

## IGT UNC Modification Panel Meeting

### Final Minutes

Friday 23<sup>rd</sup> April 2021

Via teleconference

Attendee	Initials	Organisation	Representing	Notes
Anne Jackson	AJ	Gemserv	Code Administrator	Chair
Claire Roberts	CR	Scottish Power	Pipeline Users	
Rebecca Cailles	RC	BUUK	Pipeline Operators	Alternate for Jenny Rawlinson (BUUK)
Ashley Foster	AF	Indigo Pipelines	Pipeline Operators	Alternate for Cher Harris (Indigo Pipelines)
Scott McPhillimy	SM	Ofgem	Authority	
Jonathan Coe	JC	Ofgem	Authority	Joined for Agenda Item 12
Chris Barker	CB	BUUK	Observer	
Rachel Clarke	RCI	Gemserv	Code Administrator	
Amie Lauper-Bull	ALB	Gemserv	Code Administrator	

#### 1. Welcomes and Apologies

The Chair welcomed the Panel to the reconvened meeting. The Chair noted that following the ongoing quoracy issues the Panel faces, the Code Administrator had opened a meeting prior to this and held that open for one hour as per Code rules (Part L6.10).

The Chair noted that apologies were also received prior to the meeting from Cher Harris (Indigo Pipelines) and Ashley Foster (Indigo Pipelines) would be their Alternate. It was noted that Rebecca Cailles (BUUK) was attending the meeting as Alternate for Jenny Rawlinson (BUUK).

#### 2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the final Agenda. The Panel were invited to add any items for AOB. The Chair noted that they had two items of AOB to raise regarding the Significant Code Review (SCR) Modifications and the Faster Switching Programme.

There were no further items of AOB added by the Panel.

#### 3. Approval of the previous minutes (21-03 and 21-03 Reconvened)

The Chair informed Panel that no comments had been received either set of minutes before the meeting. The Panel had no further comments to add and the minutes were approved as a true reflection of both March meetings.

#### 4. Outstanding Actions

**21/02\_01:** ALB informed the Panel that this action could be closed as the UNC676R Cross-Code Working Report had been sent to the UNC Panel Independent Chair.

**21/03\_01:** ALB informed the Panel that this action could be closed as the INA Regulatory Sub-Committee would be informed at the next meeting on 26<sup>th</sup> April 2021.

## **Workgroup Reports**

### **5. IGT138 – Performance Assurance Techniques and Controls**

RCI advised that IGT138 had been discussed by the Workgroup in meetings in November 2020, March 2021 and April 2021. It was noted that, with regards to governance, the proposer believed that IGT138 should be sent for Authority decision as it would be introducing a new regime into the IGT UNC. The Modification would bring in a baseline as well as changing Modification rules within the solution. It was noted that the Workgroup had agreed with the approach on governance.

RCI stated that the solution had been changed through the process and development through replicating UNC0674 (Performance Assurance Techniques and Controls) to give high-level business rules in the IGT UNC. UNC0674 included details of the regime and IGT138 was asking parties whether they thought it should enable the regime in the IGT UNC.

RCI stated that during the April 2021 meeting, the Workgroup had analysed the consumer impacts section of the Modification and some suggestions had been made following the CACoP initiative to broaden the consumer impacts analysis. It was highlighted that the Workgroup had noted settlement accuracy as a benefit for the consumer experience. The Workgroup had identified that some development would be needed on central systems but were otherwise happy that everything had been discussed and considered thoroughly.

RCI advised that no timescales had been proposed with regards to implementation, however the proposer wanted it to align with UNC0674. It was noted that in the March 2021 Workstream meeting, comments had been raised around a transition period that may be needed for UNC0674 and whether IGT138 should align with that. The Workgroup had agreed that there would be less need for a transition period for IGT138.

The Panel heard that the Workgroup had seen the final draft of the legal text for IGT138 in the April 2021 meeting, following comments that had been made in November 2020. The Workgroup had queried PAC raising changes to the IGT UNC and whether that would go through the same change process as other Modifications. It had been confirmed that it would go through the same stages as a normal Modification and the Workgroup were happy with this approach.

RCI advised that there had also been discussion around triggers added into UNC0674 to ensure any changes to the UNC would be reflected in the IGT UNC. The Workgroup had agreed that any change would need to be put into the Framework Document being introduced with UNC0674, but as it would be too late to add it in at this stage, this would need to be done post-implementation. RCI advised that this issue had been added to the Known Issues Register.

