

Record of Determinations: Panel Meeting 21 February 2019

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF (AG)	GW	MB	RF	SM	CW	DL	HC	SC	TS	JCo	JA	EP (AG)	
0678C - Amendments to Gas Charging Regime (Postage Stamp)	To be considered at Short Notice - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at Short Notice?
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0678 and follow the same timeline?
0678D - Amendments to Gas Charging Regime	To be considered at Short Notice - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at Short Notice?
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0678 and follow the same timeline?
0678E - Amendments to Gas Transmission Charging Regime – Treatment of Storage	To be considered at Short Notice - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at Short Notice?
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0678 and follow the same timeline?

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		AG	DF (AG)	GW	MB	RF	SM	CW	DL	HC	SC	TS	JCo	JA	EP (AG)		
0680 - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is a Self-Governance Modification - <i>majority vote in favour</i>	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	NV	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0680 with a report presented by the 21 March 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the 21 March 2019 Panel?
	Legal Text Requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text?
0651 - Changes to the Retrospective Data Update provisions	Consideration of Modification 0651 deferred to 21 March 2019 Panel - <i>majority vote in favour</i>	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	Should consideration of Modification 0651 be deferred to the 21 March 2019 Panel?	
0674 - Performance Assurance Techniques and Controls	Consideration of Modification 0674 deferred to 21 March 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consideration of Modification 0674 be deferred to the 21 March 2019 Panel?	
0652 – Introduction of winter read/consumption reports and associated obligations	Proceed to Consultation, with consultation closing out on 14 March 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0652 be issued to Consultation, closing on 14 March and be considered at short notice at the 21 March 2019 Panel?	
0665 - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)	Modification 0665 returned to Workgroup with a report presented by 01 March 2019 Extraordinary Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0665 be returned to Workgroup with a report presented by 01 March 2019 Extraordinary Panel?	
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme	Workgroup 0630R reporting date extended with a report presented by 16 May 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0630R reporting date be extended with a report presented by 16 May 2019 Panel?	
0646R - Review of the Offtake Arrangements Document	Workgroup 0646R reporting date extended with a report presented by 21 June 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0646R reporting date be extended with a report presented by 21 June 2019 Panel?	

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		AG	DF (AG)	GW	MB	RF	SM	CW	DL	HC	SC	TS	JCo	JA	EP (AG)	
0647 - Opening Class 1 reads to Competition	Workgroup 0647 reporting date extended with a report presented by 21 June 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0647 reporting date be extended with a report presented by 21 June 2019 Panel?
0661R - Reconciliation and Imbalance Cash Out Prices	Workgroup 0661R reporting date extended with a report presented by 16 May 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0661R reporting date be extended with a report presented by 16 May 2019 Panel?
0662 - Revenue Recovery at Combined ASEPs	Workgroup 0662 reporting date extended with a report presented by 18 July 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0662 reporting date be extended with a report presented by 18 July 2019 Panel?
0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4	Workgroup 0664 reporting date extended with a report presented by 16 May 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0664 reporting date be extended with a report presented by 16 May 2019 Panel?
0667 - Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC	Workgroup 0667 reporting date extended with a report presented by 17 April 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0667 reporting date be extended with a report presented by 17 April 2019 Panel?
0662 - Revenue Recovery at Combined ASEPs	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?
0665 - Changes to Ratchet Regime	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?

In favour	Not in Favour	No Vote Cast	Not Present
✓	X	NV	NP

UNC Modification Panel

Minutes of the 238 Meeting held on Thursday 21 February 2019

at

Elexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total and alternate for D Fittock and E Proffitt G Wood (GW), British Gas M Bellman (MB), Scottish Power R Fairholme (RF), Uniper S Mulliganie* (SM), Gazprom	C Warner (CWa), Cadent D Lond (DL), National Grid NTS H Chapman (HC), SGN S Coughlan (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks J Cooper* (JC), BUUK	J Atherton (JA), Citizens Advice

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	J Dixon (JD)	

Also in Attendance:

A Shrigley* (AS), ENI; D Mitchell* (DM), SGN; E (ER), Xoserve; G Dosanjh (GD), Cadent; J Canlin (JCa), ENSEK; J Chandler* (JCh), SSE; N Wye* (NW), WatersWye; P Garner (PG), Joint Office; R Durham* (RD) Smartest Energy; R Fletcher (RFI), Secretary; R Hailes (RH), Joint Office and S Britton (SBr), Cornwall Insight.

