

UNC Transmission Workgroup Minutes
Thursday 07 January 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy Ltd (from 10.55am)
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiane Sykes	(CS)	Shell Energy
Daniel Hisgett	(DHi)	National Grid
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Rachel Hinsley	(RHi)	National Grid
Richard Fairholme	(RF)	Uniper
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/tx/070121

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed all parties to the meeting.

1.1. Approval of minutes (03 December 2020)

The Transmission Workgroup minutes from the 03 December 2020 were approved.

1.2. Approval of Late Papers

RH advised the Workgroup that the Industry Update from Ofgem had been provided late, a request for a pre-modification discussion and an AOB item have been received late. Workgroup agreed to consider the additional items.

1.3. Review of Outstanding Actions

Action 1201: Joint Office (LOS) to review why Modification 0276 was not implemented.

Update: RH provided an update and advised that Modification 0276 was an alternative approach to Modification 0263 - Enabling the Assignment of a Partial Quantity of Registered NTS Exit (Flat) Capacity. When UNC Panel were asked, their preference was for Modification 0263 - Enabling the Assignment of a Partial Quantity of Registered NTS Exit (Flat) Capacity, recommended that Modification 0263 should be implemented. In March 2010 Ofgem approved Modification 0276 and rejected Modification 0263.

RH went on to advise that, in theory, Modification 0276 could be implemented. Julie Cox (JCx) added that it was the User Pays aspect that was not approved. This Modification (0276) is approved but has never been implemented.

Jenifer Randall (JR) added that the proposed Exit Assignments Modification (see Item 1.51) would be a mirror of Modification 0276, and advised that following discussions with Ofgem, as part of the Capacity Assignment work, Ofgem have advised that because Modification 0276 was raised and progressed 10 years ago, there have been many changes since then and therefore this needs Workgroup discussion. **Closed**

New action 0101: Joint Office (RH) to establish the status of Modification 0276 and discuss with National Grid the appropriate way forward.

1.4. Ofgem Industry Update

Max Lambert (ML) provided an overview of the update which is published on the meeting page and covers the following areas:

- a) UNC748 Prospective Removal of Entry Capacity Revenue from Capacity Neutrality Arrangements: Decision

On 23 December 2020, Ofgem decided to approve UNC748 'Prospective Removal of Entry Capacity Revenue from Capacity Neutrality Arrangements'. The letter published below sets out this decision.

<https://www.ofgem.gov.uk/publications-and-updates/unc748-prospective-removal-entry-capacity-revenue-capacity-neutrality-arrangements-decision>

On the same day, the Authority also published an Open letter to National Grid Gas Transmission on Transmission Services Revenue Recovery Charges, setting out their views on Transmission Services Revenue Recovery Charges. This letter is available at the link below.

<https://www.ofgem.gov.uk/publications-and-updates/open-letter-national-grid-gas-transmission-transmission-services-revenue-recovery-charges>

- b) Amended Decision: South Hook LNG Terminal Company Ltd's application for exemption from regulated third party access for additional capacity

On 9 October 2018, South Hook LNG Terminal Company Ltd submitted to Ofgem an application for additional capacity of ~5.3 billion cubic meters per year to be exempted from regulated Third Party Access (rTPA) for at least 25 years. Ofgem published its decision on 11 May 2020.

In accordance with Article 39(9) of the Directive, the Commission may decide to require the relevant regulatory authority to amend or withdraw their decision to grant an exemption. On 8 December 2020, Ofgem received a decision from the Commission. The Commission decided that the exemption should be granted provided that additional conditions are added to the terms of the decision. The letter published below on 18 December 2020 sets out Ofgem's amended decision.

<https://www.ofgem.gov.uk/publications-and-updates/amended-decision-south-hook-Ing-terminal-company-ltd-s-application-exemption-regulated-third-party-access-additional-capacity>

- c) UNC727 Increasing the Storage Transmission Capacity Charge Discount to 80%: Decision
On 18 December 2020, Ofgem decided to approve UNC727 'Increasing the Storage Transmission Capacity Charge Discount to 80%'. The letter published below sets out this decision.

<https://www.ofgem.gov.uk/publications-and-updates/unc727-increasing-storage-transmission-capacity-charge-discount-80-decision>

- d) RIIO-2 consultation on Associated Documents

Alongside Ofgem's RIIO-2 formal Licence Drafting Consultation, Ofgem are consulting on proposed drafts of a number of Associated Documents. These are documents created under the licence conditions that supplement those conditions and are subordinate to them.