RCI stated that the Workgroup were happy with the legal text and recommended that Panel should proceed to consultation. RCI suggested a 20 Working Day consultation period, as the Workgroup had expressed wishes that the consultation period should align with UNC0674. This would mean that both consultation periods would close at the same time and consultation responses would be published at the same time.

The Panel unanimously agreed that the Workgroup had sufficiently developed IGT138 and it should be sent for a 20 Working Day consultation period, closing on 24<sup>th</sup> May 2021 to align with the timeline for UNC0674. The Chair advised that IGT138 would then be discussed at the June 2021 Panel meeting.

There were no further comments and the Chair closed this section of the meeting.

#### **6. IGT148 - Provision of Class 1 meter read service on IGT networks by the CDSP**

RCI advised that IGT148 would be a self-governance Modification, as the equivalent UNC Modification, UNC0710 (CDSP provision of Class 1 read service), had been self-governance. RCI stated that the solution sought to make appropriate changes to Parts E and C, amending reference to 'Transporter Daily Read equipment' to 'Daily Read Equipment'. It was noted that the Workgroup were happy that the solution delivered the intention of the Modification.

RCI stated that discussions had been held with the proposer and Xoserve regarding the legal text as there had been a difference of opinion around the definition of the CDSP as the service provider. The Workgroup had discussed that the solution stated 'providing' noting that one of the DSC lines would say 'procuring', that this would be inconsistent and that the CDSP organisation would not be going to sites to obtain meter readings. It was noted that the Workgroup were happy with the new wording and the proposer was happy to proceed.

The Panel heard that no impacts to the SCR or the environment had been determined. It had been highlighted that shippers may maintain internalised benefits which could reflect on consumers. The Workgroup agreed with the Relevant Objectives C and F cited by the proposer.

RCI advised that the timeline for implementation should align with UNC0710, however the target date of 1<sup>st</sup> June 2021 was outside of the release schedule for the IGT UNC and the next available release would be 25<sup>th</sup> June 2021. It was highlighted that the Workgroup had discussed whether this would hold up the progress of UNC0710 but it was agreed that there would be no issues and including it in the release on 25<sup>th</sup> June 2021 would be the pragmatic approach.

RCI stated that there had been a Contract Manager meeting earlier that week and advised that service procurement would be pushed back until August 2021 at the earliest. The alignment of implementation dates would be discussed once the consultation period for IGT148 had closed.

It was noted that the Workgroup had seen various versions of the draft legal text and overall were happy with the final version that had been presented to them. There had been some discussion regarding naming Xoserve as the Class 1 Read Provider and the hook for the service in the IGT UNC being through the IGTAD in the UNC. It was noted that, as a result of a conversation with the proposer and Xoserve, no changes had been made. RCI advised that the Workgroup were happy that the legal text had been sufficiently developed and recommended that IGT148 proceed to consultation.

The Panel unanimously agreed that the Workgroup had sufficiently developed IGT148 and it should be sent for a 15 Working Day consultation period, closing on 17<sup>th</sup> May 2021. The Chair advised that IGT148 would then be discussed at the May 2021 Panel meeting.

There were no further comments and the Chair closed this section of the meeting.

## **7. IGT153 – Aligning the IGT UNC with Licence Changes Following the UK leaving the European Union (EU)**

RCI advised that the Workgroup had completed the Workgroup report for IGT153 in the April Modification Workstream meeting. It was noted that IGT153 had been adapted from IGT120F (Aligning the IGT UNC with licence changes following the UK leaving the EU with a 'No deal'), which had been withdrawn as it was no longer appropriate, however the legal text was robust and still needed to be implemented. RCI informed the Panel that IGT153 would be Self-Governance and the solution was simple, incorporating some new terms which would allow for any retained EU law to still be applicable. RCI advised that the Workgroup had agreed with the solution and determined that there would be no impact on the SCR, consumers or the environment. The Workgroup had agreed that IGT153 met the Relevant Objectives cited by the proposer and they had no concerns with the legal text. It was highlighted that all other codes had also produced EU-exit Modifications and, if accepted, the Workgroup proposed that this Modification be implemented in the next available release. RCI advised that the Workgroup's recommendation to Panel was that IGT153 should proceed to consultation as it had been sufficiently developed during Workstream meetings.

The Panel unanimously agreed that the Modification had been sufficiently developed and that it should be sent for a 15 Working Day consultation period, set to close on 17<sup>th</sup> May 2021.

There were no further comments and the Chair closed this section of the meeting.