**by teleconference*

Record of Discussions

Introduction

MS welcomed all attendees to the meeting and then set out the order of business for the meeting.

238.1 Note of any alternates attending meeting

A Green for D Fittock (Corona Energy) and E Proffitt (MEUC)
S Coughlan for R Pomroy (Wales & West Utilities)

238.2 Record of Apologies for absence

D Fittock, Corona Energy
E Proffitt, MEUC
R Pomroy, Wales & West Utilities

238.3 Minutes and Actions of the Last Meeting(s)

Minutes from 17 January and 12 February:

MS advised that a number of amendments had been requested to the minutes from 17 January meeting related to item 236.12 c). Following consideration Members approved the amendments to the 17 January minutes.

Members then approved the minutes from the previous meetings on 17 January 2019 and 12 February 2019.

238.4 Consider Urgent Modifications

None presented.

238.5 Consider New Non-Urgent Modifications

Prior to considering New Non-Urgent Modifications, MS asked Members to note that there would need to be a number of additional alternatives to Modification 0678 and that it would be useful to agree an approach to communication and the process for managing these over the next two weeks. He stressed the need for Panel to ensure good governance.

PG asked Members to note that there will be a requirement to hold an additional Panel day in April to consider the Workgroup Report for 0678 in a similar approach to that used for Modification 0621. This will mean rearranging the DSC Contract Meeting on 17 April 2019.

PG advised that it was assumed there would be at least 11 alternatives to Modification 0678. CW wanted to understand how alternatives should be managed for this modification going forward as it did not appear to be practicable to hold Panel meetings on a daily basis.

RG agreed and that proposers should be encouraged to consider the development of alternatives to ensure they are in a fit state to be progressed quickly.

JD asked if parties should be asked to raise issues at Workgroup first and

request if an existing modification could be adapted by agreement to reduce the number of alternatives in circulation. This is a process that has been used with UIG and should be manageable when taken in the spirit of cooperation.

JD asked parties to consider if the alternative they are proposing can be implemented alongside the existing, if so, it should be seen as separate new modification and not as an alternative. Ofgem might consider stopping alternatives if these look to be extending the process unduly.

MS was conscious of the compressed timeline and the quality of Panel and Workgroup consideration of these modifications should not be compromised.

RF was supportive of a more agile approach to dealing with Modification 0678 and its alternatives, but noted the compressed timelines and that this process shouldn't be used as a precedent to deviate or alter the rules with fully considering the impacts.

RF felt Ofgem's views were helpful and that these should be shared with the Workgroup. PG noted that the opportunity for pre-modification discussions are offered at each meeting.

SM asked if all the potential proposers were involved directly with the Workgroup. If not, it might be harder to seek cooperation with others. It should be noted that some proposers might not be keen to amend their modifications to include proposals from others as they might feel it extends the risk of rejection by Ofgem.

DL was concerned if the frequency, number and length of Workgroups is impacting proposer's ability to react to changes required in modifications and impacting the overall quality.

RF was concerned that there should be no blanket approval of an alternative, although agreement by email might be an option to consider in isolated cases.

PG was concerned that email might cause delays due to lack of responses. DL agreed that it might be useful as a backstop option but felt that meetings would be preferred. RF suggested a cut-off date be included in the email.

MS raised the concern that email approval was second best to a full Panel meeting as they did not allow discussion and debate.

JD agreed to seek views and support from the charging team for the proposed approach.

DL was concerned about the production of Legal Text will cause issues if alternatives are raised close to the finalisation of the Workgroup Report and might not be ready for the start of consultation.

PG suggested that a communication is issued that alternative modifications need to be submitted by Friday 22 February for consideration at Panel early the following week.

It was agreed that alternatives need to be with the Joint Office by Wednesday 27 February so that Panel can consider them at an extraordinary meeting on Friday 01 March.

Alternatives raised after this date are unlikely to be included in the Workgroup Report as it is to be finalised at Wednesday 06 March meeting.

SM challenged if Panel needs to be involved, why can't the workgroup make the judgement as to the suitability of an alternative to Modification 0678. Pre-mod could be used as a process to agree alternative modifications. Some members disagreed with this approach as it was a Panel role to agree to an alternative.

