



IGT UNC 22-01 Modification Workstream Meeting

Final Minutes

Thursday 10th February 2022 via Teleconference

| Attendee | Initial | Organisation | Notes |
|------------------|---------|------------------|---|
| Anne Jackson | AJ | Gemserv | Chair |
| Kundai Matiringe | KM | BUUK | |
| Chris Barker | CB | BUUK | Proposer (IGT132VV) |
| Heather Ward | HW | Energy Assets | |
| Michelle King | MK | Energy Assets | |
| Clare Manning | CM | E.ON | |
| Cher Harris | CH | Indigo Pipelines | |
| Claire Roberts | CR | Scottish Power | |
| Gethyn Howard | GH | Last Mile | |
| Jaimee LeResche | JL | Xoserve | |
| Dave Addison | DA | Xoserve | Present for items 1,2,3,4,5 and 6 only To present under IGT158 and RG005 |
| Talia Addy | TA | Gemserv | Code Administrator |
| Sandra Fawzy | SF | Gemserv | Code Administrator |

1. Welcome and Apologies for Absence

The Chair welcomed attendees to the meeting and formally introduced Gethyn Howard (Last Mile) to all the attendees. All attendees confirmed permission for the meeting to be recorded.

2. Confirmation of Agenda

The Chair advised the Workgroup that the meeting would be lengthy as there were a lot of items on the agenda to cover that involved a significant amount of time, including the completion of two Workgroup Reports (IGT158 and IGT132VV).

3. Approval of the Previous Minutes 22-01

SF informed the Workgroup that no comments were received for the draft 22-01 Modification Workstream meeting minutes, however there were two areas that were edited by the CA. The first was the addition of Clare Manning (E.ON) to the list of attendees and the second was to incorporate a link for the supplementary document under item 5 IGT132VV – Introduction of IGT Code Credit Rules. The supplementary document was significant as it detailed the Workgroup observations of the RFI responses.

4. Outstanding Actions

SF informed the Workgroup that there was one outstanding action:

21-12/04 CA to propose a legal definition to the Workgroup for LDZ “Ancillary Agreement” and for it to be provided to the Workgroup at its next meeting. The Chair notified the Workgroup that legal drafting for agenda items 5 and 6 was prioritised and that the action is to be carried over to the March 2022 Workgroup.

Review Groups

5. [RG005 – IGT UNC Review of Impacts resulting from the Faster Switching Programme arrangements](#)

The Chair informed the Workgroup that the IGT UNC legal drafting for the Faster Switching Programme is a work in progress and although many alterations have been made the changes are not yet complete. The drafting contains a significant amount of cross referencing to the UNC and amendments have been made to UNC sections B, G, M and the relevant annexes. The Chair notified the Workgroup that the amendments are detailed and welcomed Workgroup feedback. The Chair added that there will be a second opportunity for the legal drafting to be reviewed as Ofgem will be raising an SCR Modification which will have a 4-week consultation period. The SCR Modification is expected to be raised in the Spring. The Chair also advised that further changes may continue to be picked up following the implementation of the SCR Modification as there have been a lot of detailed changes and not everything may have been picked up.

The Chair informed the Workgroup that Shipper led switching is being removed from of the UNC and the IGT UNC as it is going to be led by Suppliers. It will be initiated by the Central Switching Service (CSS) implementation, which is expected to be on 18th July 2022.

The Chair informed the Workgroup that DA has had a significant role in updating the legal drafting for the UNC. Noting that the IGT UNC points to a lot of the required process changes.

The Chair invited comments on the drafting presented.

HW pointed to the legal drafting for IGT UNC Part CI and the removal of clause 2.2(e) (Supply Point Register and site visits) which states:

“the RPC Entry Annual Quantity, the Formula Year Annual Quantity, the Rolling Annual Quantity, Formula Year Supply Point Capacity, Rolling Supply Point Capacity and End User Category of the Supply Point”.

HW specifically questioned the removal of RPC Entry Annual Quantity and whether UK Link would continue to store the information and how it is populated under the new rules. It was agreed that DA would check the impact on the registration process and provide an update at the next Workgroup meeting.

