UNC Transmission Workgroup Minutes Thursday 04 November 2021 via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|-------------------------|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | Joint Office |
| Adam Bates | (AB) | South Hook Gas |
| Alex Neild | (AN) | Storengy |
| Amber Talbot | (AT) | Storengy |
| Andrew Blair | (ABI) | Interconnector |
| Andrew Pearce | (APe) | BP |
| Anna Shrigley | (ASh) | Eni |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion Energy |
| Chris Wright | (CW) | Exxon Mobil |
| Christiane Sykes | (CS) | Shell |
| Daniel Hisgett | (DH) | National Grid |
| David Mitchell | (DM) | SNG |
| Davide Rubini | (DR) | Vitol |
| Hannah Reddy | (HR) | Corella |
| Henk Kreuze | (HK) | Vermillion |
| Jeff Chandler | (JCh) | SSE |
| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
| Paul O'Toole | (POT) | NGN |
| Pavanjit Dhesi | (PD) | Interconnector |
| Phil Hobbins | (PH) | National Grid |
| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
| Ritchard Hewitt | (RH) | Hewitt Home and Energy Solutions |
| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| Shiv Singh | (SS) | Cadent |
| Terry Burke | (TB) | Equinor |
| | | |

Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/tx/041121</u>

1. Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting and provided a brief overview of the running order for the agenda. Nick Wye (NW) wished to confirm that Modification 0777 had been withdrawn and Lauren Jauss (LJ) requested that Modification 0779/0779A discussions were deferred until 1pm.

1.1. Approval of minutes (07 October 2021)

The meeting minutes from 07 October were approved.

1.2. Approval of Late Papers

3 later papers were approved which included the industry update from Ofgem, the Gemini Horizon Plan for item 4 and a draft Urgent Alternative Modification to 0789.

1.3. Review of Outstanding Actions

0901: National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue. **Action Update:** Malcolm Montgomery (MM) requested this action is transferred to Workgroup 0786 with a view to providing a response at the 0786 December Workgroup meeting. **Transferred to Workgroup 0786.**

0902: National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work.

Action Update: MM confirmed, this action can be closed, now Modification 0786 had been raised. Closed.

1.4. Industry Update from Ofgem

KE provided the Ofgem update for the below listed items. For full details, please refer to the <u>Industry Update</u> from Ofgem published at: <u>https://www.gasgovernance.co.uk/tx/041121</u>

- UNC788: Minimising the market impacts of "Supplier Undertaking" operation Authority Decision
- Rising wholesale energy prices and implications for the regulatory framework
- UNC751: Capping price increases for Long-Term Entry Capacity Authority Decision
- Ofgem welcomes Competition and Markets Authority (CMA) final determinations announcement
- Direction for the value of the PRPt (penal rate proportion) of the National Grid Gas plc Gas Transporter Licence in respect of Regulatory Year starting on 1 April 2020
- Decision to modify National Grid Gas Plc's Gas Transporter Licence to amend Special Condition 9.13, Appendix 2: combining of two existing NTS Exit Points
- Code modification/modification proposals with Ofgem for decision Expected publication dates timetable
- Modification of National Grid Gas Plc (NGG) Gas Transporter Licence to change Part C of Special Condition 5.5
- Consultation on Ofgem's proposed new NIS Enforcement Guidelines and Penalty Policy

1.5. Pre-Modification discussions

1.5.1. 0789A - Energy Balancing Arrangements During the Operation of a Supplier Undertaking to Transporters

Nick Wye (NW) wished to note the intent to raise an Urgent Alternative Modification to Urgent Modification 0789 - Energy Balancing Arrangements During the Operation of a Supplier Undertaking to Transporters, a draft Modification had been published for the Workgroup.

NW provided an overview of the Alternative Modification explaining that the main difference was, where Modification 0789 proposes to pass the energy purchase in a

supplier undertaking to Shippers, the Alternative proposes that National Grid have greater freedom to acquire gas to meet the demands of supply through the Supplier undertakings.

NW confirmed that the Alternative Modification will be presented at the 0789 Workgroup meeting on Friday 05 November 2021, where the detail will be considered.

KE provided an overview of the 0789 Meeting schedule for 4 upcoming workshops.

2. European Code Updates

No update this month.

3. GS(M)R Review

No update this month.

