

Workgroup 0621 Summary of Outcomes
Tuesday 01 May 2018
at Elexon, 4th Floor, 350 Euston Road, London

Attendees	
Rebecca Hailes (Chair)	Joint Office
Helen Bennett (Secretary)	Joint Office
Anna Shrigley	ENI
Charles Ruffell	RWE Supply & Trading
Christiane Sykes*	Shell
Colin Williams	National Grid NTS
Emma Buckton*	NGN
Gerry Hoggan	ScottishPower
Graham Jack	Centrica
Jeff Chandler	SSE
Joanne Parker*	SGN
John Costa	EDF Energy
Kirsty Ingham	ESB
Malcolm Montgomery	National Grid NTS
Matthew Hatch	National Grid NTS
Nick Wye	Waters Wye
Paul Toole*	NGN
Paul Youngman*	Draxx
Pavanjit Dhesi	Interconnector UK
Phil Lucas	National Grid NTS
Richard Fairholme*	Uniper
Richard Pomroy	Wales & West Utilities
Sean Hayward	Ofgem
Sebastian Eyre	Green Network Energy
Will Webster	Oil & Gas UK

Key Points/Decisions

1. Joint Office welcomed everyone to the meeting.
2. The material provided for the meeting can be accessed here:
<https://www.gasgovernance.co.uk/0621/010518>
3. No Pre-Mod discussion.
4. Phil Lucas gave a short update on the meeting between the National Grid Lawyers, Dentons, and the 0621 Alternative proposers.
5. National Grid have confirmed that they are amending their Modification 0621 to v5.0 which will be with Joint Office for publishing by close of play Wednesday 2 May.
 - Graham Jack confirmed that his Modification 0621C will be amended once v5.0 of the National Grid Modification has been published.
 - Jeff Chandler confirmed that his Modification 0621B will be amended once v5.0 of the National Grid Modification has been published and will be with Joint Office for publishing by Friday 4 May.
 - Anna Shrigley has indicated that Modification 0621H requires amendment.
 - Richard Pomroy has confirmed that he does not intend amending Modification 0621D.

6. Rebecca Hailes confirmed midday Friday is the deadline for anything that needs to be shown at Workgroup on 8 May which is the final 0621 Workgroup.
7. Charles Wood provided an update with regards to when the Legal Text documentation will be provided:

Full pack with the Legal Text Drafting for 0621 and a table which highlights the legal text for all Alternative Modifications (which will aid the reader of the Legal Text) will be provided by close of play 8 May 2018. This can be submitted with the Workgroup report on 9 May.

Final Legal Text for 0621 and all Alternatives will be provided by 14 May 2018 ready for UNC Panel on 17 May 2018.

Legal Text commentary will be provided after 14 May and will be provided by 18 May 2018.

8. Dual Reconciliation mechanisms – Traded Historical Capacity: Malcolm Montgomery explained that Dual reconciliation mechanisms exists under Modification 0621 in the enduring arrangements for Storage only.
 - i. Historic Capacity will not pay a top up charge
 - ii. Any Fully Adjusted Entitlements in excess of the Historic Capacity will pay the capacity top up.

Explaining what the options for treatment of Transfers are, he explained the following:

- i. Registered Capacity only (i.e. transfers are not accounted for)
- ii. Continuous Tracking of fully adjusted entitlements
- iii. Registered + tracking up to Effective Date.
 - This 3rd option is incorporated in Modification 0621

Trades before the Effective Date (ED) of the Modification are classed as a Trade of Historical Contracts.

In the National Grid initial proposal it was proposed for only capacity allocated in an auction to be included in the definition of Historical Contracts.

National Grid has expanded this to include historical transactions i.e. transfers, buy backs etc. completed before the Effective Date.

This will account for historical trades, and while it creates some additional work for National Grid, it avoids any ongoing additional requirements on systems.