These documents are working drafts and the content is in line with Ofgem's Final Determinations. Ofgem will ensure that all comments received will be appropriately reflected within the final versions. The associated documents are provided at the links below:

RIIO-2 Environmental Report Guidance Document:

<https://www.ofgem.gov.uk/publications-and-updates/riio-2-environmental-report-guidance-document>

Re-opener Guidance and Application Requirements document:

<https://www.ofgem.gov.uk/publications-and-updates/re-opener-guidance-and-application-requirements-document>

Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document:

<https://www.ofgem.gov.uk/publications-and-updates/vulnerability-and-carbon-monoxide-allowance-vcma-governance-document>

Price Control Deliverable Reporting Requirements and Methodology Document:

<https://www.ofgem.gov.uk/publications-and-updates/price-control-deliverable-reporting-requirements-and-methodology-document>

Fuel Poor Network Extension Scheme (FPNES) Governance Document:

<https://www.ofgem.gov.uk/publications-and-updates/fuel-poor-network-extension-scheme-fpnes-governance-document>

Exit Capacity Enhanced Obligations Guidance Document:

<https://www.ofgem.gov.uk/publications-and-updates/exit-capacity-enhanced-obligations-guidance-document>

The links above outline each guidance document being consulted on, and areas where Ofgem would like specific feedback in respect of each document. The contact details for providing responses are also listed at each link, and please send responses to any of these consultations before or on 29 January 2021.

- e) Statutory consultation on amendments to the gas Guaranteed Standards of Performance Statutory (GSOPs) Instrument

The decision on amendments to gas transporter GSOPs was published in December 2020 as part of the Final Determinations for the RIIO-GD2 price control. This consultation invites views on the draft Statutory Instrument (SI) required to implement the policy decisions. This consultation is also seeking views on adjustments to four of the prescribed payment caps associated with GSOPs.

Ofgem would welcome any views on their position by 5pm on 29 January 2021. Please e-mail responses to cara.yates@ofgem.gov.uk.

<https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-amendments-gas-guaranteed-standards-performance-statutory-instrument>

f) Statutory consultation for RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences

This statutory consultation sets out the proposed changes to the licence conditions required to implement the RIIO-2 price control settlement for the transmission companies, gas distribution networks and the electricity system operator. The licence consultation notices, reasons and effects, price control financial instruments, issue logs, and relevant licence conditions were published on 17 December 2020 at the link below.

The closing date for the statutory consultation is 19 January 2021, and please send responses before or on this date to Eilidh Alexander, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Eilidh.alexander@ofgem.gov.uk.

<https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>

g) Forward work programme 2021/22 consultation

On 15 December 2020, Ofgem published the consultation document below, which outlines a draft forward work programme in 2021/22 for Ofgem, setting out their proposed activities for continuing to build a greener, fairer energy system for consumers. Ofgem welcome your views on how their proposed activities in 2021/22 will help them best achieve their principal objective to 'protect the interests of existing and future consumers'.

Please respond to this consultation by emailing your response to FWP@Ofgem.gov.uk by noon, Friday, 19 February. Unless you ask Ofgem not to, they will publish all responses on their website. A final version of their 2021/22 forward work programme will be published by 31 March 2021.

<https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-202122-consultation>

h) RIIO-2 Final Determinations for Transmission and Gas Distribution network companies and the Electricity System Operator

RIIO is Ofgem's approach to ensuring the monopoly companies who own and operate their gas and electricity networks have enough revenue to run an efficient network that delivers what customers need. RIIO stands for Revenues = Incentives + Innovation + Outputs.

Ofgem introduced RIIO-1 for the gas distribution and gas and electricity transmission price controls in 2013. These are due to finish in March 2021. Ofgem consulted on their draft determinations for the next price control (RIIO-2) in July 2020. The consultation closed on 4 September 2020. Ofgem's decisions, having taken account of all consultation responses, are set out in the Final Determinations below, published on 8 December 2020. These determinations have been followed by the ongoing statutory consultation on licence modifications, including the Price Control Financial Instruments (set out above).

<https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

i) Decision not to modify licences held by Transmission Owners, Electricity System Operator, and Gas Distribution Networks in extraordinary circumstances due to COVID-19

On 23 September 2020, Ofgem published their Statutory Consultation setting out their proposal to modify licences held by Transmission Owners, the Electricity System Operator, and Gas Distribution Networks in extraordinary circumstances due to COVID-19.

This letter below, published on 7 December 2020, sets out a summary of the responses to Ofgem's Statutory Consultation and their rationale for their decision not to proceed with the proposal.