4. Review of Transmission Modification Implementation dates

KE presented the <u>Gemini Horizon Plan</u> which provided an overview of the implementation build dates and asked National Grid to summarise any key changes made since last month.

Anna Stankiewicz (ASt) referring to Modifications 0752S, 0755S and 0759S (0752S - Introduction of Weekly Entry Capacity Auction, 0755S - Enhancement of Exit Capacity Assignments, 0759S - Enhancements to NTS Within-Day Firm Entry and Exit Capacity Allocations) confirmed these were still on track for the time being.

Julie Cox (JCx) asked if there was any granularity on the progress information available, particularly looking for early signals from National Grid on any potential delays. ASt offered to provide some further detail on the progressive milestones at the December Transmission meeting.

5. Workgroups

- 3.1 0705R NTS Capacity Access Review (Report to Panel 16 December 2021) http://www.gasgovernance.co.uk/0705
- 3.2 0771S Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections (Report to Panel 16 December 2021) https://www.gasgovernance.co.uk/0771
- 3.3 0779 Introduction of Entry Capacity Assignments 0779A - Introduction of Entry Capacity Assignments With Defined End Date (Report to Panel 20 January 2022) https://www.gasgovernance.co.uk/0779
- 3.4 0780S Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point (Report to Panel 16 December 2021) https://www.gasgovernance.co.uk/0780
- 3.5 0785 Application of UNC processes to an aggregated Bacton (exit) Interconnection Point (Report to Panel 16 December 2021) https://www.gasgovernance.co.uk/0785
- 3.6 0786S Amendment of the framework for the Bacton exit pressure service to interconnectors (Report to Panel 20 January 2022) https://www.gasgovernance.co.uk/0786

3.7 0787S - Tile Introducing amendments to the interconnection agreement with Interconnector Limited to reflect latest operational standards and practices (Report to Panel 20 January 2022) https://www.gasgovernance.co.uk/0787

6. Issues

No new issues raised.

Referring to Issue ISS 0066 - Implications of decommissioned Exit/Entry points, raised by Energy UK, September 2015, HCu enquired if this issue needed to remain on the UNC Issue Register or if this could be closed.

It was agreed this issue could now be closed, as numerous changes had taken place with charging models, Forecasted Contracted Capacity (FCC) and substitution.

7. Any Other Business

7.1. 0777 - Removal of Obstacles to Market Withdrawal

Nick Wye (NW) confirmed that Modification 0777 had been withdrawn following National Grid agreeing to the interpretation of the current rules within the UNC, which circumvents the need to raise a Modification.

Anna Shrigley (ASh) wished to clarify the application of the current rules and if this would be a generic interpretation, not an interpretation for specific circumstances. NW confirmed this was a generic interpretation.

8. Diary Planning

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

| Time / Date | Paper Publication Deadline | Venue | Programme |
|------------------------------------|-----------------------------------|-----------------|---|
| 10:00 Monday 22 November 2021 | 5pm Friday 12 November 2021 | Microsoft Teams | 0705R & 0780S |
| 10:00 Monday 29 November 2021 | 5pm Friday 18 November 2021 | Microsoft Teams | 0779/0779A & 0785 |
| 10:00 Thursday 02 December 2021 | 5pm Wednesday 24 November 2021 | Microsoft Teams | Standard Transmission Workgroup Agenda 0771S, 0786S and 0787S |
| 10:00 Wednesday 05 January 2022 | 5pm Monday 27 December 2021 | Microsoft Teams | Potential additional meeting |
| 10:00 Thursday | 5pm Tuesday | Microsoft Teams | Standard Transmission |
| 06 January 2022 | 28 December 2021 | | Workgroup Agenda |
| 10:00 Thursday | 5pm Wednesday | Microsoft Teams | Standard Transmission |
| 03 February 2022 | 26 January 2022 | | Workgroup Agenda |
| 10:00 Thursday | 5pm Wednesday | Microsoft Teams | Standard Transmission |
| 03 March 2022 | 23 February 2022 | | Workgroup Agenda |
| 10:00 Thursday | 5pm Wednesday | Microsoft Teams | Standard Transmission |
| 07 April 2022 | 30 March 2022 | | Workgroup Agenda |
| 10:00 Thursday | 5pm Wednesday | Microsoft Teams | Standard Transmission |
| 05 May 2022 | 27 April 2022 | | Workgroup Agenda |

