

UNC Workgroup 0761 Minutes
Arrangements for Interconnectors with additional Storage capability
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	(AS)	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
Victoria Bishop	(VB)	Sembcorp Energy UK

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0761/071021>

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 last meeting were approved.

1.2. Approval of Late Papers

EF advised that there were a number of late papers for consideration at the meeting, providing an update for Action 0901, Legal Text and accompany notes. The late papers were accepted by Workgroup.

1.3. Review of Outstanding Actions

0701: Ofgem (HS) to provide a formal view on whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.

Update: EF confirmed that the Workgroup had spent some time considering the different legal views on the legislation. He believed a view had been provided by Ofgem in that they expect the Workgroup to ensure legal compliance issues are considered within the Workgroup Report, to allow the context of discussions to be considered when the report is submitted for an Authority decision. Workgroup members agreed that the action should be closed. **Closed.**

0803: National Grid (PL) to liaise with the CDSP to finalise the supporting ROM (in light of the changes to the Proposal) in time for consideration at the next Workgroup meeting.

Update: Phil Lucas (PL) confirmed that the high-level costs would be provided when completing the Workgroup Report. **Closed.**

0901: National Grid (PL) to confirm, within stage 2 of a Gas Deficit Emergency (GDE) what the sequencing of the direction is, form the Network Emergency Coordinator NEC to direct supplies from storage compared to supplies from Interconnector input.

Update: PL provided a [one-page overview](#) of the GDE sequencing in response to the action, explaining the publication is self-explanatory. **Closed.**

2. Completion of Workgroup Report

PL provided an overview of the provided Legal Text. The Workgroup considered the Text. No further comments were made on the text provided.

The Workgroup considered the draft Workgroup Report and re-considered the definition of storage in legislation. Julie Cox (JCx) was uncertain the UNC could provide a different definition of a storage facility to that defined in the Gas Act. Referring to the consistency of definitions and the different views expressed, Pavanjit Dhesi (PD) requested the Workgroup Report should clearly provide the counter views.

The Workgroup considered the cost estimate from the CDSP. Clarification was provided that this Modification would be funded by National Grid and whether the funding required was within the allowed spending limits not to impact future charges.

Anna Shrigley (ASh) wished to note the short-term aspect of this service, the cost efficiencies and if it's likely to be used as this would be dependent on the costing structure. The Workgroup considered the impact on gas prices and that the analysis of costs was speculative.

PD outlined the positive benefits of the additional service, to use existing capacities not being used for Transportation, for Storage and this would have positive effects on competition and balancing. PD believed that the Modification improved the economic operation of the pipeline system by utilising the available capacity for additional services and noted Interconnectors have long periods when they are not being utilised for Transportation and can be used for short-term storage services to Shippers.

JCx asked if the Interconnector is being used for Transportation if storage services can be offered at the same time, or if storage can only be offered only when the Interconnector is not being used for Transportation. PD explained that there are some thresholds that need to be adhered to. Andrew Blair (AB) clarified that the Interconnector can take additional bookings for both Transportation and Storage Service at times.

Henk Kreuze (HK) enquired if BBL had a view on potentially offering a similar service. Rudi Streuper (RS) didn't have an opinion on offering similar arrangements at this stage.

The Workgroup reviewed and captured comments to conclude the Workgroup Report, agreeing to submit the Workgroup Report to Panel recommending the Modification proceeds to consultation.

3. Next Steps

EF confirmed that the Workgroup Report would be submitted to the October UNC Modification Panel meeting.

4. Any Other Business

None.

5. Diary Planning

No further meetings planned.

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

Action Table (as at 07 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	01/07/21	1.3	Ofgem (HS) to provide a formal view on whether a licenced Interconnector is prohibited from undertaking the role of a Gas Storage facility, as defined under the Gas Act and associated Exemption Orders.	Ofgem (HS)	Closed
0803	05/08/21	3.	National Grid (PL) to look liaise with the CDSP to finalise the supporting ROM (in light of the changes to the Proposal) in time for consideration at the next Workgroup meeting.	National Grid (PL)	Closed
0901	07/09/21	1.3	National Grid (PL) to confirm, within stage 2 of a Gas Deficit Emergency (GDE) what the sequencing of the direction is, from the Network Emergency Coordinator NEC to direct supplies from storage compared to supplies from Interconnector input.		Closed