<https://www.ofgem.gov.uk/publications-and-updates/decision-not-modify-licences-held-transmission-owners-electricity-system-operator-and-gas-distribution-networks-extraordinary-circumstances-due-covid-19>

Richard Fairholme (RF) asked for further information regarding the impact assessment that closed on 10 February 2020 regarding the Bacton Interconnection Point which has been de-prioritised as advised in the Ofgem COVID-19 letter. ML advised he will follow up with RF with an update.

1.5. Pre-Modification discussions

1.5.1. Capacity Assignments

Dan Hisgett (DH) advised the pre-modifications for Introduction of Entry Assignments and Enhancement of Exit Assignments were discussed at Workgroup in December and following feedback, National Grid delayed their decision as to whether to raise them. He went on to advise that bi-lateral discussions took place at the end of December 2020 which provided National Grid with a better understanding of what is required. Based on this, at this stage, National Grid will not be taking the Introduction of Entry Assignments any further as they feel the existing contracts part of the modification and the feedback sought would not be compliant with Article 35.

RF commented that it is not helpful to find this out so close to the deadline for raising new modifications which is tomorrow (08 January 2021). Some Shippers do want this functionality; therefore he expects someone will be raising a new modification but there is not enough time to provide a new modification in time for the January 2021 UNC Panel. He added it is disappointing that National Grid do not want to progress their modification.

Nick Wye (NW) asked, in terms of Exit, why it has been decided not to raise the Enhancement of Exit Assignments modification. DH advised if there is still support, National Grid would be happy to raise the Exit modification.

Anna Shrigley (AS) provided support for the Exit modification to be raised. She commented on the Entry assignment modification, which is not being raised by National Grid, adding that it is a complicated process which can be simplified and encouraged National Grid to put in a simplification of existing arrangements.

When NW asked, in terms of the interpretation of Article 35 and Existing Contracts, if the Revenue Recovery Charge (RRC) would also have to be applied, DH and JR advised they would have to consider that and could not provide a view.

NW explained, under the rules for Modification 0678A- Amendments to Gas Transmission Charging Regime (Postage Stamp), for any transfer of any capacity, the price is not maintained and the RRC is applied. National Grid believe if there is an assignment of an existing contract it will not be subject to existing price and asked if, in terms of compliance, does RRC need to apply?

New Action 0102: National Grid (DH) to investigate if RRC would need to be applied when an assignment of an existing contract is completed.

JCx sought clarification, with respect to the Enhancement of Exit Assignments proposal, is this different to Modification 0276 or would it be a re-consultation on an existing proposal and asked if anything has changed in marketplace over the last 10 years that would affect the implementation of Modification 0276. DH clarified that the proposed new modification is no different to Modification 0276 and that Ofgem have asked Workgroup to reassess the current market conditions in order to decide on the way forward.

When asked, ML advised it would be prudent to look back and compare the National Grid proposal and Modification 0276. He added that his concern is that parties that would have responded to the consultation 10 years ago may not include parties that could have an opportunity to respond now. He suggested that both modifications are compared and then industry can decide what the best approach is.

RH provided the view that it would be tricky to launch a modification that is the same as a modification that has already been approved.

New Action 0103: Ofgem (ML) to compare Modification 0276 and the solution proposed by National Grid going forward and provide a view on the best way forward. To be provided ahead of January UNC Panel.

MM shared his observation that Modification 0276 was an alternative to Modification 0263. The material difference was the funding for the implementation of Modification 0276 which was User Pays. As User Pays no longer exists, he challenged that this is significant enough difference that they are not the same modification, the solution is the same, but the finance is different.

RF requested that National Grid inform Xoserve that an Entry Assignment modification may well be raised despite National Grid not progressing with it.

It was agreed that this topic will be included as an agenda item for the next Transmission Workgroup.

1.5.2. Weekly NTS Entry Capacity Auction (AB)

Adam Bates (AB) was invited to provide an insight into his potential modification which would seek to introduce a new Weekly NTS Entry Capacity (WSEC) auction which gives Shippers an additional opportunity to book short-term capacity ahead of the DSEC auction.

AB provided some background as to why the modification is being raised and advised that under the current arrangements Users are only able to book Entry Capacity using the Daily, Monthly or Quarterly auctions. He advised that it is felt, especially amongst LNG parties, that the Daily auction cannot be relied upon as National Grid can potentially withhold capacity in case of a constraint situation.

AB advised he feels this would be a simple auction to implement utilising the current rules for the monthly auctions.