### **Final Modification Reports**

## **8. IGT132V – Introduction of IGT UNC Code Credit Rules**

RCI advised that IGT132V had returned from a second consultation period on the legal text following issues being raised by the Workgroup in March 2021. It was noted that it had been sent for a 10 Working Day consultation period as the only area of focus was the legal text. RCI advised that four consultation responses had been received: three which offered support and one which did not support the legal text. Two respondents had noted that the Modification could be implemented in the next scheduled release. One respondent suggested changes and additions to the legal text in sections 21.1.1, 21.3.6 and 21.3.7. It was noted that the other respondents had acknowledged that the proposer had addressed comments received in previous Workgroup meetings.

RCI stated that, during the second consultation, parties had been invited to consider the new legal text changes made following Workgroup development in March 2021. These areas were specific to: addition of timescale for initial requests of credit cover; addition of bilateral agreements between Pipeline Operators and Pipeline Users; application of cover at a company or Group of Companies level and limitation of frequency that Pipeline Operators can request cover from a Pipeline User in an Annual period. One respondent had stated that the changes added clarity, one said it was pragmatic and added flexibility and one said that the proposer had gone some way to address issues but they still did not support the solution. RCI advised that another point had been made that there was a unique mixture from Distribution Connection and Use of System Agreement (DCUSA) and UNC and this could be confusing to new entrants. The respondent also stated that they did not think the benefits considered the time and effort needed and there would be a negative impact to shippers.

RC stated that they believed the proposer had addressed fundamental issues and the other issues were more of an individual relationship between shippers and IGTs as it was an opt-in approach. SM advised that they had spoken to a colleague and they had stated that they had concerns about the details provided on costs and benefits for this proposal as there would be a risk that Ofgem might need to return the Modification to the Panel or Workgroup when sent to the Authority for decision. SM added that if the Modification was sent to the Authority for approval, then Ofgem may need to engage with the proposer further for more information. RCa stated that the reason for returning the Modification to the Workgroup was because they believed an additional month at the Workgroup would help Ofgem if they did not find it comprehensive. RCI advised that the proposer has sent some cost-benefit analysis to Ofgem at the time the Modification was raised and then invited shippers during a Workgroup meeting to send any cost benefits to Ofgem directly.

The Chair stated that they would find the minutes from that meeting offline and added that the Workgroup report could not be altered. RCa asked the Panel if they thought the Modification as sufficient as it was, so that it would not be returned by Ofgem, stating that they had provided all the information necessary for the cost-benefit analysis. CR stated that, as a shipper, they would not be in support of the Modification despite the changes, but it would be beneficial to gain more analysis work to speed-up Ofgem's decision.

CB noted that they did not want to share cost-benefit analysis information with the Panel as it was confidential and asked if a cost-benefit analysis could be done at industry level or if it needed to be specific for individual organisations for Ofgem. The Chair noted that airing such issues may impact competition legislation. CB noted that they had not had a response from Ofgem acknowledging receipt of their cost/benefit report. SM agreed to check internally with colleagues to see if the report had been sent to the correct person. It was noted that Ofgem would welcome further cost-benefit analysis, sent confidentially to [cameron.bailey@ofgem.gov.uk](mailto:cameron.bailey@ofgem.gov.uk) as soon as possible.

RCI advised some suggested changes to the legal text had been provided by a shipper during the last Consultation. CB stated that they were happy with the proposed amendments, however believed nothing could be done at this stage. It was suggested that shippers might face additional costs shippers as a result of the modification, suggesting that this point was missing from the analysis. RC asked the Proposer if the additional work would be needed and reviewed further. CB stated that they were happy with the Modification as it was, however in terms of analysis, a shipper analysis would be helpful. The Chair stated that the Modification could still be sent to Ofgem for decision, whilst reminding parties to send their cost-benefit analysis to Ofgem urgently. RC asked what would happen if shippers were not able to provide the required analysis. CB stated that there had been plenty of opportunity for Shippers to provide their analysis and it should still be done. SM stated that if shippers could not provide the information needed then Ofgem would make a decision based on the information they already had and determine whether they were happy to make a decision based on that information.

The Chair indicated that the modification could be Varied if the changes were deemed by Panel to be non-material. The Chair asked the proposer wished to vary the Modification and CB, the Proposer confirmed that they wished to make the amendments to the legal text put forward by a consultation respondent.

The Panel unanimously agreed that the legal text could be varied and that the changes were not material. The Panel also unanimously agreed that the Modification should not be sent back to the Workgroup and could proceed to Authority decision.