| 10:00 Thursday 09 June 2022 (BH 2 nd June) | 5pm Wednesday 31 May 2022 | Microsoft Teams | Standard Transmission Workgroup Agenda |
|---|------------------------------|-----------------|---|
|---|------------------------------|-----------------|---|

| | Action Table (as of 04 November 2021) | | | | | | |
|---------------|---------------------------------------|---------------|---|--------------------|-----------------------|------------------------|--|
| Action Ref | Meeting Date | Minute Ref | Action | Reporting Month | Owner | Status Update | |
| 0901 | 07/09/21 | 1.5.2 | National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue. | November 2021 | National Grid (MM) | Transferred to 0786 | |
| 0902 | 07/09/21 | 1.5.2 | National Grid (MM) to provide more transparency on how the Bacton enhanced pressure service will work | November 2021 | National Grid (MM) | Closed | |

UNC Request Workgroup 0705R Minutes NTS Capacity Access Review

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|-------------------------|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | Joint Office |
| Adam Bates | (AB) | South Hook Gas |
| Alex Neild | (AN) | Storengy |
| Amber Talbot | (AT) | Storengy |
| Andrew Blair | (ABI) | Interconnector |
| Andrew Pearce | (APe) | BP |
| Anna Shrigley | (ASh) | Eni |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion Energy |
| Chris Wright | (CW) | Exxon Mobil |
| Christiane Sykes | (CS) | Shell |
| Daniel Hisgett | (DH) | National Grid |
| David Mitchell | (DM) | SNG |
| Davide Rubini | (DR) | Vitol |
| Hannah Reddy | (HR) | Corella |
| Henk Kreuze | (HK) | Vermillion |
| Jeff Chandler | (JCh) | SSE |
| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
| Paul O'Toole | (POT) | NGN |
| Pavanjit Dhesi | (PD) | Interconnector |
| Phil Hobbins | (PH) | National Grid |
| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
| Ritchard Hewitt | (RH) | Hewitt Home and Energy Solutions |
| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| Shiv Singh | (SS) | Cadent |
| Terry Burke | (TB) | Equinor |

Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/0705/041121</u> The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

1. Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting.

1.1. Approval of minutes (07 October 2021)

The minutes from the 07 October meeting were approved.

1.2. Approval of Late Papers

KE advised that there was one late paper, a presentation on the Capacity Access Review.

1.3. Review of Outstanding Actions

0801: *Reference Offtakes in Close Geographical Proximity* – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions

Update: Anna Stankiewicz (ASt) asked for this action to be deferred for a short duration whilst National Grid are considering the capacity movement stream (See item 2). **Carried Forward.**

2. Review of Potential Modifications

Anna Stankiewicz (ASt) provided a brief update on the Capacity Access Review key topics, confirming the aim to conclude the Workgroup Report in December.

<u>Overruns</u>

ASt advised National Grid had added another month of data and reassured the Workgroup this is being worked on but no decisions have been made yet. It is hoped that a view can be provided on whether to progress with any changes at the next meeting.

Capacity Movement

ASt advised Ofgem have issued a consultation, but a decision has not been made, as progress on this topic will be dependent on the Ofgem decision, this item was on hold.

3. Development of Workgroup Report

The development of the Request Workgroup Report was deferred to allow further consideration on whether to progress with any changes.

4. Any Other Business

None.

5. Next Steps

Further consideration required on what changes will be processed, with the intention of concluding the Workgroup for the December 2021 Modification Panel.

6. Diary Planning

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

| Time / Date | Paper Publication Deadline | Venue | Programme |
|--------------------------------------|--------------------------------|-----------------|--------------------------------|
| TBC 10:00 Monday 22 November 2021 | 5pm Friday 12 November 2021 | Microsoft Teams | Completion of Workgroup Report |

| Action Ta | able (as at 04 November | 2021) |
|-----------|-------------------------|-------|
| Action Ta | able (as at 04 November | 2021) |

| Action Ref | Meeting Date | Minute Ref | Action | Reporting Month | Owner | Status Update |
|---------------|-----------------|---------------|---|--------------------|------------------------|--------------------|
| 0801 | 05/08/21 | 2. | Reference Offtakes in Close Geographical Proximity – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions. | November 2021 | National Grid (ASt) | Carried Forward |

UNC Workgroup 0771S Minutes Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|---|------------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | |
| Adam Bates | (AB) | South Hook Gas |
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| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
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| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
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| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| Shiv Singh | (SS) | Cadent |
| Terry Burke | (TB) | Equinor |
| Copies of all papers are available at: https://ww | ww.gasgove | rnance co.uk/0771/041121 |

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The Workgroup Report is due to be presented at the UNC Modification Panel meeting on 16 December 2021

1. Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting.

