

## IGT UNC Modification Panel Meeting

### Draft Minutes

Friday 28<sup>th</sup> October 2022

Via teleconference

Attendee	Initials	Organisation	Representing	Notes
Anne Jackson	AJ	Gemserv	Code Administrator	Chair
Cher Harris	CH	Indigo Pipelines	Pipeline Operators	
Claire Roberts	CR	Scottish Power	Pipeline Users	
<a href="#">Jenny Rawlinson</a>	<a href="#">JR</a>	<a href="#">BUUK</a>	<a href="#">Pipeline Operators</a>	<a href="#">IGT162 Proposer</a>
Jennifer Semple	JS	Ofgem	Authority	
Puja Vadgama	PJ	Ofgem	Authority, Observer	
Richard Pomroy	RP	Wales and West Utilities	Observer	Distribution Network (DN)
Talia Lattimore	TL	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 (CA) had opened a meeting prior to this and held that open for one hour as per Code rules (Part L6.10).

#### 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, but there were no further items added.

#### 3. Approval of the previous minutes (22-09 and 22-09 Reconvened)

The CA invited comments on the September 2022 meeting minutes noting that no comments had been received prior to the meeting. No comments were raised during the meeting and the minutes (both standard and reconvened meetings) were approved as a true and accurate account of the meetings.

#### 4. Outstanding Actions

The Panel were informed that there were 2 outstanding actions:

- **22/09 - 01: CA to draft Urgent IGT UNC Modification Proposal related to UNC0824 - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas) and share with JR as sponsor of the Modification.** TL advised the Panel that the Modification Proposal was drafted after the last meeting and sent to JR as requested. The Panel agreed that this action could be closed.
- **22/09 - 02: Chair to speak with National Grid regarding an Urgent IGT UNC Modification Proposal related to UNC0822 - Reform of Gas Demand Side Response Arrangements.**

The Chair advised the Panel that they have discussed the Modification with National Grid and Ofgem. Further details on this update can be found under item 9 below.

### **Modification Business**

#### **5. IGT159(V) – Amendments to the Must Read Process**

The Panel were provided with an overview of IGT159 and its progression since the Panel last considered it. TL advised that the Modification was issued for industry consultation and that as a result of respondents views the Proposer decided to submit a Variation Request to the Panel at its meeting today.

#### Consideration of Variation Request

The Panel were advised that the Proposer had been unable to attend the Panel meeting. However, the Variation Request was published as such on the IGT159 website and considered and discussed by the Workgroup at its meeting on 13th October 2022. The Proposer's intention to raise the Variation Request at Panel today is clear, based on their communication with the CA and their engagement with the Workgroup.

The Panel were asked to formally agree whether they were happy to accept the Variation Request as submitted even though the Proposer was unable to attend. The Panel unanimously accepted the submission of the Variation Request.

The Panel were presented with the Variation Request and taken through the Proposer's rationale for the request, as well as relevant responses to the IGT159 consultation.

The Panel were advised that the Proposer, following consideration of respondents views to the Consultation, felt that a change to the Modification was needed to ensure the governance was clearer with regards to the CDSP notifying IGTs of known issues. The Panel were advised that the Workgroup considered the drafted Variation Request as well as relevant consultation responses on 13th October 2022 and unanimously agreed that a Variation was needed and that they supported the progression of one as drafted.

The Panel reviewed the changes to the Modification as well as the Legal Drafting and agreed that these were minimal and clear. They also considered whether the changes to the Modification were material or non-material. The Panel unanimously agreed with the Workgroup that the changes to the Modification were non-material.

The Panel unanimously accepted the Variation Request and as a result, IGT159 was withdrawn and replaced with IGT159V.

## Consideration of IGT159V Final Modification Report

### **Significant Code Review**

The Panel, following their acceptance of a Variation Request for IGT159, considered whether IGT159V had an impact on any Significant Code Reviews (SCR). The Panel unanimously agreed that there was no impact on any SCRs.

### **Governance**

The Panel, following their acceptance of a Variation Request for IGT159, considered Governance with regards to IGT159V. The Panel unanimously agreed that IGT159V is an Authority Decision Modification for the reasons previously given for IGT159.

### **Solution**

The Panel unanimously agreed that the IGT159V solution delivers the intention of the Modification and that no further work was required.

### **Impacts and Costs**

The Panel considered the impacts of IGT159V, as well as consultation respondents views with regards to impacts.