Pavanjit Dhesi (PD) sought confirmation that this would only be applicable to Domestic Points and not Interconnection Points. AB confirmed this will apply only to Domestic Points.

When ML said he would be interested to hear National Grid views on this proposal, JR advised that this topic has been progressing through discussions being held at the 0705R – NTS Capacity Access Review Workgroup where viable options are being discussed, looking at what the preferential option would be along with impacts/benefits and the problem being caused. It is understood that SouthHook Gas wanted something sooner hence the raising of the modification.

When RH asked if an alternative modification would be raised by National Grid, JR advised it is unlikely.

Phil Hobbins (PH) clarified that this would require a Gemini System change in order to implement the solution and asked AB what the aspirations are. AB responded and advised he would prefer implementation as soon as possible and suggested 01 April 2021.

Hannah Reddy (HR) advised she would need to look at the rules to see how this can be implemented.

JR clarified that National Grid are happy to be involved in any discussions between the Proposer and Xoserve.

No further questions.

2. European Codes Update

PH provided a brief update as follows.

The Commission has recently been talking about a priority list of gas Network Codes, but they are proposing to focus on existing Network Codes rather than proposing any new codes. ENTSG supported that approach.

PH advised that he would carry on attending ENTSG meetings and will provide updates where necessary.

JCx advised that the Exit classification on the CEN work, a group has been setup to come up with some framework rules, the timescale is dictated by the Commission. JCx will be attending that group and confirmed that there are no obligations on the UK to comply with any future EU changes.

PD advised, with regards to the Gas Functionality Platform there is a consultation between ENTSG and ACER which is seeking views on increasing the flexibility at Interconnection

Points which closes in February. This is where issues like those SouthHook's potential Modification will address would be considered.

PD provided the following information:

The ACER/ENTSOG survey considering greater flexibility at IPs (under CAM code): https://www.gasncfunc.eu/eusurvey/runner/Greater_flexibility

Background to the consultation: <https://www.gasncfunc.eu/gas-func/issues/01/2020/view>

Phil Lucas (PL) asked for the opportunity to update Workgroup on Modification 0735 - UNC Changes as a consequence of the absence of trade agreements between the United Kingdom and the European Union ('no deal'), which seeks to update a number of minor changes to the Uniform Network Code (UNC) are required as a consequence of the end of the implementation period following the United Kingdom (UK) withdrawal from the European Union (EU). In principle, these changes modify existing references to EU regulations with reference to UK amendment regulations and where appropriate remove references to EU entities.

The condition of this modification was that if there was a No Deal exit from the EU, now that the United Kingdom has exited from the EU with a deal, PL confirmed the requirements of the Code remain the same and National Grid will be raising a Variation Request which will be provided in readiness for the January UNC Panel.

3. Workgroups

3.1. 0739 - Aggregate overrun regime for Original Capacity held at the Bacton ASEPs

(Report to Panel 21 January 2021)

<http://www.gasgovernance.co.uk/0739>

3.2. 0743S - Revisions to User Termination Provisions

(Report to Panel 18 February 2021)

<http://www.gasgovernance.co.uk/0743>

3.3. 0745 - Mandatory Setting of Auction Bid Parameters

(Report to Panel 18 February 2021)

<http://www.gasgovernance.co.uk/0745>

4. GS(M)R Review

PH provided an update to the GS(M)R Review and provided a view of IGEM proposal to change the GS(M)R gas quality specification as follows:

- Increase the upper limit for Wobbe Index from 51.41 MJ/m³ to 52.85 MJ/m³
- Reduce the lower limit for Wobbe Index from 47.20 MJ/m³ to 46.50 MJ/m³
- Remove the Wobbe Index emergency limits
- Remove the Incomplete Combustion Factor parameter
- Remove the Soot Index parameter
- Introduce a Relative Density upper limit of 0.7
- Increase the upper limit for oxygen from 0.2mol% to 1.0mol% on below 38 bar systems.

PH explained, historically, changes to limits for gas quality have come forward on a case-by-case basis, and now, looking at the change in the legal specification, this could result in quite a number of Transporter Operators (TOs) wanting to make a change to individual gas quality at the same time. He added that this is the first step, to getting an early indication as to who would want what and where in terms of the Wobbe Index.

PH then shared the results of the online questionnaire which was issued to seek feedback from NTS terminal operators and storage operators about who would want what changes to their gas specification, at which location, by when and why, assuming the current IGEM proposals come to fruition.