The Panel agreed that there were no SCR impacts, consumer impacts or cross-code impacts and that the Modification met at least one Relevant Objective.

The Chair asked the Panel if they were happy with the proposed implementation date. CR asked when the implementation date was proposed for. RCI advised that implementation was set for three to six months. CR advised that a decision would need to be made by May 2021 in order to implement in November 2021. CB stated that they believed the Modification stated it would be implemented in the next available release after Authority decision. The Chair noted that it had been mentioned that six months lead time would be needed. RCI stated that it would be the November 2021 release at the earliest considering Ofgem's decision on the Modification.

The Panel agreed that the legal text sufficiently met the intention of the solution and that the Modification was ready to send to the Authority for decision. Two Panel members agreed that IGT1132V should be implemented and one Panel member did not approve of implementation.

The Chair noted that, upon sending notification to parties to inform that IGT132V had been sent to the Authority for decision, the Code Administrator would reiterate the need for cost-benefit analysis to encourage Parties to submit additional information.

#### **9. IGT151 - Revisions to user termination provisions**

RCI advised that IGT151 would be self-governance and had been sent straight out for a 15 Working Day consultation period following the March Panel meeting as the relevant legislation had already been implemented and the equivalent UNC Modification had also been implemented. RCI noted that one consultation response had been received from the Proposer, which supported the Modification.

The Chair asked the Panel if they still believed that the Modification should be self-governance and if they had any concerns with the modification impacts identified. The Panel unanimously agreed that the Modification should remain as self-governance and had agreed that the impacts had been sufficiently identified. The Panel agreed that the modification met the Relevant Objectives cited by the Proposer and that the legal text adequately met the needs of the solution.

The Panel agreed that the Modification should be implemented by a unanimous vote. The Panel agreed that subject to the 15-day appeal window, IGT151 should be included in the scheduled June 2021 release.

#### **10. IGT152F - Housekeeping changes for the IGT UNC**

RCI advised that this modification sought to group together a number of housekeeping items on the Known Issues Register. It was noted that the Modification would be Fast-Track Self-Governance and the solution would make changes to the Code and any related ancillary documents, following implementation in the next scheduled IGT UNC release. RCI advised that there were no foreseen impacts to the SCR, consumers or the environment and the Modification would have a positive impact on Relevant Objective F. The Panel heard that, during

consultation, one response had been received from Indigo Pipelines who supported the Modification with no opposing views on the legal text or governance.

The Panel agreed that the Modification should be implemented by a unanimous vote. The Panel agreed that subject to the 15-day appeal window, IGT152F should be included in the scheduled June 2021 release.

### **Update on Workgroups**

#### **11. Workgroup Summary**

There were no additional comments or questions from the Panel.

*Please find the link to the Workgroup Summary [here](#).*

### **Authority Updates**

JC advised that Ofgem wished to provide an update on Code Modification Decision Timings and Code Governance and provided a presentation.

*Please find a link to the presentation [here](#)*

#### **12. Code Modification Decision Timings**

JC advised that the new approach would see Ofgem trial a new process where Ofgem would assess each Modification based on criteria, including urgency and set a date for providing the decision on that Modification. The dates would be published on the Ofgem website and dates would be updated when revisions were made. The process would be reviewed after a sixth-month trial period. AJ asked how frequently updates would be put onto the register and if the Code Administrator could expect a formal response when submitting a Modification. JC advised that Ofgem would update the register monthly, but if Modification dates changed then it would be updated as soon as possible and an email notification would be sent out to alert the Code Administrator of the change.

#### **13. Code Governance**

JC advised that they had a second item to discuss regarding Code Governance. JC stated that in 2019 Ofgem had published a joint consultation with the Department for Business, Energy and Industrial Strategy (BEIS) and they were currently working with BEIS on the issues raised, with a view to consulting on the issues again later in the year. The topics discussed were as follows:

- Code rationalisation
- Equality and diversity
- Digital transformation
- Improved Cross-Code working

It was noted that the reforms set out in the consultation proposed a significant change to the existing regulatory framework for gas and electricity markets. JC advised that implementation of the reforms may take several years and that delivery may need to be staged in order to achieve them. JC advised that industry parties should continue to consider improvements to existing governance arrangement ahead of any future fundamental reform.



There were no comments or questions from the Panel.

#### **14. Cross-Code Survey**

SM advised that Ofgem would be carrying out a Cross-Code survey and it was currently being set up by a third-party company called Savanta. SM noted that they had contacted Code Administrators individually and the survey was due to launch in May 2021.