1.1. Approval of minutes (07 September 2021)

The minutes from the 07 September 2021 were approved (October meeting deferred).

1.2. Approval of Late Papers

None to consider.

1.3. Review of Outstanding Actions

None.

2. Completion of Workgroup Report (HSE Safety Case)

Phil Hobbins (PH) advised that National Grid are still waiting for the HSE response. The date of the expected response was unknown.

It was agreed that an extension until February 2022 should be requested to allow time for the HSE to respond.

3. Next Steps

KE confirmed that the Workgroup Report would be reconsidered at the December Transmission workgroup meeting. No further changes were required to the Workgroup Report.

4. Any Other Business

None.

5. 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 02 December 2021 | Microsoft Teams | Completion of Workgroup Report (HSE safety case) |

UNC Workgroup 0779 0779A Minutes 0779 Introduction of Entry Capacity Assignments 0779A Introduction of Entry Capacity Assignments with Defined End Date

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|--|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | |
| Adam Bates | (AB) | South Hook Gas |
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| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
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Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/0779/041121</u>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

1. Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting.

1.1. Approval of minutes (01 October 2021)

The minutes from the 07 October meeting were approved.

1.2. Approval of Late Papers

KE advised that there were 2 late papers, a draft Amended Modification and Presentation.

1.3. Review of Outstanding Actions

None to consider.

2. Amended Modification(s)

Daniel Hisgett (DH) provided the Workgroup with an overview of the <u>Entry Capacity Assignment</u> <u>analysis</u> National Grid had undertaken and an outline of the process. For the details of the presentation please refer to: <u>https://www.gasgovernance.co.uk/0779/041121</u>

Lauren Jauss (LJ) enquired about the accessibility to the short haul discount for users. DH provided an overview of assigning short-term entry assignments and the benefits that arise where entry assignments are used in conjunction with Exiting Contracts and Short-haul discounts. DH confirmed from the analysis, National Gird can see that monetary benefits arise, but this benefits only a small number of Users at specific Entry/Exit Point combinations and negatively impacts all others.

LJ asked the Workgroup if there would be benefits from a credit perspective and where limited capacity is available, Shippers could trade secondary capacity.

To give the Modifications the best chance of approval, DH confirmed the need to ensure a robust justification which demonstrates the benefits of Entry Assignments for more than a select few Users and to provide strong reasoning behind the inclusion of start and end dates. He went onto explain the potential of combining the two proposals in to one Modification and asked for the Workgroup views/feedback.

The Workgroup considered combining elements of both Modifications and progressing the changes as one Modification. It was envisaged by doing this the Workgroup could report early in December. The Workgroup considered the timeline and the ability to implement the changes in October 2022.

LJ provided an overview of the additional clarification which had been proposed for an Amended Modification for 0779A. LJ clarified that any start or any ends date can be defined, and that there is no minimum period for the assignment.

LJ asked the Workgroup views on the notice periods of 1, 2 or 3 days' notice, and if it was suitable to have a minimum one day. It was acknowledged that the Workgroup would need to consider in terms of costs what the optimum notice period would be.

It was anticipated the Rough Order of Magnitude (ROM) could be available for 22 November and it may be possible to have some Legal Text which would allow the Workgroup to meet at the end of November.

The Workgroup also briefly considered that if combining the two changes it could allow the Modification to proceed under Self-Governance procedures.

3. Development of Workgroup Report

It was agreed to defer the development of the Workgroup Report whilst the two Proposers consider whether to incorporate the required changes into one Modification and withdraw the other.

4. Next Steps

National Grid (JR) and RWE (LJ) to consider whether to amend their respective Modifications or incorporate the required changes into one Modification for further consideration at the next meeting.

5. Any Other Business

None.