Whereas there were only 10 respondents, PH advised that all 10 respondents indicated they would want a higher Wobbe Index limit.

PH expressed his disappointment that there were only 10 responses and advised he would welcome more input. He appealed to the upstream community to respond if any party is a TO or have affiliations with a TO. He added that the more information, the better National Grid can plan.

Referring back to the slides provided, PH advised that respondents were also asked whether, in principle, they would be willing for National Grid to publish the gas quality limits that apply at their NTS entry point(s), 8 of the 10 respondents agreed with this proposal, in principle, the other 2 respondents requested that publication of entry point specific gas quality information should either be voluntary or mandated for all entry points for consistency and to ensure no competitive advantage across the market.

PH concluded and thanked those operators who responded to the questionnaire and said that National Grid would welcome more input and offered that if any other NTS entry terminal or storage operator is willing to share views with National Grid (confidentially) please contact Philip.Hobbins@nationalgrid.com.

National Grid will use the information gathered to start implementation planning for the GS(M)R change proposals and will consider how best to achieve greater transparency in gas quality limits that apply at NTS entry points.

Bill Reed (BR) said that if changes start being made to the gas specification, he would not only like to see transparency of limits but also data relating to the gas flowing at terminals.

PH advised that National Grid do recognise that the GS(M)R review proposal, if it results in wider specification gas entering the NTS, it could increase the risk in relation to rapid rate of change. There is a plan in place to open another Gas Markets Plan (GMaP) project which will be looking at wider Wobbe gas on the Network by 2023 and what ought to be done. This has not yet been started.

BR confirmed he would welcome such a project and said that effects on large Users is important and there may be a requirement to make changes at the gas turbines, he stressed this is an important issue and needs to be dealt with, adding that the commercial and economic impacts on Users is important and needs wider discussion.

JCx added Denmark have started publishing their information and they were proactive in publishing in order to aid discussions.

Shiv Singh (SS) asked if there is any impact on the Distribution Networks (DNs) that needed to be considered, PH advised Cadent will be publishing a final report on Future Billing.

Workgroup agreed there is a need to bring together the following:

1. Future billing methodology.
2. Real time data on gas quality; and
3. Wider wobbe index.

When RH asked if ML has anything to add, he advised he is interested to hear more of Workgroup views on this.

JCx referred Workgroup to the HSE communication that was issued from Joint Office on 21 December 2020, the content of which is as follows:

As I am sure you are aware, HSE is currently in the process of evaluating options around the possible inclusion of gas with a higher and/or lower Wobbe Number into the transmission and distribution networks. To this end, we are undertaking several phases of research looking at the possible consequences of such a change in the development of a regulatory impact assessment that will be formally consulted upon in 2021.

The first phase of this work was a series of exploratory interviews with key stakeholders about the potential impacts (financial; practical; etc.) of different Wobbe Number limits. The data from this research has led into a larger, industry-wide survey (phase two). It is in relation to this second phase we are contacting you.

We are acutely aware that this call for assistance comes at an incredibly difficult and challenging time. Your feedback is vital to help us understand the impacts of the proposals and determine

*the approach that meets our aims in the best way for all operators. We would therefore be extremely grateful if you are able to spare approximately 20 minutes to complete the survey below about your views on the proposed Wobbe Number changes and their impacts. While HSE has hypothesised what the main areas of cost and benefit are likely to be, we really need your expert knowledge and experience to discuss these impacts; as well as get a broad idea about their scale. If you are available and willing, could you please complete the survey **by close of play 15 January 2021**.*

Please be assured that your responses will be anonymous unless you choose to provide your email address at the end of the survey.

To complete the survey, please click on the following link [HERE](https://www.surveymonkey.co.uk/r/HSE_GSMR_Wobbe) or go to: https://www.surveymonkey.co.uk/r/HSE_GSMR_Wobbe.

Please cascade this email to any you consider may have an interest.

(Please note that while we understand that a number of recent reports discuss the possibility of introducing hydrogen into the network (with the Hydrogen Taskforce report recommending the “amendment of Gas Safety Management Regulations (GSMR) to enable hydrogen blending into the UK Gas Grid...”), in the context of this research, hydrogen is out of scope, and our sole focus at this stage is on the Wobbe Number range).

Russell Thomas

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BR advised he is keen to see an action plan from National Grid which will include real time monitoring of gas quality.

PH clarified that will form part of the GMaP project.

New Action 0104: National Grid (PH) to impact assess digitalisation and how this impacts on the publication of data quality.

5. Issues

No issues were raised.

