

# UNC Workgroup 0519 Minutes

## Harmonisation of Reference Conditions at Interconnection Points

### Tuesday 02 December 2014

### 31 Homer Road, Solihull B91 3LT

#### Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
David McCrone*	(DM)	Ofgem
Graham Jack	(GJ)	Centrica
Isabelle-Agnes Magne*	(IAM)	GDF Suez
Jeff Chandler*	(JC)	SSE
Martin Connor	(MC)	National Grid NTS
Nigel Sisman	(NS)	sisman energy consultancy Ltd
Phil Hobbins	(PH)	National Grid NTS

\* via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0519/021214](http://www.gasgovernance.co.uk/0519/021214)

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 March 2015.

#### 1.0 Outline of Modification

PH gave a presentation, explaining reference temperatures and why change was necessary to comply with proposed new EU regulations. An overview of the Solution was provided, the key change being that a 'balancing allocation' was to be added to the 0/25 allocation to correct to 15/15 based on a 0.9990 conversion factor.

The impacts and costs were described. PH pointed out that system changes would be required to Gemini and that these would not be in place by 01 October 2015, but would be delivered in April 2016 in time for EU compliance due on 01 May 2016 to be achieved. For this transitional period (between CAM and implementation of the systems) National Grid NTS proposed to use 15/15 and move to 0/25 once the systems had been sufficiently developed to accommodate the change. The introduction of these proposed transitional arrangements was to be discussed and agreed with IUK and BBL. Shippers may need to consider the implications for their own systems.

The example on Slide 10 (Solution in Detail: ENERGY (ALLOCATIONS)) was considered in more detail and discussed. NS observed that it might depend on what a party's contracts were priced at when bringing gas in. It was queried why any change should have to be made, and PH explained why the existing arrangements were not considered to be legally compliant. National Grid NTS was trying to ensure that the change was ring fenced to minimise change and impact on the GB regime. Physically, two measurements were needed to manage the GB position, and the adjustment needs to be applied. It was noted that various options had been considered during preliminary discussions at the European Workgroup and the solution put forward in this modification was the most appropriate. LJ recommended that the modification should set out the standard way of adjustment and make it very clear what calculations/conversion factors were being applied and when.

PH then drew attention to the sections of the UNC that would be affected by the proposed change. It was expected that the legal text would be accommodated in the EID.

## 2.0 Initial Discussion

The modification was reviewed; no questions were raised.

### 2.1. Initial Representations

None received.

### 2.2. Issues and Questions from Panel

The UNC Modification Panel had asked the Workgroup to provide a view on whether or not this modification should be accorded self-governance status.

GJ observed that this might depend on what was meant by 'material' and whether there were any Licence obligations. The self-governance criteria were examined. It was observed that both Transporters and Shippers would be involved in costs to implement this modification.

It was noted that this modification was one of a number required to ensure compliance with EU regulations, and perhaps should not be viewed in isolation. EU compliance had to be ensured by Ofgem, and ultimately by DECC, and that it might be preferred that the decision for approval/implementation on any such modifications should therefore rest with Ofgem. DM agreed that one change in isolation might be considered for self-governance status, but this was part of a larger suite of modifications changing the GB arrangements, and Ofgem needed to ensure GB's compliance with EU law.

It was agreed the Workgroup would give this further consideration and formulate its view at the next meeting.

## 3.0 Next Steps

PH will consider whether any amendments should be made to the modification and prepare legal text for review at the next meeting.

A draft Workgroup Report will then be prepared for development at the next meeting.

## 4.0 Any Other Business

None.

## 5.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Monday 26 January 2015  <i>(following Workgroup 0510)</i>	31 Homer Road, Solihull B91 3LT	<ul style="list-style-type: none"> <li>• Amended Modification</li> <li>• Consideration of Self Governance status</li> <li>• Consideration of Business Rules</li> <li>• Review of Impacts and Costs</li> <li>• Review of Relevant Objectives</li> <li>• Consideration of Wider Industry Impacts</li> <li>• Consideration of Legal Text</li> <li>• Development of Workgroup Report</li> </ul>

**Action Table**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
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