

UNC Request Workgroup 0705R Minutes NTS Capacity Access Review

Thursday 07 October 2021

via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Amber Talbot	(AT)	Storengy
Andrew Blair	(ABI)	Interconnector
Angus Paxton	(AP)	Afry Management Consulting
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Davide Rubini	(DR)	Vitol
Debra Hawkin	(DH)	TPA Solutions
Emma Buxton	(EB)	NGN
Henk Kreuze	(HK)	Vermillion
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Joseph Leyon	(JL)	SGN
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	NGN
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Phillip Kershaw	(PK)	CNG Services
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Rudi Streuper	(RS)	BBL Company
Samuel Dunn	(SM)	Interconnector
Shiv Singh	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0705/071021>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 October 2021.

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

1.1. Approval of minutes (07 September 2021)

The minutes from the 07 September meeting were approved.

1.2. Approval of Late Papers

EF advised that there were two late papers, a presentation on the Capacity Access Review and one relating to an update for the Long-Term Access Review Consultation.

1.3. Review of Outstanding Actions

0801: *Reference Offtakes in Close Geographical Proximity* – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions

Update: Anna Stankiewicz (ASt) asked for this action to be deferred for a short duration whilst National Grid are considering the capacity movement process and if there is scope for this.
Carried Forward.

1.4. Project Management

See item 2.0 below.

2. Review of Potential Modifications

With the limited time available Jennifer Randall (JR) provided a brief update on the [Capacity Access Review](#) and the key topics:

User Commitment

JR explained that there is a risk that reducing the User Commitment could lead to an increased requirement for substitution analysis and National Grid are looking at a further option to change the evergreen nature of the enduring product, similar to how it is for the entry side.

JR provided a pictorial comparison of the current product and two options for an annual or quarterly product. JR confirmed from feedback received from the Gas Distribution Networks (GDNs), on extending the annual product, they would potentially be in a worse position and the product would not resolve some of the issues. Feedback on the quarterly product and whether this would be useful suggests there would be some profiling considerations and a greater risk of over-runs. In conclusion the annual and quarterly product would not resolve some of the problems for GDNs. Therefore, a further alternative is being considered for the long-term auctions to be retained for baseline capacity bookings, through the PARCA process.

JR asked for views on changing the bookings through the PARCA process, Jeff Chandler (JCh) wished to note there would be PARCA fees which may reduce customer choice. Julie Cox (JCx) enquired about RIIO-2 and the treatment of costs. JR explained the substitution analysis required and when it is triggered.

Bethan Winter (BW) asked about the timescales, the efficiencies around the PARCA process and the July planning. BW expressed concern that the extended timings with the PARCA process may cause things to come out of sync.

JR explained that the analysis would remain the same, triggered through substitution analysis or PARCA, with higher levels of information charged for through PARCA, but overall the timescales would be about the same.

Anna Stankiewicz (ASt) highlighted the advantages and potential savings from User Commitments being shorter, including a reduction in enduring capacity. ASt and JCh agreed to liaise offline to look at some examples.

JCx enquired about partial reductions during the reservation timeline and the lack of ability for downgrades, resulting in parties having to carry on with the reserved units under the User Commitment.

The Workgroup went on to consider the exit capacity guidance, incremental capacity, and enduring processes.

Capacity Movement

ASt explained that National Grid are looking at the process and the potential impacts of capacity movements, explaining the capacity movement principles and different approaches. ASt explained that if more than one request is put forward for capacity movement within the same Network, analysis would be undertaken on each request. ASt provided examples of the likely impacts to pressure.

Overruns

ASt confirmed that the July data had been added to the data table.

Baseline

Further information was provided on Baselines for the Workgroup to review. ASt welcomed feedback on the presentation provided. The Workgroup considered what other information may prove useful. ASt confirmed consideration is being given to capping.

Long Term Access Review

Ashley Adams (AA) wished to signpost the Long-Term Access Regime Review Project Consultation seeking views on solution options inviting feedback by 30 November 2021. He confirmed that the consultation had been distributed and that there will be engagement events planned and communicated in the coming weeks.

3. Development / Completion of Workgroup Report

The development of the Request Workgroup Report was deferred to allow further consideration.

4. Any Other Business

None.

5. Next Steps

Further consideration required next month. Workgroup to request an extension until December 2021.

6. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:00 Thursday 04 November 2021	Microsoft Teams	Development of Workgroup Report
10:00 Thursday 02 December 2021	Microsoft Teams	Completion of Workgroup Report

Action Table (as at 07 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0801	05/08/21	2.	<i>Reference Offtakes in Close Geographical Proximity</i> – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions.	November 2021	National Grid (ASt)	Carried Forward