

UNC Workgroup 0745 Minutes
Mandatory Setting of Auction Bid Parameters
Thursday 03 December 2020
via Microsoft Teams

Attendees

Lorraine O'Shaughnessy (Chair)	(LOS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy Ltd
Andrew Pearce	(AP)	BP
Angus Paxton	(APa)	AFRY
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(Dhi)	National Grid
Debra Hawkin	(DH)	TPA Solutions Ltd
Emma Buckton	(EB)	Northern Gas Networks
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KM)	ESB
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Nigel Bradbury	(NB)	EIUG
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Richard Fairholme	(RF)	Uniper
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor
Will Webster	(WW)	Oil & Gas UK

Copies of all papers are available at: www.gasgovernance.co.uk/0745/031220

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 February 2021.

1.0 Outline of Modification

Lorraine O'Shaughnessy (LOS) welcomed Malcolm Montgomery (MM) the proposer to provide an introduction to the modification and explain the purpose:

This Modification proposes to mandate the setting of certain bid parameters prior to Users being able to place bids in an Auction.

MM went on to provide a walkthrough of the modification and clarified this setting already exists, in short term auctions where Shippers can set auction bid parameters if they choose to, however, National Grid have seen a number of errors recently and therefore feel it would be beneficial to enforce the safety net of Shippers being able to set their bid parameters in order to prevent errors.

Phil Lucas (PL) confirmed that Panel determined by majority vote that this will have a material impact on existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminates between different classes of UNC parties.

MM reiterated to Workgroup that this modification is making something mandatory that is already in the Gemini system, it is a small improvement in efficiency, in running of the auctions in order to prevent error.

It was also confirmed that discussion at UNC Panel hinted as to whether a modification was actually required. National Grid felt in terms of transparency, that they would raise a modification.

Solution

MM advised that the functionality already exists but it is currently optional, this modification will make it a mandatory requirement.

Workgroup discussed the materiality of this modification and agreed that it seems it should be a Self-Governance modification.

MM provided an update on the Rough Order of Magnitude (ROM) discussions he has had with Xoserve and advised the costing for this small change to Gemini would be in the region of £25,000 with a timeframe of implementation in Summer or October 2021.

As this is a small change to the system, it is thought this can be added to the existing program of Change.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Workgroup to consider potential 'double counting' concerns

LOS advised workgroup of a question that had been raised by panel in November on potential impacts of double counting as part of the under recovery relating to the implementation of Modification 0678A – Amendments to Gas Transmission Charging Regime (Postage Stamp) and pointing this to PH who to provide clarification.

PH advised that Panel's concern was whether there was any link between this modification and the under-recovery of transportation revenue by National Grid post implementation of Modification 0678A; i.e. whether there have been any capacity booking errors made by shippers recently that have impacted capacity neutrality and hence whether the issue that Mod 0745 seeks to address has made the under-recovery position worse than it would otherwise have been.

MM confirmed the timing is coincidental, there is no direct connection between the under recovery and this modification being raised.

It was confirmed that national Grid will provide wording for the Workgroup Report to cover this area

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2.1.2. **Workgroup** to consider the question of materiality, and as a consequence, the suitability of Self-Governance status for the Modification

This was considered as part of initial discussions under section 1.1. LOS advised that further discussions will be required in the Workgroup Report as Ofgem suggested during November UNC panel that evidence would be needed to support why this Modification should be considered as Authority Direction.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0745.

3.0 Next Steps

LOS confirmed that the Workgroup Report will be developed at the next meeting in January 2021 at which time the timeline for the modification will be reviewed. MM stated that he wishes to submit this to the January 2021 UNC Panel.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 07 January 2021	Monday 28 December 2020	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> • Development of Workgroup Report • Review Legal Text

Action Table (as at 03 December 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No actions outstanding					