6. Diary Planning

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

| Time / Date | Paper Publication Deadline | Venue | Programme |
|-----------------------------------|--------------------------------|-----------------|------------------------------------|
| 10:00 Monday 29 November 2021 | 5pm Friday 18 November 2021 | Microsoft Teams | Development of Workgroup Report |
| 10:00 Thursday 06 January 2022 | 5pm Friday 28 December 2021 | Microsoft Teams | Completion of Workgroup Report |

UNC Workgroup 0780S Minutes Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point

Thursday 04 November 2021

via Microsoft Teams

Attendees

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| Jeff Chandler | (JCh) | SSE |
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| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
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| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
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| Shiv Singh | (SS) | Cadent |
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| Conjos of all papers are available at: https://ww | | rnanaa aa uk/0780/041121 |

Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/0780/041121</u>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021

1. Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting.

1.1. Approval of minutes (01 October 2021)

The minutes from the 01 October meeting were approved.

1.2. Approval of Late Papers

2 late papers were approved, a draft Amended Modification and Presentation to explain the changes.

1.3. Review of Outstanding Actions

Action 0901: SAGE (AF/RS) to provide a Carbon Benefit Analysis. Update: See item 2.0. Closed

Action 0902: SAGE (AF/RS) to consider introducing Safeguards to the Modification to review CO₂ NEA level on an annual basis based on actual use and projected use. Update: See item 2.0. Closed

2. Amended Modification

Richard Selman (RS) provided a draft Amended Modification and a presentation summarising the key changes made.

These included updates to the Modification to:

- Address concerns about the long-term sterilisation of capacity or any other factor that could influence CO² blending at St Fergus and to reflect a shorter term but rolling specification relaxation.
- Accommodate possible revocation of the Modification and to reflect concerns about decommissioning of equipment of potential value for CCS schemes.
- Permit recovery from deep mothballing, SAGE proposed a 2-year rolling cancellation period.
- Add the long-term CO² outlook and details on CO² emissions.

RS provided two illustrations to demonstrate SAGE are trying to achieve in terms of managing the CO² emissions.

3. Development of Workgroup Report

Phil Hobbins (PH) explained that National Grid have been looking at the potential impacts on compressors, (due to a spike in CO²), and if this would impact the Calorific Value (CV) and compressor operability. He believed there was a low likely hood of a spike from the Ancala entry Point, so it wasn't anticipated there would be any risks.

PH advised of the additional areas that National Grid have undertaken analysis on. This included the:

- Emission models for each compressor, and the potential for material changes;
- Total inert which National Grid look to keep within 7% and the potential for any breach (a paper had been drafted to look at the details of this); and
- Hydrogen and blending Hydrogen into the location with an elevated CO², having examined this further, this was not considered a concern.

PH concluded that having considered some potential issues National Grid have no concerns with the proposal.

Christiane Sykes (CS), referring to the Hydrogen Hub. Enquired whether this would require a derogation or if the change would need to go through the Gas Safety Management Regulations? PH explained that it was very early days to understand the impacts on the WOBBE limits, but at the moment he had no concerns.

The Workgroup considered the proposed amendments and updated the Workgroup Report, there were no central system impacts as the changes were contractual changes. PH confirmed there would be no UNC changes as this was enabling Modification.

4. Next Steps

KE confirmed a draft Workgroup Report would be provided based on the Modification Amendments presented to enable the Workgroup Report to be concluded at the next meeting.

5. Any Other Business

None.

6. Diary Planning

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

| Time / Date | Paper Publication Deadline | Venue | Programme |
|----------------------------------|--------------------------------|-----------------|--------------------------------|
| 10:00 Monday 22 November 2021 | 5pm Friday 12 November 2021 | Microsoft Teams | Completion of Workgroup Report |

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|---------------|-----------------|---------------|--|-------------------|------------------|
| 0901 | 07/09/21 | 1.0 | SAGE (AF/RS) to provide a Carbon benefit Analysis | SAGE (EMAF/RS) | Closed |
| 0902 | 07/09/21 | 1.0 | SAGE (AF/RS) to consider introducing Safeguards to the Modification to review CO ₂ NEA level on an annual basis based on actual use and projected use. | SAGE (EMAF/RS) | Closed |

Action Table (as at 04 November 2021)

UNC Workgroup 0785 Minutes Application of UNC processes to an aggregated Bacton (exit) Interconnection Point