DA explained that Annex G-1 in the UNC sets out the data that is available to parties at key stages within the registration process. DA advised that Annex G-1 may be removed from the UNC as it is too detailed and changes to it currently required a UNC Modification.

DA took the Workgroup through the 'end to end' ([E2E Data Services Landscape](#)) diagram and notified the Workgroup that the Transporter Initiation Registration has been acknowledged in the CSS and the Retail Energy Code (REC) drafting. DA notified the Workgroup that the Transporter Initiation Registration has been acknowledged in the CSS and the Retail Energy Code (REC) drafting.

WS 22-02/01 DA to check the impact on the RPC Entry AQ of the new registration process.

Modification Work Groups

6. [IGT158 – Transition to the Central Switching Service and the Retail Energy Code v3.0](#)

The Chair advised the Workgroup that the Modification will introduce transitional arrangements into the UNC that are required to deliver CSS and facilitate the transition to REC v3. For the avoidance of doubt, a separate Modification will be raised under Ofgem's Significant Code Review (SCR) that will enact REC v3 into the IGT UNC.

The Proposer highlighted that there have been minor amendments to the Modification Proposal, specifically under the business rules, and that it now states that "*The Shipper should provide such nominations no later than the Association Data Deadline which will be communicated to Pipeline Users by the CDSP*".

The Chair notified the Workgroup of the equivalent UNC Modification [0784S - Transition to the Central Switching Service and the Retail Energy Code v3.0](#) noting that it is a Self-Governance Modification and will be going to the UNC Panel in February as a late paper. It is likely to be implemented immediately following the closure of the appeal window. The Chair highlighted that IGT158 is slightly behind and the importance of keeping the Modification on track and facilitating an implementation as soon as possible.

The Workgroup agreed that the completed Workgroup Report should go to the IGT UNC Panel meeting on 25th February. The Workgroup agreed that a 2-week consultation period was sufficient, acknowledging that the final decision on the length of the consultation lies with the Panel.

The Chair directed the Workgroups attention to the IGT158 [draft legal text \(dated 2nd February 2022\)](#), highlighting that "Temporary Measures" has been removed from the Coronavirus provisions heading and into a heading of its own so that the CSS transition measures could sit under the same "Temporary Measures" heading. It was also noted that definitions have been clarified within the drafting.

The Workgroup agreed that the Solution delivers what is needed to enable the CSS implementation and that it marries with the UNC Solution and transitional arrangements. The Workgroup was also satisfied with the legal text.

The Workgroup agreed that the Modification will facilitate the implementation of the Faster Switching SCR Modification, which is expected to bring significant consumer benefits. The Workgroup recognised that there is potentially one day in which consumers will not be able to switch, to the transition to CSS systems. The Workgroup recognised that this is something that has happened before (Nexus UK Link Implementation in 2017). The Workgroup recognised that any impacts felt by consumers would be short term.

The Workgroup discussed cross Code impacts and believed similar Modifications would be required under the UNC, BSC and SEC.

The Workgroup agreed with the Proposer that the Modification has a positive impact on Relevant Objective (D) (Securing of effective competition) and an additional positive impact on Relevant Objective (F) (Promotion of efficiency in the implementation and administration of the Code), as implementing the same UK Link Solution prescribed by the UNC Transition Modification will be more efficient. Additionally, the Modification would ensure a smooth transition to REC v3.

The Workgroup was satisfied with the legal text.

The Workgroup agreed that the Modification should be implemented immediately after the Modification's appeal window closes and acknowledged that it may require an extraordinary release of the IGT UNC. The Workgroup completed the Workgroup Report and unanimously agreed that it should be taken to the February Panel meeting.

7. IGT132VV – Introduction of IGT Code Credit Rules

The Workgroup spent a significant period of time working through the IGT132VV Workgroup Report. SF directed the Workgroup to the [Ofgem send back letter](#) and reminded them of the reasons for the Modification being sent back and highlighted the importance of addressing all of Ofgem's reasons and expectations.