RCI noted that they had received instructions from Ofgem to gather contact details from industry parties to send to Savanta and asked Panel members if they would consent to their contact details being sent. The individual Panel members agreed to their contact details being sent to Savanta for the purpose of Ofgem's Cross-Code Survey.

#### **15. AOB**

##### **Significant Code Review Modifications**

The Chair reminded Panel of the work that had been carried out for the SCR Modifications which had been submitted to Ofgem for consultation. The Chair noted that they had received correspondence from Ofgem stating that they wanted to raise the Modifications and implement them to align with version two of the Retail Energy Code (REC), scheduled for July 2021. It was noted that no Modifications had been drafted to go with the legal text and Panel would need to make a recommendation before sending them to Ofgem. The Chair noted that the deadline indicated by Ofgem was 18<sup>th</sup> June 2021 but adhering to the schedule would mean making a decision at the next Panel meeting, which would not be possible. The Chair indicated that the original understanding was that the consultation that Ofgem had carried out would fulfil the consultation requirement, but that a consultation was now expected as part of the modification process, noting that it may need to be put into an ex-committee Panel meeting. The Code Administrator would need to draft the Modification for Ofgem to adopt as the Proposer.

RC asked if there would only be one Modification and if there would be additional costs. The Chair stated that there would only be one Modification and noted that the Code Administrator had a contract with IGTs for fulfilling the Code Administration role, meaning that from time to time if an additional meeting for example was needed outside of the routine monthly schedule, then the Code Administrator had the right to charge for the service. It was noted that this had only occurred once in the past 12 months. The Chair indicated that various routes for the modification had been considered including urgency but that the modification did not meet that particular criteria.

The Chair advised that Ofgem had given timings and they would be raising the Modification, but the Panel would need to ensure that parties had sufficient time to review it. RC asked if the consultation time could be reduced. The Chair advised that if the consultation period ended before the June 2021 Panel meeting it might work. RC agreed, stating that 10 Working Days would be enough time for parties to make sure that they were comfortable with the Modification.

The Chair asked how long the Panel would need to see the final papers prior to the Panel meeting on 25<sup>th</sup> June 2021. RC stated that less than 5 working days would be needed to meet the deadline of 25<sup>th</sup> June 2021. The Chair stated that the papers could be presented to Panel on 22<sup>nd</sup> June 2021, meaning that the consultation period could start on 2<sup>nd</sup> June 2021 and close on 17<sup>th</sup> June 2021. The Chair noted that the Modification would



need to be raised at the May 2021 Panel meeting and then sent straight for consultation. The Panel agreed with this approach.

RCI stated that it would be dependent on IGTs making a decision at the INA Regulatory Sub-Committee meeting. The Chair stated that the timetable for the modification would be feasible, however an extraordinary release may be required. The Panel agreed that the implications on implementation dates not aligning was minimal.

The Chair noted that the Code Administrator would include the Cross Code Steering Group governance in the drafting of the Modification and there would be some new legal text regarding including the new process into Code. The Chair suggested creating a separate Modification for the CCSG. RC asked what the benefit of having two Modifications would be. The Chair suggested that if there was a problem with one of the Modifications, it would not hold up the other Modification. RCI asked how much industry could critique or change the Modification. The Chair indicated that the modifications are progressing as SCR modifications but are following the normal modification process.

The Chair asked the Panel if they were happy to proceed with the proposed timings, stating that once the Modification had been drafted, it would highlight if timescales looked tight. The Panel agreed with this approach.

#### **Faster Switching Programme**

The Chair noted that they had a second item of AOB regarding the Faster Switching Programme. The Chair noted that they had received communication from Ofgem in association with version three of the REC and needed to be ready by the end of July 2021.

The Chair noted that the review group for the work would be opened again and the INA Regulatory Sub-Committee would need to make further decisions on that piece of work. It was noted that the UNC were making changes to their Code and the implications would also need to be considered.

There were no further or comments from the Panel and the meeting was closed.

**The next IGT UNC Panel is scheduled for 28<sup>th</sup> May 2021.**

#### **Appendix 1 – Actions Table**

Reference	Date	Action	Owner	Status
21/03 - 01	26/03/2021	CA to draft a response letter to the CACoP website business case for inclusion in the agenda for the next INA meeting to inform of IGTs endorsement and abstinence from making a recommendation regarding funding.	CA	Closed
21/02 - 01	26/02/2021	CA to amend the UNC676R Cross-Code Working Report and send to the UNC Panel Independent Chair prior to the next UNC Panel meeting.	CA	Closed