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|-------------------------|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | Joint Office |
| Adam Bates | (AB) | South Hook Gas |
| Alex Neild | (AN) | Storengy |
| Amber Talbot | (AT) | Storengy |
| Andrew Blair | (ABI) | Interconnector |
| Andrew Pearce | (APe) | BP |
| Anna Shrigley | (ASh) | Eni |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion Energy |
| Chris Wright | (CW) | Exxon Mobil |
| Christiane Sykes | (CS) | Shell |
| Daniel Hisgett | (DH) | National Grid |
| David Mitchell | (DM) | SNG |
| Davide Rubini | (DR) | Vitol |
| Hannah Reddy | (HR) | Corella |
| Henk Kreuze | (HK) | Vermillion |
| Jeff Chandler | (JCh) | SSE |
| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
| Paul O'Toole | (POT) | NGN |
| Pavanjit Dhesi | (PD) | Interconnector |
| Phil Hobbins | (PH) | National Grid |
| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
| Ritchard Hewitt | (RH) | Hewitt Home and Energy Solutions |
| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| Shiv Singh | (SS) | Cadent |
| | | |

Terry Burke

(TB) Equinor

Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/0785/041121</u>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

1.0 Outline of Modification

Malcolm Montgomery (MM) introduced the Modification and explained the purpose of the Modification is to clarify how UNC processes would be applied to an aggregated Bacton (exit) Interconnection Point (IP).

Referring to the presentation provided at the October UNC Modification Panel meeting MM explained that there are two interconnectors connected at the Bacton terminal. These are BBL which connects from Bacton to Balgzand, and Interconnector Ltd. (IL) which connects from Bacton to Zeebrugge. Currently within the NTS Licence these two interconnectors are treated as two separate NTS Exit Points, however the Licence is due to be changed to combine the exit points. This Modification will provide clarity to processes e.g. how a single combined capacity baseline can be allocated either to the Bacton BBL and Bacton IL exit points, within the UNC for the combined exit point.

MM provided a brief presentation which included an illustration of the aggregated exit point and a view of the changes required to the Legal text.

MM anticipated that the Modification could be implemented in the New Year, and there would be some system changes, but this needed further analysis. MM expected the system changes to potentially need 4 months for development and a further 2 months, to allow these to be implemented and to take effect. MM explained National Grid will liaise with Xoserve on the implementation date, however a definitive timeline could not be provided at this stage as this would be subject to prioritisation.

Acknowledging that the supporting processes do not expect to change, Ritchard Hewitt (RH) questioned why system changes would be required. MM confirmed further analysis is required with Xoserve to understand the system impacts.

Pavanjit Dhesi (PD), referring to the Ofgem decision on the licence change and the technical mismatch with capacity, enquired what capacity can be made available at the exit point. PD made a request for a further assessment to be undertaken and a commitment from National Grid to provide capacity above the baseline on a more regular basis.

MM understood the interest and was willing to provide a response to the request but wished to note this information would not be required as part of this Modification's assessment /development. MM agreed to provide further information offline but requested this is not recorded as a formal Workgroup Action.

Information Request: National Grid (MM) to provide further information on the available capacity at the combined Bacton (exit) Interconnection Point.

MM went on to explain that there is evidence that the current arrangements work to satisfy additional demand from Shippers when it is materialising, on a short-term basis. MM explained the risk of capacity buy-back and the balance which needs to be struck. MM explained that the information request, would not necessarily aid the development of this particular process.

The Workgroup reviewed the Legal Text provided. MM explained the difference between a Primary and Binary Interconnection Point (IP) and the need for a new defined term for a Binary Aggregate Exit IP. MM welcomed feedback from the Workgroup ahead of the next meeting.

MM wished to note the intention to amend the Modification to take into account one extra point in relation to short-haul. This will be needed to change the short-haul route with one of the IPs which needs further consideration, especially in terms of how to capture this and how to reflect this within the Legal text. The Workgroup reviewed the draft Workgroup Report to capture the Workgroup's initial views, deferring detailed development until the Modification had been amended.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

KE confirmed the intention will be to conclude the Workgroup Report at the next meeting, following consideration of the expected Amended Modification.

4.0 Any Other Business

None.