6. Any Other Business

6.1. Customer Stakeholder Update (AS)

PH provided an update from the Gas Market Change Customer and Stakeholder survey which covered, based on the feedback received:

- What they do well
- Where they can improve
- Key themes for improvement
 - Provide more regular updates
 - Provide clear, regular, accessible communication
 - Better articulate who the team are and what their role is
 - Have more individual discussions with their customers
 - Be more reactive and have quicker response times
 - Be more joined up with other parts of the business

- Their Plan
- Next Steps.

Christiane Sykes (CS) thanked National Grid for being very helpful and having a good relationship with them. She also advised there could be better coordination when there are lots of different workstreams where it is difficult to keep on top of.

6.2. Introduction to PIN for Shippers (TS)

Referring to the material provided for the meeting, Rachel Hinsley (RHi) provided workgroup with an introduction to the project and clarified that whereas the Gemini system is owned by National Grid, it is procured by Xoserve.

RHi went on to advise that over the next 12 months National Grid intend to explore who the best party is to deliver and how National Grid can deliver the future capacity and balancing services and system by completing a Prior Information Notice (PIN), a Request for Information (RFI) and a Request for Proposal (RFP).

JCx asked if this has any interaction with the Future of Gas and Capacity and urged that one of the things that needs to be part of this project is flexible design as sometimes things do not appear very clear to customers, therefore there needs to be more focus on what benefits the customer.

When RHi highlighted that on 14 January 2021 there is a workshop to review the pain points previously identified to consider whether these remain issues today, JCx expressed her concern that there has been no agenda provided and no papers published, and it is for a 5-hour meeting.

RHi advised that the communication for this meeting was due to be issued on the afternoon of 07 January 2021.

Terry Burke (TB) expressed his support for the comments made and asked for further clarification on the Achilles platform registration that will be required as part of the PIN process. RHi advised that Achilles is the procurement platform and is used if anybody wants to bid for the specific procurement activities not industry activities.

TB asked if any extension to the 28 calendar days for the RFI process can be made, RHi advised this is a relatively standard time frame and does not envisage this being changed.

Kirsty Ingham (KI) expressed her concern on the length of the up-and-coming Workshop on 14 January 2020 and suggested National Grid holds multiple Workshops in order to keep them shorter and more focussed.

6.3. Overruns ‘

Following the implementation of Modification 0678A; Modification 0716 and National Grid's commitment to provide regular reporting of Overrun data, ASt provided Workgroup with a view of the Overruns in the month of October 2020 for Entry and Exit. The information provided compares October 2020 overruns with October 2019 overruns.

ASt advised this will be provided on a monthly basis.

JCx said this was useful information and asked if the number of parties and number of points affected could be included going forward.

JCx added that overrun charges go into neutrality on entry, and exit go into SO.

Anna Shrigley (ASh) said it would be helpful if a cumulative figure could be included from October 2020.

When asked, ASt agreed to provide the November 2019 vs November 2020 information ahead of the February meeting.

7. **Diary Planning** *Further details of planned meetings are available at:*
www.gasgovernance.co.uk/events-calendar/month.

Time / Date	Venue	Workgroup Programme
10:00 Thursday 04 February 2021	Microsoft Teams	Standard Transmission Workgroup Agenda

Action Table (as of 07 January 2021)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	03/12/20	1.5.1	Joint Office (LOS) to review why Modification 0276 was not implemented	Joint Office (LOS)	Closed
0101	07/01/21	1.3	Joint Office (RH) to establish the status of Modification 0276 and discuss with National Grid the appropriate way forward.	Joint Office (RH)	Pending
0102	07/01/21	1.5.1	National Grid (DH) to investigate if RRC would need to be applied when an assignment of an existing contract is completed.	National Grid (DH)	Pending
0103	07/01/21	1.5.1	Ofgem (ML) to compare Modification 0276 and the solution proposed by National Grid going forward and provide a view on the best way forward. To be provided ahead of January UNC Panel.	Ofgem (ML)	Pending
0104	07/01/21	4.0	<i>GS(M)R Review</i> National Grid (PH) to impact assess digitalisation and how this impacts on the publication of data quality	National Grid (PH)	Pending

UNC Workgroup 0739 Minutes
Aggregate overrun regime for Original Capacity held at the Bacton ASEPs
Thursday 07 January 2021
via Microsoft Teams

Attendees		
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Helen Bennett (Secretary)	(HB)	Joint Office
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Bill Reed	(BR)	RWE
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(Dhi)	National Grid
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0739/070121

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 January 2021.

