes
10:00 Thursday 05 April 2018
at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees		
Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Graham Dickson*	(GD)	Interconnector
Graham Jack	(GJ)	Centrica
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
Julie Cox	(JCo)	Energy UK
Matthew Hatch	(MH)	National Grid
Nick King	(NK)	CNG Services
Nick Tyler*	(NT)	National Grid NTS
Richard Fairholme	(RF)	Uniper
Steven Britton*	(SB)	Cornwall Insight
Steve Pownall	(SP)	Xoserve

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/050418>

1 Introduction and Status Review

1.1 Welcome

Bob Fletcher (BF) welcomed all to the meeting.

1.2 Approval of Minutes (01 March 2018)

The minutes from the previous meeting held on 01 March 2018 were approved.

1.3 Ofgem Update

Decision on the Greenhouse Gas Investigation Mechanism award

On 27 March 2018, Ofgem awarded NGG £207,815 for activities carried out as part of the Greenhouse Gas Investigation Mechanism project to detect fugitive gas emissions. Background to the project and the reasons for our decision can be found at the link below.

<https://www.ofgem.gov.uk/publications-and-updates/decision-greenhouse-gas-investigation-mechanism-award>

Gas system operator incentives 2018 to 2021: Modification of the special licence conditions of National Grid Gas's transporter licence

On 27 March 2018, Ofgem amended NGG's gas transporter licence to extend the D-2 to D-5 Demand Forecasting, Maintenance, and Greenhouse Gas incentives to the end of the RIIO-T1 price control period.

<https://www.ofgem.gov.uk/publications-and-updates/gas-system-operator-incentives-2018-2021-modification-special-licence-conditions-national-grid-gas-transporter-licence>

UNC0623: Governance Arrangements for Alternatives to Self-Governance Modification Proposals

On 22 March 2018, Ofgem approved UNC 0623 which clarifies the arrangements for alternative modifications in the UNC governance process. In particular, how the Panel should treat alternatives to self-governance modifications.

<https://www.ofgem.gov.uk/publications-and-updates/unc623-governance-arrangements-alternatives-self-governance-modification-proposals>

Notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-GT1 (version 5.1)

On 14 March 2018, Ofgem published proposed changes to the Gas Transmission Regulatory Instructions and Guidance (RIGs) in order to clarify existing reporting requirements. These changes are open for comments until 11 April 2018. More information can be found in the documents linked below.

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-51>

Modification of the gas transporter licence to facilitate implementation of Regulation (EU) 2017/460 (TAR NC) in GB

On 8 March 2018, Ofgem published a notice to modify Standard Special Condition A5 of NGG's gas transporter licence. This modification will enable Ofgem to issue a direction to NGG to undertake certain activities, where they consider it would better facilitate the implementation or compliance with the TAR Network Code or any relevant decisions of the European Commission or ACER.

<https://www.ofgem.gov.uk/publications-and-updates/modification-gas-transporter-licence-facilitate-implementation-regulation-eu-2017460-tar-nc-gb>

Decision to direct National Grid Gas plc (NGG) to undertake specific tasks to implement aspects of Regulation (EU) 2017/460, the European Network Code on harmonised transmission tariff structures for gas (TAR NC)

On 8 March 2018, Ofgem issued a direction which requires NGG to undertake specific tasks arising from the TAR Network Code and to complete them according to an Ofgem directed timetable. In particular, the changes will provide the UNC 621 workgroup with additional time to develop its modification report and make NGG responsible for undertaking a preliminary TAR Network Code Article 26 consultation (Ofgem will undertake the final consultation required by the TAR Network Code). More information can be found in the document linked below.

<https://www.ofgem.gov.uk/publications-and-updates/decision-direct-national-grid-gas-plc-ngg-undertake-specific-tasks-implement-aspects-regulation-eu-2017460-european-network-code-harmonised-transmission-tariff-structures-gas-tar-nc>

Approval of NGG's Generic Revenue Driver Methodology Statement 2018

On 8 March 2018, Ofgem approved an updated version of the Generic Revenue Driver Methodology Statement. No substantial changes were made to the Statement.

<https://www.ofgem.gov.uk/publications-and-updates/approval-nggs-generic-revenue-driver-methodology-statement-2018>

1.4 Pre-Modification Discussions

No pre-modification discussions

2 European Codes

MH gave an EU update which covered the following topics:

Code Status Update

MH provided a standard update on tariffs.