5.0 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 |
|----------------------------------|--------------------------------|-----------------|--------------------------------|
| 10:00 Monday 29 November 2021 | 5pm Friday 18 November 2021 | Microsoft Teams | Completion of Workgroup Report |

Action Table (as at 04 November 2021)

| Action Ref | Meeting Date | Minute Ref | Action | Reporting Month | Owner | Status Update |
|---------------|-----------------|---------------|----------------|--------------------|-------|------------------|
| | | | No new actions | | | |

UNC Workgroup 0786S Minutes Amendment of the framework for the Bacton exit pressure service to interconnectors

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|-------------------------|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | Joint Office |
| Adam Bates | (AB) | South Hook Gas |
| Alex Neild | (AN) | Storengy |
| Amber Talbot | (AT) | Storengy |
| Andrew Blair | (ABI) | Interconnector |
| Andrew Pearce | (APe) | BP |
| Anna Shrigley | (ASh) | Eni |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion Energy |
| Chris Wright | (CW) | Exxon Mobil |
| Christiane Sykes | (CS) | Shell |
| Daniel Hisgett | (DH) | National Grid |
| David Mitchell | (DM) | SNG |
| Davide Rubini | (DR) | Vitol |
| Hannah Reddy | (HR) | Corella |
| Henk Kreuze | (HK) | Vermillion |
| Jeff Chandler | (JCh) | SSE |
| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
| Paul O'Toole | (POT) | NGN |
| Pavanjit Dhesi | (PD) | Interconnector |
| Phil Hobbins | (PH) | National Grid |
| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
| Ritchard Hewitt | (RH) | Hewitt Home and Energy Solutions |
| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| Shiv Singh | (SS) | Cadent |
| | - | |

Terry Burke

(TB) Equinor

Copies of all papers are available at: <u>https://www.gasgovernance.co.uk/0786</u>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

1.0 Outline of Modification

Malcolm Montgomery (MM) introduced the Modification and explained that this is an enabling Modification which will allow National Grid to provide a consistent pressure service to interconnectors off-taking gas at Bacton.

MM Explained that the assured operating pressure at Bacton is 45 bar. There is currently a pressure service contained within the Interconnection Agreement (IA) between National Grid Gas (NGG) and Interconnector Limited (IL), that allows IL to request pressures above this level. Since the implementation of *Modification 0675S - Enabling changes to the BBL Interconnector Agreement to facilitate physical reverse flow*, the BBL Interconnector has been able to receive and transport gas exported from the National Transmission System (NTS) at Bacton, however their IA contains no concept of a pressure service.

This Modification will provide the governance to amend the BBL and IL interconnection agreements, to provide a framework that enables National Grid to offer an amended pressure service in excess of 45 bar to either BBL and IL upon their request.

MM explained the pressure service mechanism and provided a summary table of the changes.

Action transferred from the Transmission Workgroup.

1101: National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue. **Action Update:** Malcolm Montgomery (MM) hoped to provide the cost recovery information at the next Workgroup meeting. **Carried Forward.**

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

Development of the Workgroup Report.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: <u>www.gasgovernance.co.uk/events-calendar/month</u> Workgroup meetings will take place as follows:

Joint Office of Gas Transporters

| Time / Date | Paper Publication Deadline | Venue | Programme |
|-----------------------------------|--------------------------------|-----------------|------------------------------------|
| 10:00 Monday 29 November 2021 | 5pm Friday 18 November 2021 | Microsoft Teams | Development of Workgroup Report |
| 10:00 Thursday 06 January 2022 | 5pm Friday 28 December 2021 | Microsoft Teams | Completion of Workgroup Report |

Action Table (as at 04 November 2021)

| Action Ref | Meeting Date | Minute Ref | Action | Reporting Month | Owner | Status Update |
|---------------|-----------------|---------------|--|--------------------|-----------------------|-------------------------------------|
| 1101 | 04/11/21 | 1.0 | National Grid (MM) to confirm how the current Bacton enhanced pressure service is funded and if the revenue associated for the service is included in the allowed revenue. | | National Grid (MM) | Transferred from Transmission |

UNC Workgroup 0787S Minutes Introducing amendments to the interconnection agreement with Interconnector Limited to reflect latest operational standards and practices

