

UNC Workgroup 0665 Minutes

Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)

Thursday 22 November 2018

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

Attendees

| | | |
|-------------------------|-------|-----------------------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Kully Jones (Secretary) | (KJ) | Joint Office |
| Alexander Mann | (AMa) | Gazprom |
| Alsarif Satti* | (AS) | Ofgem |
| Amy Rawding* | (AR) | Northern Gas Networks (0665 only) |
| Andy Clasper | (AC) | Cadent |
| Chris Warner | (CW) | Cadent |
| Dave Addison | (DA) | Xoserve |
| David Mitchell | (DM) | SGN |
| Edward Fyfe* | (EF) | SGN |
| Ellie Rogers | (ER) | Xoserve |
| Emma Buckton | (EB) | Northern Gas Networks (0665 only) |
| Gareth Evans | (GE) | Waters Wye Associates Ltd |
| John Cooper* | (JC) | BUUK |
| Kirsty Dudley* | (KD) | E.ON UK |
| Lorna Lewin* | (LL) | Orsted |
| Louise Hellyer* | (LH) | Total Gas & Power |
| Mark Jones* | (MJ) | SSE |
| Megan Coventry* | (MC) | SSE |
| Micah Boutwood* | (MB) | Northern Gas Networks (0665 only) |
| Oorlagh Chapman* | (OC) | Centrica |
| Rachel Clarke* | (RC) | Gemserv Ltd |
| Richard Johnson | (RJ) | Xoserve |
| Richard Pomroy | (RP) | Wales & West Utilities |
| Sebastian Eyre* | (SE) | ESPUG |
| Shanna Key | (SK) | Northern Gas Networks |
| Shardul Pandit* | (SP) | Wales & West Utilities |
| Steve Britton* | (SB) | Cornwall Insight |
| Tracey Saunders | (TS) | Northern Gas Networks |

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0665/221118>

1. Introduction and Status Review

Bob Fletcher (BF) welcomed all to the meeting.

1.1. Approval of Minutes (25 October 2018)

The minutes from the previous meeting were approved.

2. Review of Amended Modification

BF informed the Workgroup that there had been no further amendments to the Modification and invited Dave Addison (DA) to provide a brief update on the business rules that had been provided as a post-meeting update from the last meeting. For ease of reference the update is provided below:

*Post Meeting Update (25 October 2018): - Supplied by DA

The business rules discussed in Modification 0665 that DA drafted were:

For Supply Meter Points within Class 2, where the SMP AQ is \geq [X] kWh will be subject to Ratchets and Ratchet Charges.

For Supply Meter Points within Class 2, where the SMP AQ is $<$ [X] kWh will be subject to Ratchets but not Ratchet Charges.

SMPs with an SMP AQ \geq [X] kWh but less than the Class 1 threshold may remain in Class 3 or 4 (subject to business rule 4 below). This is not a system change – this is as is.

An additional rule that DA proposed that was not within the scope of the current Modification (or the separate discussions that Networks had with Steve Mulinganie (SM)) But might have some merits:

Where the Network consider that there is a Network constrained SMP, then they may require that this be a Class 1 SMP. This would insert a new Class 1 requirement but may be beneficial as it should inform the value of [X] kWh referenced in business rule 1-3 above.

DA said once SM has confirmed which business rules he is prepared to consider in the Modification then Xoserve can investigate this from a systems perspective.

DA informed the Workgroup that the change to Class 1 criteria could be AQ based or some other alternative.

The following question/observations arose from the discussion:

- Tracey Saunders (TS) asked what the impact would be of changing Class 1. Gareth Evans (GE) suggested that maintaining the distinction between Class 1 and 2 would reduce complexity as this would remove the need to develop Class 2a and Class 2b.
- Andy Clasper (AC) suggested that moving the threshold may lead to the capture of some sites that would not be needed or intended to be included. (ie where a reading was not required by a Network on a Daily basis)
- Richard Pomroy provided some figures to illustrate the increase in the number of sites in Class 1 saying that there were fewer Class 1 Sites now compared to 2001 due to the removal of DMV sites. It was suggested that Transporters now need to propose a view on where the threshold should be set.

New Action 1101: Transporters to provide a view on a suitable AQ threshold value for Class 1 sites. This could be supported by analysis to show how many sites would fall within each of Class 1 and 2.

- DA provided a brief update on the system implications stating that Xoserve started to consider the systems implications when the Modification was raised and that there have already been some difficult discussions with the proposer. In response to a question from Louise Hellyer (LH) in relation to if there will be a consequential change impact to Gemini, DA suggested that if the principle is not amended then the process should work and not lead to any changes.
- RP suggested that network affecting loads might be good candidates for having a new connection type and this would serve as a basis to engage with such sites and customers so that they are aware of any potential impacts.

3. Consideration of DNO Proposals for managing ratchets

Not discussed in this meeting.

4. Consideration of Business Rules

Not discussed in this meeting.

5. Development of Workgroup Report

Not discussed in this meeting.

6. Review of Outstanding Actions

Action 0902: *Reference Draft Guidelines document* – Waters Wye Associates (GE) to confirm with the Proposer as to whether or not the proposed approach is acceptable.

Update: Gareth Evans (GE) provided an update stating that positive discussions had taken place and he was confident that an approach can be agreed and finalised, so this action can be closed. **Closed**

Action 1002: SGN (DM) to provide feedback from the Transporters on their views and the views of the Proposer.

Update: DM confirmed that he had provided feedback, so this action was closed. **Closed**

7. Next Steps

BF that the next meeting would focus on the amended Modification which should include the expanded business rules. In addition, Joint Office would request a Rough Order of Magnitude (ROM) once the amended Modification had been considered by the Workgroup and the Legal Text can be developed.

8. Any Other Business

None.

9. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

| Time / Date | Venue | Workgroup Programme |
|-------------|-------|---------------------|
|-------------|-------|---------------------|

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|-----------------------------------|--|--|
| 10.30, Monday 17 December 2018 | Elexon, 350 Euston Road, London NW1 3AW | Amended Modification Review of Legal Text |
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Action Table (as at 22 November 2018)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|--|----------------------------|----------------|
| 0902 | 27/09/18 | 1.1 | <i>Reference Draft Guidelines document</i> – Waters Wye Associates (GE) to confirm with the Proposer, as to whether or not the proposed approach is acceptable. | Waters Wye Associates (GE) | Closed |
| 1002 | 25/10/18 | 3.0 | SGN (DM) to provide feedback from the Transporters on their views and the views of the Proposer. | SGN (DM) | Closed |
| 1101 | 22/11/18 | 2.0 | Transporters to provide a view on a suitable AQ threshold value for Class 1 sites. This could be supported by analysis to show how many sites would fall within Class 1 and 2. | DNs | Pending |