

UNC Workgroup 0454 Minutes Introduction of a Long Term Non Firm Capacity Product

Thursday 04 July 2013

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Whitmarsh	(AW)	Ofgem
Andrew Pearce	(AP)	BP Gas
Charles Ruffell	(CR)	RWE npower
Chris Hill	(CH)	Cornwall Energy
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Clement Perry	(CP)	Ofgem
Erika Melen	(EM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Hilary Chapman	(HC)	Xoserve
Jeff Chandler	(JC)	SSE
Joanna Ferguson	(JF)	Northern Gas Networks
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Mark Baker	(MB)	Centrica Storage
Matt Hatch	(MH)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Phil Broom	(PB)	GDF Suez
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Rob Cameron-Higgs	(RCH)	Wales & West Utilities

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0454/040713>

The Workgroup Report is due to the UNC Modification Panel on 21 November 2013.

1.0 Review of Minutes and Action

1.1 Minutes

The minutes were accepted.

1.2 Action

0454/0601: Application of Product - Address various scenarios and clarify examples for consideration at the next meeting.

Update: Covered in the presentation (see 2.0 below). **Completed**

2.0 Discussion

RA gave a presentation. Points raised at the previous meeting had been considered and were addressed.

Requests beyond Year +1 – It had been questioned whether the modification as currently written should be changed. The pros and cons were discussed and GJ suggested having

appropriate terms in the contract could cover the cons. MW explained why, in National Grid NTS' view, this might not be possible.

Should LTNF charges contribute to User Commitment? - It was commented that products were being 'renamed' but customers were not seeing any real differences. MW indicated that he was not comfortable with divorcing user commitment from investment signals. It was suggested that perhaps it should be consulted on as part of the methodology statement.

Revised Modification

RA outlined and explained the changes made to the modification.

End-to-End Process Flow

The proposed process was briefly outlined and illustrated with a flow diagram; attention was drawn to the notes at the bottom. RA would welcome any comments/suggestions.

Example Scenarios

In response to Action 0454/0601 (see 1.2, above) scenarios relating to interacting requests (customers A and B) and early completion of reinforcement had been considered. Some examples were provided to illustrate the release and allocation under these circumstances.

Example 1 – It was noted that constraint management may require National Grid NTS to buy back from both customers A and B, on a pro rata basis.

JCx suggested a simpler option might be to allocate enduring capacity on the date the customer wants it, but with a buyback option and termination of option conditions. GJ agreed with this suggestion. RA noted this for further consideration.

Example 2 - Jcx voiced concerns at Entry – it seemed too complex for something that really should be very simple. MW observed that having to use existing functionality has a bearing on the solution developed; it was not just about system costs but also development timelines. MW noted the concerns expressed for further consideration.

TD reiterated advice that it was better to keep everything as simple as possible.

Next Steps

The legal text was under preparation and expected to be available for review at the next meeting. TD reminded MW of the need to include the text of the proposed Agency Charging Statement (ACS) amendment.

If the legal text were available in good time, the intention would be to complete the Workgroup Report at the next meeting. However a further meeting might be necessary to review the legal text if it proved to be of some length.

3.0 Diary Planning for Workgroup

The next Workgroup meeting will be on Thursday 01 August 2013 at the Energy Networks Association, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

Action Table – Workgroup 0454

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0454/0601	06/06/13	2.0	<i>Application of Product - Address various scenarios and clarify examples for consideration at the next meeting.</i>	National Grid NTS (RA/SL)	Complete