PG then summarised where the Panel debate had got to and set out the process to be adopted for proposed new alternatives received after this meeting:

1. Parties to seek inclusion of their proposals in existing modifications as a first step;
2. Communication to industry to advise the last effective date for alternative modifications;
3. Alternatives should ideally be presented for pre-modification discussion;
4. Alternatives should be fully developed and ready for inclusion in the Workgroup Report;
5. Proposed alternatives to be presented to an extraordinary Panel meeting on Friday 01 March.

In addition it was agreed that for the existing proposed alternative currently being processed by the Joint Office, that once raised it would be circulated to members for consideration as an alternative, with confirmation by email. It was felt that leaving this new alternative to next Friday's Panel was too long a delay.

a) Modification 0678C - Amendments to Gas Charging Regime (Postage Stamp)

JCh introduced Modification 0678C, its aims and why it should be considered as an alternative to Modification 0678.

JD suggested that a view on a Modifications compliance with TAR Code should be included as early as possible prior to the production of Legal Text so that a statement is included with the modification to ensure time isn't wasted on noncompliant modifications which can't be implemented. If needed the Proposer can provide their own legal advice in advance of consideration of legal text provided by the Transporter.

CW challenged whether National Grid's lawyers would be able to challenge another parties legal advice. JD was not convinced and felt that text which can't be implement as it is not compliant should not be progressed.

SM sought a view on the compliance of a proposal and if confirmation of compliance is a Proposer responsibility. JD noted that the Transporters lawyers should be able to flag if proposal was incapable of being implemented due to non-compliance and flag any issues.

DL advised that this was out of scope of the work National Grid had discussed with their lawyers to date and not normal practice, therefore would need to be discussed further between the teams involved at National Grid and Ofgem.

SM asked who the opinion would be provided to, should it be to the

Transporter and Proposer. JD wanted to ensure the Workgroup and Panel are comfortable the proposal provides the required compliance with TAR Code, and noted that the Proposer has the option to amend the modification or withdraw it.

RF noted that each modification is providing a view on compliance, although not all Proposers have sought legal advice of their own.

JD suggested that the key aim for each modification is not product or business model development but to ensure Code is compliant with TAR Code. SM wanted clarity if a view from a Proposers lawyers is needed with confirmation of compliance. JD confirmed that Ofgem do not want to receive modifications for this specific change which can't be implemented as they do not comply with TAR Code.

DL suggested that as agreed at Workgroup, each Modification provides a compliance statement. MS observed that 3 of the 4 Modification 0678 alternatives currently received had provided a compliance statement. JD is willing to confirm an Ofgem request for legal text at the end of the process provided there is commentary with each Modification to confirm compliance with TAR Code.

For Modification 0678C Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678C is issued to Workgroup 0678 and is to follow the same timeline where practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

b) Modification 0678D - Amendments to Gas Charging Regime

AS introduced Modification 0678D, its aims and why it should be considered as an alternative to Modification 0678.

CW noted that this Modification is another interpretation of compliance TAR Code and that the proposer should be clarifying this within their Modification. AS agreed that they would review this and provide a view at workgroup.

For Modification 0678D Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678D is issued to Workgroup 0678 and is to follow the same timeline as reasonably practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

c) Modification 0678E - Amendments to Gas Transmission Charging Regime – Treatment of Storage

NW introduced Modification 0678E, its aims and why it should be considered as an alternative to Modification 0678. In addition, he stressed that it was the proposer's view that for the good of the wider industry, this Modification is extending the minimum compliance requirements as proposed in Modification 0678.

For Modification 0678E Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678E is issued to Workgroup 0678 and is to follow the same timeline as reasonably practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

d) Modification 0680 - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union

DL introduced Modification 0680 and its aims. MS asked if the timeline for implementation works is achievable by 29 March Brexit date.

DL advised the Modification process was proposed as Self-Governance as the changes to Code were not material and that implementation could be managed based on a no deal BREXIT and rolling out of the necessary Statutory Instruments.

For Modification 0680 Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are met as this Modification is not likely to impact competition as it is correcting references in the UNC, by majority vote (12 votes in favours, 1 vote against and 1 abstention);
- That Modification 0680S is issued to Workgroup 0680S for assessment with a report to be presented to the 21 March 2019 Panel, by unanimous vote;
- To request Legal Text, by unanimous vote.

238.6 Existing Modifications for Reconsideration

a) Modification 0651 - Changes to the Retrospective Data Update provisions

MS asked Members to note that Modification 0651 has been with Ofgem for over 4 months and consideration had been deferred at a number of

meetings.

