

UNC Workgroup 0665 Minutes

Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)

Thursday 25 October 2018

at Elexon, 350 Euston Road, London, NW1 3AW

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alexander Mann	(AMa)	Gazprom
Amy Rawding*	(AM)	Northern Gas Networks
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CW)	First Utility
Chris Warner	(CW)	Cadent
Dave Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Edward Fyfe	(EF)	SGN
Ellie Rogers	(ER)	Xoserve
John Cooper*	(JC)	BUUK
John Welch*	(JD)	npower
Kirsty Dudley*	(KD)	E.ON UK
Lorna Lewin	(LL)	Orsted
Mark Jones	(MJ)	SSE
Megan Coventry*	(MC)	SSE
Micah Boutwood*	(MB)	Northern Gas Networks
Michelle Whittington*	(MW)	EDF Energy
Oorlagh Chapman*	(OC)	Centrica
Richard Johnson	(RJ)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Shaheeni Vekaria*	(SV)	Utility Warehouse
Shanna Key*	(SK)	Northern Gas Networks
Shardul Pandit*	(SP)	Wales & West Utilities
Steve Britton*	(SB)	Cornwall Insight

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0665/251018>

1. Introduction and Status Review

Bob Fletcher (BF) welcomed all to the meeting and explained the Proposer was not present due to annual leave.

1.1. Approval of Minutes (27 September 2018)

The minutes from the previous meeting were approved.

2. Amended Modification

BF said that there had been no further amendments to the modification and it was due to report to the January Panel. (He added that it could report sooner, if this then became appropriate)

3. Consideration of Draft Guidelines Document

Andy Clasper (AC) said in relation to the data listed within Actions 0904 & 0905 below, there was a danger to merely look at that data and the level of breach on any given day, as it could reach the SOQ on a low demand day too.

AC set out a number of proposals that had been presented to the proposer concerning the options for managing a ratchet process that removed any potential blockers to Class 2.

A lengthy and protracted general discussion then took place regarding the LDZ data figures and the Ratchets and the DN's setting the SOQ to the correct level in a split Class 2 scenario. AC said that this area had already been discussed via a conference call to discuss a potential solution where Class 1 would have a Ratchet and the threshold for Class 1 could be adjusted. He added that all the SOQ's in Class 1 and Class 2 would continue to Ratchet, and that the proposal was to have a Class 2A and Class 2B, with only the top tier having ratchet charges applied should the SOC be exceeded. AC said more discussions were taking place regarding this whole matter and that the Transporters and Ofgem were happy about the Class 1 and Class 2 threshold levels and the recalculations.

Bob Fletcher (BF) expressed a concern that if there would be a need to split sites in Class 2, would this create a discrimination issue and prevent some larger sites participating in the DM process. A further general discussion ensued on this area and Richard Pomroy (RP) and Kirsty Dudley (KD) both said that consideration needed to be given to if it was either a settlement issue or an impact issue on the network, and RP said if it was due to settlement, then this would have to be justified accordingly.

Dave Addison (DA) said he would provide four rules that would apply to Class 2 sites that would be eligible for ratchet charges.

***New Action 1001: Xoserve (DA) to provide 4 rules that would apply to Class 2 sites that would be eligible for ratchet charges. Closed, due to post meeting update below:**

*Post Meeting Update: - Supplied by DA

The business rules discussed in 0665 that DA drafted were:

For Supply Meter Points within Class 2, where the SMP AQ is \geq [X] kWh will be subject to Ratchets and Ratchet Charges.

For Supply Meter Points within Class 2, where the SMP AQ is $<$ [X] kWh will be subject to Ratchets but not Ratchet Charges.

SMPs with an SMP AQ \geq [X] kWh but less than the Class 1 threshold may remain in Class 3 or 4 (subject to business rule 4 below). This is not a system change – this is as is.

An additional rule that DA proposed that was not within the scope of the current Modification (or the separate discussions that Networks had with Steve Mulliganie (SM)) But might have some merits:

Where the Network consider that there is a Network constrained SMP, then they may require that this be a Class 1 SMP. This would insert a new Class 1 requirement, but may be beneficial as it should inform the value of [X] kWh referenced in business rule 1-3 above.

DA said once SM has confirmed which business rules he is prepared to consider in the Modification then Xoserve can investigate this from a systems perspective.

David Mitchell (DM) agreed to feedback the views as discussed by the Transporters in the conference call, as SGN were responsible for producing the Legal Text.

New Action 1002: SGN (DM) to provide feedback from the Transporters on their views and the views of the Proposer.

4. Consideration of Business Rules

Not discussed in this meeting.

5. Development of Workgroup Report

Not discussed in this meeting.

6. Review of Outstanding Actions

Action 0901: *Reference Draft Guidelines document - Waters Wye Associates (GE) and Transporters to look to provide draft guidelines based on the outline proposals for the modification (including Wales & West Utilities Approach 2 proposals).*

Update: It was confirmed that a meeting had taken place and a document was now being produced and so this action could now be closed. **Closed**

Action 0902: *Reference Draft Guidelines document - Waters Wye Associates (GE) to confirm with the Proposer as to whether or not the proposed approach is acceptable.*

Update: It was agreed that this action should be carried forward as the Proposer was not present due to annual leave. **Carried forward**

Action 0903: Transporters to consider providing some draft business rules for consideration at future Workgroup meetings.

