

**UNC Workgroup 0846 Minutes
Use of Entry Capacity Holdings at Easington at the Rough Storage
ASEP in Winter 2023/2024**

Thursday 01 June 2023

via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	SEFE Energy
Alex Nield	(AN)	Storengy
Anna Shrigley	(AS)	ENI
Antony Miller	(AM)	SouthHook Gas
Archie Stoker	(ASt)	Engie
Benjamin Cull	(BC)	Department for Energy Security and Net Zero
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Davide Rubini	(DR)	Vitol
Eddie Proffitt	(EP)	Major Energy Users Council
Ellie Rogers	(ER)	Xoserve
Emma Robinson	(ER)	EON Energy
Hannah Reddy	(HR)	Xoserve
James Lomax	(JL)	Cornwall Insight
Joseph Leggett	(JLe)	Interconnector
Julie Cox	(JCs)	Energy UK
Kathryn Adeseye	(KA)	Xoserve
Marion Joste	(MJ)	ENI
Mariachiara Zennaro	(MZ)	Centrica
Matthew Newman	(MN)	National Gas Transmission
Mathew Chandy	(MC)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins (Proposer)	(PH)	National Gas Transmission
Phil Lucas	(PL)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Sallyann Blackett	(SA)	EON Energy
Steve Mulinganie	(SM)	SEFE Energy

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 August 2023.

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0846/010623>

1.0 Outline of Modification

The Proposer's representative, Nick Wye (NW)

NW presented the Modification, explaining that it seeks to ensure entry capacity holdings at the Easington Aggregated System Entry Point (ASEP) can be utilised at the Rough Storage ASEP during Winter 2023/24 in the same way as they were during Winter 2022/23. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0846>.

NW explained that the Modification reflects the wider energy issues being experienced by the industry as a consequence of the war in Ukraine and is looking to 'level up' the playing field. He then went on to point out that the Modification seeks to build upon the (temporary) provisions of Modification 0817 - *Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP*, although it should be recognised that at this juncture Centrica is not 100% certain of the longer-term solution requirements.

NW referred to the now 'stranded' capacity that was purchased due to the enforced separation and creation of the Rough ASEP which has undermined entry capacity bookings made at Easington.

The Modification is proposed as an Authority Direction as it will have a material impact on the security of supply and competition in the gas shipping sector.

The Modification is currently planned for a 3-month Workgroup development, but the hope is that this can be expedited on the grounds that it replicates the solution adopted for Winter 2022/23 under Modification 0817 with no more than a minor enhancement to enable **all** Users with Easington ASEP capacity acquired before the establishment of the Rough ASEP to use the redesignation mechanism to promote optimal use of the Rough storage facility, implementation (if directed by Ofgem) is required as soon as possible and in any event before the withdrawal season commencing in Q4 2023.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

Q1. Workgroup is asked to provide a view on what is the effect of this Modification on competition.

NW advised the approach for this Modification is consistent with the approach for Modification 0817 - *Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP*. It respects that a party-bought capacity for the purpose of withdrawing gas from storage. The implementation of the changes to the charging regime in October 2020 and the subsequent splitting of the Easington ASEP would undermine the basis on which they were originally acquired – by extension, as this proposal enables a User to utilise already acquired entry capacity is good for competition.

It will, assuming existing contracts are utilised, bring down the cost of gas as it will reduce the overall cost of delivering gas to the NTS from the Rough facility.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from the Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0846

3.0 Next Steps

The following next steps were confirmed:

- Development/completion of the Workgroup Report

4.0 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 06 July 2023	5 pm Wednesday 28 June 2023	Microsoft Teams	Modification Assessment Review of Business Rules
10:00 Thursday 03 August 2023	5 pm Wednesday 26 July 2023	Microsoft Teams	Review of Legal Text Completion of Workgroup Report

0846 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
No outstanding actions						