JD advised that Ofgem had not yet made a decision but that he thought that it would do so imminently.. Both RF and SM questioned how long for a decision as this is delaying certainty to the industry. MB questioned as this decision is delaying RAASP, the benefits of Nexus are being lost.

GW noted that a decision is required. However, should the Modification be rejected it would need to be prioritised against other industry changes currently in flight so would be likely to see significant delay.

ER confirmed that Xoserve have logged the change but it is at the unconfirmed stage at this time.

JD advised that Ofgem are minded to implement Modification 0651 subject to an industry data cleanse exercise taking place. The timelines for RAASP are not confirmed and based on Nexus, there are likely to be delays in delivery which could be beyond 2020 which might be superfluous due to the degree of Smart Meter roll out.

For Modification 0651 Members determined:

- Defer consideration to the March 2019 Panel, by unanimous vote.

b) Modification 0674 - Performance Assurance Techniques and Controls

MS asked Members to note that Modification 0674 was deferred at the November, December and January Panel meetings and that amendments were being prepared by the Proposer.

MB advised that an assessment of the Modification was still being undertaken and he had asked the PAFA to support this activity, with the aim of presenting the next version to the March Panel. The changes would now include a change to the PAC/UNC referenced documents and these need to be clear and aligned prior to the Modification being presented to Panel.

MS asked if this was a realistic expectation. MB advised that the aim was to review the draft at the next PAC meeting and target resubmission to the March Panel.

For Modification 0674 Members determined:

- Defer consideration to the March 2019 Panel, by unanimous vote.

238.7 Consider Workgroup Issues

None

238.8 Workgroup Reports for Consideration

a) Modification 0652 – Introduction of winter read/consumption reports and associated obligations

It was confirmed the queries raised at the previous Panel had been addressed by amendments to the Legal text.

For Modification 0652, Members determined:

- It should be issued to consultation with a close out date of 14 March 2019 and considered at Short Notice at 21 March 2019 Panel, by unanimous vote.

b) Modification 0665 - Changes to Ratchet Regime

SM advised that there is an approval pressure if this Modification is still to be implemented by 2019/20 Gas Year.

HC advised that a number of questions relating to the Modification and Legal Text had been identified and the Proposer had been advised. GW was concerned that Legal Text wasn't available for Workgroup discussion but didn't want to see this Modification unduly delayed.

TS would prefer to review the Legal Text at Workgroup to ensure it was suitable and met the requirements of the Modification Solution. SM challenged the changes to Legal Text were material in nature and as the business rules fixed, most parties could easily provide responses during consultation.

MS suggested that consideration is deferred to the Extraordinary Panel being planned for 01 March. SM challenged if there was time to get the Modification to Ofgem in time for an end of March decision by delaying the process for minor changes to Legal Text. RFI noted that the consultation period could be shortened to accommodate the short delay and thus maintain the current timeline.

DM highlighted that in his view the Legal Text questions were material and required clarification. TS would prefer to see the Legal Text reviewed at Workgroup.

PG wanted to understand when the amended Legal Text would be provided. HC felt this was down to the Proposer comments and that this could be discussed at the 28 February Distribution Workgroup.

For Modification 0665, Members determined:

- It should be referred to Workgroup 0665 for further assessment, with a report by the 01 March 2019 Panel, by unanimous vote.

238.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

Members determined unanimously to extend the following Workgroup reporting date(s):

Workgroup	New Reporting Date
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0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme	May 2019
0646R - Review of the Offtake Arrangements Document	June 2019
0647 - Opening Class 1 reads to Competition	June 2019
0661R - Reconciliation and Imbalance Cash Out Prices	May 2019
0662 - Revenue Recovery at Combined ASEPs	July 2019
0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4	May 2019
0667 - Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC	April 2019

Members determined unanimously to request Legal text for the following modification(s):

Modification
0662 - Revenue Recovery at Combined ASEPs
0665 - Changes to Ratchet Regime

238.10 Consider Variation Requests

None discussed.

238.11 Final Modification Reports

- a) None to consider.