EU Code Updates

European Commission (EC) has suggested some changes. ACER and ENTSOG are developing a list of potential changes focussing on non-material changes such as improvements to definitions. Comitology process to agree changes in Summer 2018. MH indicated that some commercial changes had been rejected by National Grid. The reports will be available to be shared next month. Whilst the type of changes are mostly clarifications, MH suggested that some changes could lead to different treatment for interconnectors to provide more flexibility.

Future Topics

Monthly updates will continue to be given for the following topic areas:

- Tariff Code
- Transparency requirements
- CAM Amendment
- Potential EU Code Amendments.

3 Workgroups

The following Workgroup meetings took place:

3.1 0628S - Standard Design Connections: PARCA process

(Proposer Nicola Lond National Grid NTS) (NL)

(Report to Panel 17 May 2018)

<https://www.gasgovernance.co.uk/0628/050418>

3.2 0629S - Standard Design Connections: A2O connection process modification

(Proposer Nicola Lond National Grid NTS) (NL)

(Report to Panel 17 May 2018)

<https://www.gasgovernance.co.uk/0629/050418>

4 Issues

4.1 ISS066 – Implications of decommissioned Exit/Entry points update

Workgroup asked if this issue which related to Modification 0621 is being considered as part of RIIO-T2 discussions?

New Action 0401: National Grid (NL) to confirm if this issue is being considered as part of RIIO-T2. Issue to be considered at June 2018 meeting.

5 Any Other Business

None

6 Review of Action(s) Outstanding

Action 0201: MM to provide more options and detail around the processing of a monthly auction scenario when the auction runs on to near the end of the month.

Update: MH updated the Workgroup that NGG had already made the industry aware that there is a theoretical possibility that the monthly IP auctions could run for a few weeks if demand in the auction was above the supply level. This would then, assuming the auction finished at the end of a month would not allow NGG in the 3 days turnaround to convert capacity for the whole of the following month. NGG has looked at this and concluded that it is possible, but very unlikely. NGG will monitor the situation on a monthly basis and if it becomes a potential issue, will bring it back to the Workgroup.

MH also referred to the possible reopening of CAM, and suggested that if this were to happen, then NGG would look to include some changes in UNC to cater for this possible scenario and develop appropriate rules with the industry.

MH concluded that with other work priorities this would not be actively progressed further. This action was therefore closed. **Closed**

Action 0202: MM to bring a slide to the next Workgroup on the Functionality Platform process.

Update: MH provided a link to the ENTSOG Functionality Platform <http://www.gasncfunc.eu> so this action was closed. **Closed**

Action 0301: PH to clarify what the likely path is of blending services and also the timeline of any proposed modifications.

Update: MH provided an update for this action within the slide presentation pack titled European Update provided for the meeting, so this action was closed. **Closed**

GJ asked how GTYS gas limits are set and what the governance arrangements were?

New Action 0402: National Grid (PH) to clarify how GTYS gas limits are set, who controls them and how they change over time.

7 Diary Planning

Time/Date	Location
10.00, Thursday 03 May 2018	Elexon, 350 Euston Road, London NW1 3AW
10.00, Thursday 07 June 2018	Solihull Venue TBC
10:00 Thursday 05 July 2018	Elexon, 350 Euston Road, London NW1 3AW
10.00, Thursday 02 August 2018	Solihull Venue TBC
10.00, Thursday 06 September 2018	Elexon, 350 Euston Road, London NW1 3AW
10.00, Thursday 04 October 2018	Solihull Venue TBC
10.00, Thursday 01 November 2018	Elexon, 350 Euston Road, London NW1 3AW
10.00, Thursday 06 December 2018	Solihull Venue TBC

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0201	01/02/18	2.0	MM to provide more options and detail around the processing of a monthly auction scenario when the auction runs on to near the end of the month. Update: MM requested to bring an update to the next meeting.	National Grid NTS (MM/PH)	Closed
0202	01/02/18	2.0	MM to bring a slide to the next Workgroup on the Functionality Platform process.	National Grid NTS (MM/PH)	Closed
0301	01/03/18	5.1	PH to clarify what the likely path is of blending services and also the timeline of any proposed modifications.	National Grid NTS (PH)	Closed
0401	05/04/18	4.0	National Grid (NL) to confirm if this issue is being considered as part of RIIO-T2. Issue to be considered at June 2018 meeting.	National Grid NTS (NL)	Pending
0402	05/04/18	6.0	National Grid (PH) to clarify how GTYS gas limits are set, who controls them and how they change over time.	National Grid NTS (PH)	Pending