

UNC Workgroup 0452 Minutes
Introduction of the Planning and Advanced Reservation of
Capacity Agreement (PARCA)
Thursday 01 August 2103
Energy Networks Association, 52 Horseferry Road, London
SW1P 2AF

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Pearce	(AP)	BP Gas
Antony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE npower
Chris Hill	(CH)	Cornwall Energy
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Clare Cantle-Jones	(CCJ)	ENA
Emma Buckton*	(EB)	Northern Gas Networks
Erika Melen	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Hilary Chapman	(HC)	Xoserve
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
John Baldwin*	(JB)	CNG Services
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Phil Hobbins	(PH)	National Grid NTS
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Sarah Lloyd	(SL)	National Grid NTS

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0452/010813

The Workgroup Report is due to the UNC Modification Panel by 17 October 2013.

1.0 Review of Minutes and Actions

1.1 Minutes

The minutes were accepted.

1.2 Actions

0452/0601: Incremental Capacity - Provide examples as to how pricing would work in various instances.

Update: MW confirmed that some extensive examples/interactive scenarios were being developed and would be shared shortly. **Carried forward**

0452/0701: *Process Flows* - Review timescales, terms and activities in respect of each Phase.

Update: An updated version of the modification will be produced shortly and will reflect the changes discussed. **Carried forward**

0452/0702: *Licence/Methodology Change Consultations* – Consider realignment.

Update: National Grid NTS were in discussion with Ofgem about the preferred approach; Ofgem is considering. **Carried forward**

0452/0703: *Informal activities/consultations* - Provide additional timeline.

Update: Presented by RA at this meeting. **Closed**

0452/0704: *Technical Options Report* - Provide an example for review.

Update: Under preparation. **Carried forward**

2.0 Discussion

Outstanding issues relating to taking capacity away from the market had taken place with Energy UK and Ofgem, and National Grid NTS will be looking to introduce a PARCA window into the modification, thereby providing further opportunities and addressing any competition issues. Other issues regarding holding capacity away from the market for a length of time (eg unsold capacity being taken away from the QSEC process when not being competed for) remain under discussion.

2.1 National Grid's Capacity Methodology Statements – Impacts

MW gave a presentation. National Grid NTS was continuing to work closely with Ofgem. There were 5 statements and changes to these were being minimised as far as possible. MW explained in more detail and summarised the changes required in each area. Existing ARCAs will run their course and no new ones will be agreed once the PARCA becomes the accepted vehicle.

Entry and Exit Capacity Release

It was confirmed there would be a list of Revenue Drivers in the Licence.

The 01 October date was to allow two build seasons (24 – 35 months).

Referring to the second NPV test and price step changes, TD questioned what would happen if the NPV test is failed at that stage; is there a risk from a developer's perspective? MW noted this for further consideration.

Consultation Timetable for changes

A high level timetable was outlined. MW encouraged those present to provide feedback on the principles and indicated that some documents would be published over the next few weeks. A formal consultation would follow an informal one; the PARCA one would be in addition to the one for RIIO.

2.2 Next Steps

At the next meeting it is intended to consider the revised modification and any changes to the Methodology Statements as well as stepping through the pricing and interactive scenarios as required.

3.0 Diary Planning

The next Workgroup 0452 meeting will take place on at 10:30, on Wednesday 28 August 2013 at Consort House, 6 Homer Road, Solihull B91 3QQ.

Action Table – Workgroup 0452

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0452/0601	06/06/13	2.1	<i>Incremental Capacity</i> - Provide examples as to how pricing would work in various instances.	National Grid NTS (MW)	Carried forward
0452/0701	04/07/13	2.1	<i>Process Flows</i> - Review timescales, terms and activities in respect of each Phase.	National Grid NTS (MW/RA)	Carried forward
0452/0702	04/07/13	2.2	<i>Licence/Methodology Change Consultations</i> – Consider realignment.	Ofgem (AW)	Carried forward
0452/0703	04/07/13	2.2	<i>Informal activities/consultations</i> - Provide additional timeline.	National Grid NTS (MW/RA)	Closed
0452/0704	04/07/13	3.2	<i>Technical Options Report</i> - Provide an example for review.	National Grid NTS (SP)	Carried forward