238.12 AOB

a) National Grid Update on resources for Workgroup 0678

DL provide an overview of the likely impact's and resources needed to support Modification 0678 and the various alternatives. He noted that they had been late in providing the model, but their aim was to make sure the process is supported. However, the Workgroup and Proposers need to be realistic in their expectations as to what can be provided in constrained timescales.

b) Management of Alternatives to Modification 0678

PG advised that Panel had raised some concerns at the previous extraordinary meeting concerning the management and analysis required for Modification 0678 alternatives and Members were seeking comments from Ofgem.

CW asked what the approach is to be for Panel in terms of managing the voting arrangements. PG advised that Ofgem had set out their expectations in their decision letter. There should be a clear establishment of recommendations on meeting the main objective of compliance with TAR Code. MS observed that the process adopted by Panel for dealing with Modification 0621 and its many alternatives had work well.

JD noted that Panel might find it difficult to establish a preference for a specific Modification. However, each Modification should be referenced against the Relevant Objectives and Panel should be able to make a judgement as to whether a Modification is or is not compliant with TAR Code. Panel should be able to consider what is in the best interests of the industry in terms of assessing these Modifications for implementation.

MS asked Members to note that they should be prepared to manage the process for Modification 0678 and should be sufficiently well read to set out the arguments for and against the implementation of each.

JD noted there is no ideal way to manage alternative modifications and this is an extreme example as charging usually generates industry concerns. However, they aim to support the process but require support from Panel as to whether a Modification is compliant with TAR Code.

RH was concerned that Proposer might amend Modifications after the cut off for alternatives and by doing so might remove elements previously that included for others.

RH clarified that the Workgroup Report, Final Modification Report and Consultation Responses for Modification 0678 and alternatives would follow the same approach as used for Modification 0621 and alternatives. Members were supportive of this approach.

JD felt that with a level of pragmatism, the industry should be able to manage a process to achieve a Modification which is compliant with TAR Code. Parties could always consider raising new Modifications for other aspects of charging at a later date.

c) BREXIT Impact update

DL referred to item 238.5 d) above as this Modification would establish the Code requirements for a no deal BREXIT.

d) SPAA MDD Migration Working Group

ER provide a brief overview of progress to date and the likely next steps.

Governance – a new modification likely for March Panel with pre Modification at the next Distribution Workgroup.

Process – greater reliance on fact based checks, particularly for new market

entrants, this will be managed through DSC process.

Implementation – aim to maintain existing sources in dual format until REC is implemented. Work is required to coordinate the approach and support data migration.

e) Guidance for Proposers Guidelines

RFI asked Members if the guidance document required to be reviewed, if so should this be done at the Governance Workgroup?

Members determined that further consideration should be deferred to the January 2020 Panel.

f) Panel Member Alternates

PG noted that a number of voting Panel Members had nominated their two standing alternates but there were a number outstanding.

A further update is to be provided at the next meeting.

g) Panel Member Profiles

PG noted that a number of Members had provided profiles and requested the remaining Members to provide the outstanding profiles soon.

h) Code of Conduct

PG advised that she intended to circulate the Code of Conduct soon and asked how long Members required to respond?

MB asked if Panel would be willing to share the Code of Conduct with Performance Assurance Board at Elexon. There were no objections to this approach.

Members agreed completed Codes of Conduct should be provided by the 21 March Panel.

i) BEIS / Ofgem

RF asked if there were an update from Ofgem on the recent BEIS/Ofgem Codes Review workshops. JD felt that the initial view from participants is that there are too many Codes for efficient operation. However, there was no formal view on the right number.

Some parties have expressed concerns around the use of Self-Governance and requested its removal.

Some parties were keen to see charging removed from Codes as they believe it should be a methodology approach managed through Ofgem. Others felt there should be a review of the Relevant Objectives that support charging to ensure they are suitable.

The model being adopted for REC is well supported, with a Managed approach to governance. The role of the Code Manager sourcing Legal

Text and other services appeared to be a preferred option as existing rules and budgets limit existing Code Administrators.

The aim would be for a longer-term consideration of the use of Codes and whether they can be simplified and reduced in size/number.

PG noted that the approach by BEIS seems to be to get change done quickly to improve the process sooner. Consolidation appears to be in favour with most, with Principle based Codes were gaining favours with some but not others.

It was noted by TS that collectively there were at least 10,000 pages of Code and it was questioned if all these were needed, specifically when technical in nature.

JD advised that consultation is targeted to be published during May for 3 months minimum.

238.13 Date of Next Meeting

- 10:30, Thursday 21 March 2019, at Elexon.

Action Table (21 February 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/02	21/02/19				Pending