Thursday 04 November 2021

via Microsoft Teams

Attendees

| Kate Elleman (Chair) | (KE) | Joint Office |
|-------------------------|-------|----------------------------------|
| Helen Cuin (Secretary) | (HCu) | Joint Office |
| Adam Bates | (AB) | South Hook Gas |
| Alex Neild | (AN) | Storengy |
| Amber Talbot | (AT) | Storengy |
| Andrew Blair | (ABI) | Interconnector |
| Andrew Pearce | (APe) | BP |
| Anna Shrigley | (ASh) | Eni |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion Energy |
| Chris Wright | (CW) | Exxon Mobil |
| Christiane Sykes | (CS) | Shell |
| Daniel Hisgett | (DH) | National Grid |
| David Mitchell | (DM) | SNG |
| Davide Rubini | (DR) | Vitol |
| Hannah Reddy | (HR) | Corella |
| Henk Kreuze | (HK) | Vermillion |
| Jeff Chandler | (JCh) | SSE |
| Joseph Leyon | (JL) | SGN |
| Julie Cox | (JCx) | Energy UK |
| Kamla Rhodes | (KR) | Conoco Phillips |
| Lauren Jauss | (LJ) | RWE (from 1pm) |
| Malcolm Montgomery | (MM) | National Grid |
| Marion Joste | (MJ) | ENI |
| Mark Field | (MF) | Sembcorp Energy UK |
| Max Lambert (from 11am) | (ML) | Ofgem |
| Nick Wye | (NW) | Waters Wye Associates |
| Paul O'Toole | (POT) | NGN |
| Pavanjit Dhesi | (PD) | Interconnector |
| Phil Hobbins | (PH) | National Grid |
| Richard Fairholme | (RF) | Uniper |
| Richard Selmen | (RS) | Ancala Midstream |
| Ritchard Hewitt | (RH) | Hewitt Home and Energy Solutions |
| Samuel Dunn | (SM) | Interconnector |
| Samuele Repetto | (SR) | Gazprom |
| | | |

| Shiv Singh | (SS) | Cadent |
|-------------|------|---------|
| Terry Burke | (TB) | Equinor |

Copies of all papers are available at: https://www.gasgovernance.co.uk/0787/041121

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 January 2022.

1.0 Outline of Modification

Malcolm Montgomery (MM) introduced the Modification and explained this is an enabling Modification which will allow National Grid to amend the Interconnection Agreement (IA) with Interconnector Limited (IL). This will allow the IA to reflect latest standards and practices in gas quality and general operations.

MM explained that changes to the Interconnection Agreement (IA) between National Grid Gas (NGG) and Interconnector Limited (IL) are being proposed. These changes relate to network exit provisions and are designed to bring the agreement up to date with latest standards and preferred ways of working between operators. The changes were characterised as a rationalisation and simplification of the existing text, making the document more reflective of current operational practises.

MM confirmed the intention to provide the Workgroup with an overview / walk through of the changes required to the Interconnector Agreements, at the next meeting, clarifying there will be no changes to the UNC.

MM provided a summary table of changes required. Julie Cox (JCx) enquired about the WOBBE index, Calorific Values (CVs) and the obligations to provide these residing with National Grid, querying the deletion of certain aspects, detailed within the summary table. Samuel Dunn (SD) understood there was a plan to release a paper on the interoperability code obligations in due course. MM hoped to provide further clarity on these elements at the next meeting.

New Action 1101: *Summary Table of Changes* - National Grid (MM) to further explain / justify the removal of certain code obligations from the Interconnector Agreement (listed under the Gas Quality Section within the table).

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

KE confirmed that the next steps will be to review the Interconnector Agreement Amendments and develop the Workgroup Report.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Joint Office of Gas Transporters

| Time / Date | Paper Publication Deadline | Venue | Programme |
|-----------------------------------|--------------------------------|-----------------|--|
| 10:00 Monday 29 November 2021 | 5pm Friday 18 November 2021 | Microsoft Teams | Interconnector Agreement Amendments Development of Workgroup Report |
| 10:00 Thursday 06 January 2022 | 5pm Friday 28 December 2021 | Microsoft Teams | Completion of Workgroup Report |

Action Table (as at 04 November 2021)

| Actic Ref | | Minute Ref | Action | Reporting Month | Owner | Status Update |
|--------------|----------|---------------|--|--------------------|-----------------------|------------------|
| 110 | 04/11/21 | 1.0 | Summary Table of Changes - National Grid (MM) to further explain / justify the removal of certain code obligations from the Interconnector Agreement (listed under the Gas Quality Section within the table). | 2021 | National Grid (MM) | Pending |