1.0 Introduction and Status Review

1.1. Approval of Minutes (03 December 2020)

The minutes were accepted.

1.2. Approval of Late Papers

Rebecca Hailes (RH) confirmed that there were no late papers to approve.

1.3. Review of Outstanding Actions

Action 1201: Joint Office to formerly request legal Text at the December UNC Panel.

Update: This has been requested and the Legal Text has been provided. **Closed**

2.0 Amended Modification

RH confirmed the modification has not been amended since the last Workgroup meeting held on 03 December 2020.

3.0 Issues and Questions from Panel

3.1. Workgroup to consider the benefits to Consumers and also quantify the potential Consumer cost impacts

This was covered within agenda item 7.0 with the Workgroup Report being updated accordingly.

4.0 Consideration of Business Rules

This was covered within agenda item 7.0 with the Workgroup Report being updated accordingly.

5.0 Review of Impacts and Costs

This was covered within agenda item 7.0 with the Workgroup Report being updated accordingly.

6.0 Consideration of Legal Text

Anna Stankiewicz (ASt) was invited to provide an overview of the proposed legal text provided and advised Workgroup the update to Uniform Network Code (UNC) will be the Transition Document Part IIE.

The main change will be seen to section 6.3.

Upon revision, Phil Hobbins (PH) asked for the year 2015 to be added to 6.2 (b).

New Action 0101: National Grid (ASt) to update the Legal Text and resubmit in time for it to be considered at panel.

Post Meeting notice: The revised Legal Text has been received and added to the Workgroup Report. **Action 0101 Closed.**

When RH asked why this Legal Text will be applied to the Transition Document, ASt advised this is based on legal advice and because these conditions will expire in the year 2025. PH added that it would not be a problem for this text to remain even after the year 2025 as it would become redundant text thereafter.

7.0 Completion of Workgroup Report

RH shared the current version of the Workgroup Report (v.0.2 dated 09 December 2020) and made live updates to the report as and when discussions took place.

Consideration of Relevant Objectives

It was confirmed that Relevant Objective D is positive for this modification. ASt added comments on how the solution facilitates the Relevant Objectives.

RH stressed to the Workgroup how important it is for Workgroup to comment on the Workgroup Impact Assessment as this is what UNC Panel use to inform their implementation decisions.

Bill Reed (BR) confirmed, as he is unaware of the commercial arrangements at Bacton, there is not enough information that enables him to take an opinion.

Nick Wye (NW) explained this modification allows for commercial consequences, the behaviour in the future cannot easily be predicted especially where there is commercial information involved.

NW confirmed this modification is not relevant to the charging relevant objectives.

Pavanjit Dhesi (PD) clarified this modification is only applicable to Users that had original capacity at Bacton, prior to the Bacton split. In terms of fairness this is just returning fungibility to those existing capacity holders.

Workgroup considered the legal text and agreed it meets the needs of the solution.

The update to the Workgroup Report was concluded.

8.0 Next Steps

The Workgroup Report will be presented to UNC Panel on 21 January 2021 with the recommendation it goes out to consultation.

9.0 Any Other Business

None.

10.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
No further meetings			

Action Table (as at 07 January 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	05/11/20	1.0	Joint Office to request a Rough Order of Magnitude from Xoserve.	Joint Office (LOS)	Closed
1201	03/12/20	6.0	Joint Office to formerly request legal Text at the December UNC Panel	Joint Office (LOS)	Closed
0101	07/01/21	6.0	National Grid (ASt) to update the Legal Text and resubmit in time for it to be considered at the January UNC Panel.	National Grid (ASt)	Closed

**UNC Workgroup 0743S Minutes
Revisions to User Termination Provisions
Thursday 07 January 2021
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy Ltd
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(Dhi)	National Grid
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0743/070121

The Workgroup Report is due to be presented at the UNC Modification Panel 18 February 2021.

1.0 Introduction and Status Review

1.1. Approval of Minutes (03 December 2020)

The minutes were accepted.

1.2. Approval of Late Papers

Rebecca Hailes (RH) confirmed that there were no late papers to approve.

1.3. Review of Outstanding Actions

No outstanding actions.

2.0 Amended Modification

Phil Lucas (PL) explained the modification has not been amended, the solution remains as-is and suggests the Workgroup Report is finalised at this meeting with the intention of submitting early to the January 2021 UNC Panel.

RH confirmed the modification has not been amended since the last Workgroup meeting held on 03 December 2020.

3.0 Review of legal Text

PL confirmed legal text was reviewed at the last meeting.