Update: AC said this action could now be closed as the draft business rules had been produce. **Closed**

Action 0904: *Reference 1:20 Peak Day 90% Threshold Limit – Wales & West Utilities (RP) to look to provide figures on the number of days that various % of a 1:20 demand have been exceeded in each WWU LDZ.*

Update: Richard Pomroy (RP) talked through the data as detailed below and confirmed this action could now be closed. **Closed**

The reasons not many ratchet events occur on high demand days is because there are not many high demand days in a typical year							
Number of days demand equal or above x% of a peak 1 in 20 Day							
LDZs WS WN SW							
15/16 Gas Year	100%	95%	90%	85%	80%	75%	70%
SW	0	0	0	0	0	0	1
WS	0	0	0	0	0	0	0
WN	0	0	0	0	0	0	0
16/17 Gas year							
SW	0	0	0	0	0	0	2
WS	0	0	0	0	0	0	2
WN	0	0	0	0	0	0	0
17/18 Gas year							
SW	1	1	3	3	5	7	12
WS	0	0	0	0	1	1	6
WN	0	0	1	3	3	6	10
Sum	1	1	4	6	9	14	33
Note these are LDZ figures and individual parts of networks may be constrained when the LDZ as a whole is not							

Action 0905: Reference 1:20 Peak Day 90% Threshold Limit – Wales & West Utilities (RP) to look to provide data for days on which ratchets occurred on the WWU network and what the level of LDZ demand was as a % of a 1:20 day.

RP explained the data as below:

Number of ratchets that occur on days that are equal to or greater than x% of a 1 in 20 peak day							
For Gas Years 16/17 and 17/18 (part only)							
LDZs WS WN SW							
	100%	95%	90%	85%	80%	75%	70%
Total	10	10	14	14	18	22	26
In this period there were 191 ratchet events							
% of total ratchets events	5%	5%	7%	7%	9%	12%	14%
The few that occur on days close to a 1 in 20 Day are the key concerns							

Update: RP then said this action could now be closed as the data had been supplied as detailed above. **Closed**

Action 0906: Reference System Release Dates – Xoserve (RH/DS) to provide an outline on what planned system releases are coming up in the near future (i.e. 2018 – 2019 and beyond).

Update: David Addison (DA) said this action could now be closed as the pre determined release dates were February/June and November and from a generic view point, he was not aware of any reason to deviate from the plan, as the February release date was not being used for a UKLink release. **Closed**

7. Next Steps

BF said that he anticipated more discussion on the Class 2 and Ratchet area in the next meeting and he envisaged that the modification might have to be amended following the outcome of these conversations.

8. Any Other Business

None.

9. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
11.00, Thursday 22 November 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	<ul style="list-style-type: none"> Consider DNO proposals for managing ratchets
10.00, Tuesday 17 December 2018	Elexon, 350 Euston Road, London NW1 3AW	Standard Agenda

Action Table (as at 25 October 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	27/09/18	1.1	<i>Reference Draft Guidelines document - Waters Wye Associates (GE) and Transporters to look to provide draft guidelines based on the outline proposals for the modification (including Wales & West Utilities Approach 2 proposals).</i>	Waters Wye Associates (GE) & Transporters	Closed
0902	27/09/18	1.1	<i>Reference Draft Guidelines document - Waters Wye Associates (GE) to confirm with the Proposer, as to whether or not the proposed approach is acceptable.</i>	Waters Wye Associates (GE)	Carried forward
0903	27/09/18	1.1	To consider providing some draft business rules for consideration at future Workgroup meetings.	Transporters	Closed
0904	27/09/18	1.2	<i>Reference 1:20 Peak Day 90% Threshold Limit – Wales & West Utilities (RP) to look to provide figures on the number of days that various % of a 1:20 demand have been exceeded in each WWU LDZ.</i>	Wales & West Utilities (RP)	Closed
0905	27/09/18	1.2	<i>Reference 1:20 Peak Day 90% Threshold Limit – Wales & West Utilities (RP) to look to provide data for days on which ratchets occurred on the WWU network and what the level of LDZ demand was as a % of a 1:20 day.</i>	Wales & West Utilities (RP)	Closed
0906	27/09/18	1.2	<i>Reference System Release Dates – Xoserve (RH/DS) to provide an outline on what planned system releases are coming up in the near future (i.e. 2018 – 2019 and beyond).</i>	Xoserve (RH/DA)	Closed
1001	25/10/18	3.0	Xoserve (DA) to provide 4 rules that would apply to Class 2 sites that would be eligible for ratchet charges.	Xoserve (DA)	Closed * Post meeting up date.
1002	25/10/18	3.0	SGN (DM) to provide feedback from the Transporters on their views and the views of the Proposer.	SGN (DM)	Pending