
UNC Workgroup 0598 Minutes
Amendments to Capacity Allocations Mechanisms to comply with
EU Capacity regulations
Tuesday 13 December 2016
at Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

Attendees

Chris Shanley (Chair)	(CS)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Anna Shrigley	(AS)	Eni Trading & Shipping
Graham Jack	(GJ)	Centrica
James Thomson*	(JT)	Ofgem
Lesley Ramsey	(LR)	National Grid NTS
Malcolm Montgomery	(MM)	National Grid NTS
Matthew Hatch	(MH)	National Grid NTS
Sarah Cooper	(SC)	Interconnector

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0598/131216>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2017.

1.0 Introduction and Status Review**1.1. Approval of Minutes (02 December 2016)**

The minutes of the previous meeting were approved.

2.0 Consideration of Amended Modification

LR provided an overview of the most recent round of changes made to the modification (v2.0, dated 09 December 2016) explaining that the majority of the changes are based on the previous Workgroup discussions and now includes a link to the final version of the CAM requirements/document.

LR went on to point out that the timeline has been updated to take into account the fact that the modification is now deemed to be a self-governance modification.

A brief onscreen review was undertaken during which the main discussion points were captured, as follows:

Section 2 – Governance

It was suggested that the term ‘not material’ should be removed in order to avoid unnecessary emotive discussions.

Section 4 – Code Specific Matters

Now includes a link to the Final CAM document.

Section 6 – Impacts & Other Considerations*Consumer Impacts*

- Reference to ‘and Storage Users’ now removed to reflect removal of emergency aspects;

EU Code Impacts

- Discussion centred around footnote 4, that the initial view is that the applicable daily rate, for IP capacity allocated in an annual yearly auction will be floating from Gas Year 1st October 2017 onwards. LR explained that capacity purchased within the July 2018 annual yearly auction would be the first annual yearly auction impacted by this. It was noted that this matter would be discussed and clarified in more detail within the NTS Charging Methodology Forum (NTSCMF) route.¹

Central Systems Impacts

- MH explained that backend system mechanisms are required but there are no Shipper system impacts involved.

Section 8 – Implementation

MH explained that subject to EU Commission confirmation, the effective implementation date could be 28 to 30 March 2017.

Section 9 – Legal Text

Text Commentary

- *Reference the proposed amendment to the legal text for EID Section B paragraph 4.4.4* – when it was suggested that it might be beneficial to make it clear that the provision for the annual quarterly capacity auctions is subject to capacity being available. MH agreed to consider this point, and
- *Reference the proposed amendment to the legal text for EID Section B paragraph 4.4.6* – some parties wondered whether inclusion of the word ‘prevailing’ might prove helpful.

Concluding the review of the amended modification, National Grid NTS agreed to consider amending the modification to take into account comments received, including amending the legal text and supporting commentary.

Noting that the Workgroup Report is due to be presented at the January 2017 Panel meeting, those in attendance indicated that, subject to the consideration of the comments provided, the modification as drafted is fit for purpose.

New Action 1202: National Grid NTS (MH/LR) to consider amending the modification inline with Workgroup comments received, including amending the legal text and supporting commentary by no later than close of play (17:00) on Friday 16 December 2016 for consideration at the 20 December 2016 Workgroup meeting.

3.0 Development/Completion of Workgroup Report

During an onscreen review of the draft Workgroup Report (v0.1, dated 09 December 2016), it was noted that there was a broad support by those present for seeking Panel approval to change the modification status to self-governance.

Thereafter, the following key points were also discussed:

Section 2 – Governance

It was suggested that regardless of whether or not the term ‘not material’ remains, some industry parties might believe that the impact is material in nature and therefore additional clarification around the fact that the statement is in accordance with CAM requirements might prove beneficial – CS agreed to consider amending the wording accordingly.

¹ Post meeting note: a copy of the 06 December 2016 NTSCMF meeting minutes are available to view &/or download from the Joint Office web site at: <http://www.gasgovernance.co.uk/ntscmf/061216>

Section 9 – Legal Text

It was agreed that subject to provision of an amended modification in due course, that further consideration of this section could wait until the 20 December 2016 Workgroup meeting.

CS pointed out that he expects that the 15 December 2016 Panel will formally request provision of legal text in support of the modification.

Concluding discussions, CS advised that he would tidy up the draft Workgroup Report (including any additional changes imposed by the provision of an amended modification) and publish the document ahead of, and in time for, consideration at the 20 December 2016 Workgroup meeting.

4.0 Review of Actions Outstanding

0598 1201: ENTSOG calendar (publication and location) – MH to provide to Joint Office an appropriate informative note for circulation to GB parties.

Update: MH explained that he had provided an email relating to this action to the Joint Office the previous week. **Closed**

5.0 Next Steps

National Grid NTS (MH and LR) to consider the suggestions made in discussions under item 2.0 above, and provide a formally amended modification for publication (as version 3.0), including updated legal text.

Joint Office (CS) to provide an updated (draft) Workgroup Report for consideration and development at the next Workgroup meeting.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time/Date	Venue	Workgroup Programme
10:30, Tuesday 20 December 2016	Consort House 2-6 Homer Road, Solihull B91 3QQ	<i>Standard agenda plus</i> <ul style="list-style-type: none"> • <i>Consideration of amended modification (if applicable)</i> • <i>Consideration of Legal Text and commentary</i> • <i>Development/completion of Workgroup Report</i>
10:30, Tuesday 03 January 2017	Consort House 2-6 Homer Road, Solihull B91 3QQ	<i>To be confirmed</i>
10:30, Tuesday 13 January 2017	Consort House 2-6 Homer Road, Solihull B91 3QQ	<i>To be confirmed</i>

Action Table (as at 13 December 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	02/12/16	2.1	<i>ENTSOG calendar (publication and location)</i> – MH to provide to Joint Office an appropriate informative note for circulation to GB parties.	National Grid NTS (MH)	Update provided. Closed
1202	13/12/16	2.0	To consider amending the modification inline with Workgroup comments received, including amending the legal text and supporting commentary by no later than close of play (17:00) on Friday 16 December 2016 for consideration at the 20 December 2016 Workgroup meeting.	National Grid NTS (MH/LR)	Pending