4.0 Development of Workgroup Report

RH provided a view of the Workgroup Report dated 31 December 2020 v0.2 and completed final updates according to Workgroup discussions as follows:

PH reminded Workgroup that this is legislation that is already in place, therefore, this is related to efficiency and keeping up with Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

Central System Impacts

Hannah Reddy (HR) confirmed that, whereas there is no impact to the System there may be a change required to the Energy Balancing Credit Rules.

RH asked Workgroup for confirmation this modification can proceed to Consultation.

5.0 Next Steps

RH confirmed that the Workgroup Report will be presented to the January 2021 UNC Panel.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
No further meetings			

Action Table (as of 03 December 2020)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No actions outstanding					

UNC Workgroup 0745 Minutes
Mandatory Setting of Auction Bid Parameters
Thursday 07 January 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy Ltd
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiane Sykes	(CS)	Shell
Daniel Hisgett	(Dhi)	National Grid
Hannah Reddy	(HR)	Xoserve
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Rosannah East	(RE)	National Grid
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0745/070121

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 February 2021.

1.0 Introduction and Status Review

1.1. Approval of Minutes (03 December 2020)

Rebecca Hailes (RH) advised there have been some updates to the minutes and showed onscreen the changes made.

The minutes were accepted.

1.2. Approval of Late Papers

Rebecca Hailes (RH) confirmed that there were no late papers to approve.

1.3. Review of Outstanding Actions

No outstanding actions.

2.0 Amended Modification

RH confirmed the modification has been amended and invited the Proposer, Malcolm Montgomery (MM) to provide an overview of the amendments.

MM advised of the changes to the timeline, on the assumption the Workgroup Report is completed at this meeting, it is intended the Workgroup Report will be submitted early to the January UNC Panel.

When Bill Reed (BR) asked if there will be a check of the figure that is input to the User Defined Limit, MM clarified the modification is not trying to change the parameters just changing the field from an optional field to a mandatory field and confirmed the Legal Text should substantiate this.

2.1. Issues and Questions from Panel

2.1.1. **Workgroup** to consider potential 'double counting' concerns.

This has been answered as part of the development of the Workgroup Report.

2.1.2. **Workgroup** to consider the question of materiality, and as a consequence, the suitability of Self-Governance status for the Modification.

This was considered as part of the amendment to the modification where justification for Self-Governance has now been updated.

3.0 Review of Legal Text

MM provided an overview of the Legal Text and advised the change will be applied to TPD Section B.

It was confirmed that the Legal Text will be resubmitted and will include the additional instruction at the beginning which will say to insert paragraphs into TPD Section B and removal of the word can from 1.21.2.

MM clarified the material for this modification was discussed at the September 2020 Operational Forum.

4.0 Development of Workgroup Report

RH added comments to the Workgroup Report according to MM clarifications and noted that the modification is requiring Users to set what is effectively a cap on their future bids in terms of price and volume so that any future bids will be compared against this cap and rejected if they exceed the parameters set.

Governance

RH highlighted the sentence in this section that refers to the consequence of this modification being a small one-off administrative task that Users would need to perform in order to take part in the auctions.

Solution

MM confirmed that the Bid being made cannot exceed the parameter that is set.

When Christiane Sykes (CS) asked if the change to the parameter would be effective immediately, MM confirmed this would be the case.

Relevant Objectives

MM confirmed the justification for Relevant objective d) Securing of effective competition, and f) Promotion of efficiency in the implementation and administration of the Code.

Relevant Objective d) makes sense of bid errors that are split into those that are not corrected by National Grid and those that are corrected and explained those that are corrected fall into Relevant Objective f) which would be a small administrative burden.

Implementation

It was confirmed that Interconnection Point (IP) auctions are not included in the scope of this modification because they are conducted on a different platform (PRISMA).

The Rough Order of Magnitude (ROM) was briefly reviewed, no questions were asked by Workgroup.

Legal Text

The change will be applied to TPD Section B.

It was confirmed that the Legal Text will be resubmitted and will include the additional instruction at the beginning which will say to insert paragraphs into TPD Section B and removal of the word can from 1.21.2.

Implementation Date

MM confirmed the implementation says 8-12 weeks in the ROM, however, he further clarified this work would need to be planned in with the Gemini Change Program.

MM will follow up with the same amendment to the modification as done in the Workgroup Report.

5.0 Next Steps

With the modification now being fully developed it was confirmed that workgroup recommend this should proceed to consultation.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
No further meetings			

Action Table (as of 07 January 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No actions outstanding					