The Workgroup considered the solution and determined that there may be an issue of clarity with regards to whether the Modification was relevant to transportation charges only or extended beyond that. The Proposer confirmed that the intention was for the solution to only apply to transportation charges. The Workgroup considered how to clarify this point. The CA confirmed that the Modification could not be varied at this stage in the process. The Workgroup agreed that a house keeping Modification could be raised after the implementation of IGT132VV to provide clarity, if needed.

The Workgroup discussed and considered the draft Workgroup Report at length and agreed that the following should be reflected within:

- RFI responses show that while IGTs can currently apply sanctions this is limited to debt over £10k which may not be applicable for smaller parties and that applying sanctions could have a detrimental impact on consumers by preventing them from switching.
- This Modification has the potential to allow IGTs to more efficiently manage debt and therefore potentially reduce the risk of applying sanctions in future. This risk is exacerbated by

the currently market volatility and the number of Supplier of Last Resort (SoLR) events. This Modification would provide an interim step that IGTs could use prior to applying sanctions.

- IGTs stated that unpaid debt could potentially effect consumers as cashflow will be affected if debts are not paid. The ramification could be that IGTs may not be able to finance other licenced activities, but this will vary with each IGT.
- The Workgroup acknowledged potential cost implications for putting credit cover in place but could not comment further as related RFI responses were confidential, recommending that Ofgem seek further cost information from Shippers directly. They also could not determine the extent to which costs would be incurred by Shippers as a result of Code credit arrangements and that it would be dependent on the credit arrangements organised with each Shipper, if invoked.

The Workgroup discussed the Relevant Objectives and agreed with the Proposer's view that the Modification better facilitates Objectives (B) and (F), for the reasons set out in the [Workgroup Report](#). The Workgroup added that the full consideration of how these are met would be carried out as part of the consultation.

The Workgroup agreed with the Proposer that following an Authority decision this Modification should be implemented as part of the next release of the IGT UNC.

The Workgroup agreed that the consumer and competition impacts had been adequately discussed and recommend to the Panel that this Modification should proceed to Consultation.

It was agreed that the CA would finalise the Workgroup report and send it to attendees to review before it is taken to Panel on 25th February 2022.

New Modifications

8. [IGT159 – Amendments to the Must Read Process](#)

The Chair advised that this item will be deferred until the next meeting due to time constraints, this was agreed and accepted by the Workgroup. It was also agreed that it would be placed top of the March Workgroup Agenda.

Pre- Modifications

9. [IGTXXX - Introducing the concept of a derogation into the IGT UNC for innovation projects](#)

The Chair advised that due to time constraints this could not be heard. HW (Proposer) explained that the Modification needs to be raised within the next 4 weeks and any feedback on the Proposal would be appreciated.

Post Meeting Note: This Modification has now been raised as IGT160. Further information on the Modification can be found on the [IGT160 webpage](#).

Standing Items

10. [Cross-Code Modification Implications Tracker](#)

The Chair advised that this item will be deferred until the next meeting due to time constraints, this was agreed and accepted by the Workgroup.

11. [IGT UNC Known Issues Register](#)

The Chair advised that this item will be deferred until the next meeting due to time constraints, this was agreed and accepted by the Workgroup.

AOB

12. Definition for MAM or MEM

The Chair advised that this item will be deferred until the next meeting due to time constraints, this was agreed and accepted by the Workgroup.

13. IGT RGMA Guidance Document V2.0

The Chair advised that this item will be deferred until the next meeting due to time constraints, this was agreed and accepted by the Workgroup.

It was agreed that the Workgroup will look at the [IGT RGMA Guidance Document V2.0](#) before attending the March Workgroup meeting. The CA agreed to create a changed marked version to be loaded onto the IGT UNC website in time for paper day of the March Workgroup meeting.

The next Workgroup meeting is scheduled for Thursday 10th March 2022.

Annex A – Action Log

| Action reference | Action Description | Owner | Status |
|------------------|---|-------|-------------------------------------|
| WS 21-12/04 | CA to propose a legal definition to the Workgroup for LDZ “Ancillary Agreement” and for it to be provided to the Workgroup at its next meeting. | CA | Carried forward – March 2022 update |
| WS 22-02/01 | DA to check the impact on the RPC Entry AQ of the new registration process. | DA | New |