

UNC Workgroup 0693R Minutes
Treatment of kWh error arising from statutory volume-energy conversion

Tuesday 21 April 2020

Via Teleconference

Attendees

Lorraine O'Shaughnessy (Chair)	(LOS)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell UK
Claire Roberts	(CR)	ScottishPower
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Louise Hellyer	(LH)	Total
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Rhys Kealley	(RK)	British Gas
Rob Johnson	(RJ)	Waters Wye Associates
Steven Britton	(SB)	Cornwall Insight
Tony Perchard	(TP)	DNV-GL

Apologies

Shanna Barr	(SB)	Northern Gas Networks
Stephanie Clements	(SC)	ScottishPower
Tracey Saunders	(TS)	Northern Gas Networks

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0693/210420>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2020.

1. Introduction and Status Review

1.1. Approval of Minutes (17 March 2020)

The minutes from the previous meeting were approved.

2. Request Progress Update

Lorraine O'Shaughnessy (LOS) explained that the Request had not been discussed since February, due to the Proposers' unavailability.

Post Meeting Note: Mark Bellman (MB) explained this was due to annual leave followed by coronavirus priorities and MB apologised for this fact.

MB briefly explained the purpose of, and provided an update on, the Request. MB explained there were variations in the error across LDZs and that the error was in Unidentified Gas (UIG) which was calculated as a balancing figure by LDZ, and that this is an area that DNV-GL as the Allocation of Unidentified Gas Expert (AUGE) were presently looking at to understand what evaluations have been done.

He said the current treatment of conversion was prescribed in the Gas (Calculation of Thermal Energy) Regulations and that there had been a question as to the legality of allocating the error. MB believed that it was legal and Fiona Cottam (FC) concurred the calculation of energy from volume is done in the manner required by the aforementioned Statutory Instrument and this Request only sought to assess the accuracy of that at a more granular level. MB has discussed this with Jon Dixon (JD) at Ofgem, who also believed it to be legal. MB added that JD was seeking internal legal guidance on this question.

MB suggested there would be a number of different possible solutions for both i) calculation of the error (based on forecast or average weather or after fact on actual weather) and ii) allocation of the error (to Transporters to recover in price control; or to Shippers in either an NDM adjustment or through a revised AUG allocation).

Tony Perchard (TP) said that in reference to the Wallace Report produced by Dave Lander, he had been unable to get in touch and would re-contact him to gain further information from the study (as Action 0201 below).

3. Consideration of Potential Solutions / Options

Deferred until the May meeting.

4. Consideration of any additional analysis

Deferred until the May meeting.

5. Review of Outstanding Actions

0802: Scottish Power (MB) to engage with Ofgem Jon Dixon (JD) regarding the legality of a sharing type treatment in relation to the Gas (Calculation of Thermal Energy) Regulations.

Update: MB said that JD had committed to seek legal guidance and so MB wanted to carry this action forward. **Carried Forward**

0901: Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.

Update: Fiona Cottam (FC) said that Xoserve had defined the procurement requirements, but that no further progress had been made as there was some dependency on the AUG Committee and she requested this action was carried forward. **Carried Forward.**

0201: Tony Perchard and Dave Lander to liaise on the Wallace Report and provide any further information available from the study.

Update: MB said that he had now reconnected with Dave Lander and that he was hopeful of being able to provide an update at the May meeting and so this action should be carried forward. **Carried Forward.**

0202: All to review previously presented analysis including Xoserve's UIG Task Force findings and provide a view on the potential solutions/options at the March meeting.

Update: LOS said that she was not aware that any feedback had been forthcoming. MB said the ambition of the Request was to reduce the UIG allocation by identifying and quantifying a potentially material contribution. He added that ideally, he would prefer to use weather for the Gas Day data prior to at D+5 allocation but that although it was early to be proposing solutions it would be useful to aid further discussions.

A brief general discussion took place and it was agreed that the following areas should be explored; AUG Weighting Factors, Impacts on LDZs, Allocation for Transporters and Adjusting allocation into Shippers and it was agreed these areas would be discussed by MB and FC. MB said if anyone had any other suggestions regarding this area to contact him directly. This action was carried forward. **Carried forward.**

New Action 0401: ScottishPower (MB) and Xoserve (FC) to discuss; AUG Weighting Factors, Impacts on LDZs, Allocation for Transporters and Adjusting allocation into Shippers.

6. Next Steps

LOS asked for Workgroup's views on the timescale for reporting to June 2020 Panel. MB advised that this should be extended to September 2020 given the required work. The Workgroup were in agreement.

New Action 0402: Joint Office (LOS) to request an extension to September 2020 at the May Panel 2020.

LOS confirmed the next steps for discussion at the next meeting in May would be:

- Potential solutions/options:
 - AUG Weighting Factors,
 - Impacts on LDZs
 - Allocation for Transporters
 - Adjusting allocation into Shippers.

7. Any Other Business

None raised.

8. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:30 Tuesday 19 May 2020	5pm Monday 11 May 2020	Via Teleconference	Potential Solutions/Options: AUG Weighting Factors, Impacts on LDZs Allocation for Transporters Adjusting allocation into Shippers.
10:30 Tuesday 16 June 2020	5pm Monday 08 June 2020	Via Teleconference	Development of Request Workgroup Report

Action Table (as at 21 April 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0802	20/0819	1.0	Scottish Power (MB) to engage with Ofgem Jon Dixon (JD) regarding the legality of a sharing type treatment in relation to the Gas (Thermal Energy) Regulations.	Scottish Power (MB)	Carried Forward
0901	23/09/19	2.0	Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.	Xoserve (FC)	Carried Forward
0201	25/02/20	2.2	DNV-GL (TP) and Dave Lander (DL) to liaise on the Wallace Report and provide any further information available from the study.	DNV-GL (TP) and Dave Lander (DL)	Carried Forward
0202	25/02/20	3.0	All to review previously presented analysis including Xoserve's UIG Task Force findings and provide a view on the potential solutions/options at the May meeting.	All	Carried Forward
0401	21/04/20	5.0	ScottishPower (MB) and Xoserve (FC) to discuss; AUG Weighting Factors, Impacts on LDZs, Allocation for Transporters and Adjusting allocation into Shippers.	ScottishPower (MB) & Xoserve (FC)	Pending
0402	21/04/20	6.0	Joint Office (LOS) to request an extension to September 2020 at the May Panel 2020.	Joint Office (LOS)	Pending