9. Colin Williams clarified that a new Modification may be coming out from National Grid on the topic of abandoned capacity to be discussed as a pre modification at Transmission Workgroup on 16 May.
10. He provided updated analysis for the following outstanding actions which are published here: <https://www.gasgovernance.co.uk/0621/010518>. The new analysis is shown on slides with a star in the top left-hand corner:
 - i. 120418: 0409 NTS Optional Charge Scenarios
 - ii. 120418: 0413 Impact of Optional Charge on Revenue Recovery Rates
 - iii. 200418: 0403 Assessment of Spare Capacity
 - iv. 200418: 0404 Transmission Formula year - K Values HistoryNational Grid summarized for this last action: analysis shows that K Factor does fluctuate, flow and booking patterns change and these serve to justify the transition period.
These actions are now closed.
11. The final Charging Models for all Modification will be provided by National Grid by 2 May 2018 and will be published here: <https://www.gasgovernance.co.uk/0621/Models>. If you experience any issues opening any of these models please contact National Grid NTS: colin.williams@nationalgrid.com.
12. Phil Lucas took the Workgroup through the changes that have been made to v4.0 of Modification 0621.
 - i. Clarification of the term 'closest' under Final Reference Prices.
 - ii. Page 22 – values now updated as new RPI values are available
 - iii. Page 20 – an extra clarification step in the interim model is a possible changeVersion 5.0 is expected to be provided later on today, 1 May.

Critical Actions

The actions are now published on the website as a separate document here:
<https://www.gasgovernance.co.uk/0621/010518>

The next meeting will be held on Wednesday 02 May 2018 at St Johns Hotel, 651 Warwick Road, Solihull, B91 1AT. Please note that the meeting will start at 09:30am and finish at 4pm. Agenda and papers can be found on the website here: <https://www.gasgovernance.co.uk/0621/020518>

Workgroup Schedule as at 30 April 2018

	9:30 - 13:00	13:30 - 17:00
23-Apr	- Capacity Reference Price	- Forecasted Contracted Capacity
24-Apr	- FCC, including historical contracts - Revenue Recovery Charge (Transition) - including historical contracts	- Revenue Recovery Charge (Enduring) including historical contracts
25-Apr	- Legal Text (0621)	- EU Compliance - Non-Transmission Service Charges - Publication of variables
26-Apr	- NTS Optional Charge - Combined DN Impacts - Individual DN Impacts	- Reserve Price - Specific Capacity Discounts - Interruptible Capacity
27-Apr	- Introduction to Relevant Objectives - Introduction to Modification 0621L - Analysis for Alternative Mods - Material for 0621D square root distance; removal optional charge; publication of forecasts - NTS Optional Charge Action Update	
30-Apr	- Material for 0621D square root distance; removal optional charge; publication of forecasts - Introduction to Modification 0621L - Analysis update - Relevant Objectives	- Relevant Objectives - Comparison Table daily check
01-May	- 9am to 11am Proposers Legal Text discussion with Lawyers - 11am start NTSCMF (including 0621 Workgroup) (1pm Lunchtime) - Treatment of Traded Historical Capacity - Legal Text (0621 Alternatives) - National Grid Action Updates	- NTSCMF (including 0621 Workgroup) - Comparison Table daily check - Daily check on progress
02-May	- GDN Action Updates - National Grid Action Updates - Finalise Workgroup Report	- Finalise Workgroup Report - 0621/0636 interaction discussion - Comparison Analysis - Comparison Table daily check - Daily check on progress
03-May	- Relevant Objectives	- Relevant Objectives
04-May	- Relevant Objectives and/or Finalise Workgroup Report	- Relevant Objectives and/or Finalise Workgroup Report - Comparison Table daily check - Daily check on progress
08-May	- Finalise Workgroup Report	- Finalise Workgroup Report - Comparison Table daily check - Daily check on progress
09-May		- Submit Workgroup Report to Panel (no meeting – JO admin activity)