The Panel recognised that while this Modification goes some way to addressing some of the bigger issues with the Must Reads process, the Panel noted that there are wider issues that sit outside of this Modification. The Panel encouraged parties who have not been engaged with IGT159V or the CMS rebuild to get involved with discussions as some of the issues regarding the Must Reads process are being addressed as part of the CMS Rebuild (e.g. data cleansing).

The Panel noted a response to the IGT159 consultation whereby the respondent referenced challenges with regards to cost recovery. The Panel felt that challenges with cost recovery is associated with the existing limitations within the current Must Reads process as there will always be a gap where the status of a site can change as the notification reports are based on monthly data rather than real time data.

The Panel agreed that the impacts highlighted above are accurate and applicable to IGT159V and had nothing new to add.

### **Relevant Objectives**

The Panel considered the impact of IGT159V on Relevant Objectives. The Panel agreed that IGT159V will have a positive impact on Objectives (D) (Securing of effective competition) and (F) (Promotion of efficiency in the implementation and administration of the Code) for the reasons given by the Proposer and in the Workgroup Report.

### **Legal Drafting**

The Panel considered the IGT159V Legal Drafting and unanimously agreed that the Legal Drafting delivers the intent of the IGT159V solution.

### **Implementation Approach**

The Panel considered the implementation approach and unanimously agreed with the approach for IGT159V.

### **Consultation Responses**

The Panel were taken through responses to the IGT159 consultation. The Panel considered respondents views in all areas but paid special attention to views regarding the area of additional consideration, which the Panel requested to be included as part of the consultation.

Parties were asked to consider whether reciprocal provisions with regards to the CDSP notifying IGTs of known issues highlighted by Shippers should be added to the solution and consequently the Legal Drafting, to ensure that there was clearer governance.

The Panel acknowledge that most respondents (7 of 9) supported the introduction of the reciprocal provisions. The Panel also considered and acknowledged the unanimous Workgroup support for the reciprocal provisions and the progression of a Variation Request to introduce said provisions.

The Panel considered additional comments provided by two respondents. The first was regarding a gap in the Modification regarding the CDSP notifying IGTs of sites with known issues. However, the Panel agreed that this was not a new issue. CDSP notifications to IGTs was considered by the Workgroup during development. IGTs were always intended to be notified of a site having a known issue but as the perceived method was for this to be done by removing relevant sites from the notification reports a specific provision was not included (like it was for Shippers). The acceptance of the Variation Request, which adds in reciprocal provisions to ensure the governance is clearer and ensures the CDSP notifies IGTs in the same way as Shippers, will address any perceived gap.

The Panel were advised by the Code Administrator that the intention to notify IGTs as well as Shippers when sites required removal from the notification report was already included in the ROM provided by the CDSP. So, from a technical solution perspective, the intention to notify was always there and the reciprocal provisions will have no impact on the costs set out within the ROM or the delivery of the Modification.

The Panel acknowledged that there are wider issues with the Must Reads process that are not within the scope of this Modification. For example, comments were made by a respondent regarding cost recovery and issues with multiple read rejections. The Panel felt that these challenges were

associated with existing limitations within the current Must Reads process. For example, with cost recovery, there will always be a gap between reports where the status of a site may change as notification reports are based on monthly data rather than real time data and that this issue was with the wider process rather than IGT159V.

They also considered a comment made by a respondent regarding the pause window for sites associated with a Supplier of Last Resort (SoLR) and/or Change of Shipper (CoS) event. The respondent questioned whether the window (as set out in Business Rule 4) should be extended. CH, who is a member of the organisation who made the comment, advised that this was not necessarily something to be considered under IGT159V and advised that they did not want to hold up the Modification. The Panel agreed that this should be considered outside of IGT159V.

The Panel, having considered the views put forward by respondents, agreed that there were no new issues that required Workgroup Consideration and that no further changes were required to IGT159V.

#### **Recommendation on Implementation**

The Panel unanimously agreed to recommend to the Authority that IGT159V should be implemented.

#### **6. IGT162 - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas)**

The Chair provided an overview of the intent of the Modification, noting that the Panel had discussed the UNC version of the Modification in September and considered whether a Modification to the IGT UNC was also required. The Panel concluded that a Modification was required, and that said Modification should be raised with a request for urgency. The Code Administrator worked with the Proposer, who submitted the Modification with a request for Urgency on 13<sup>th</sup> October 2022. The Modification was issued to Ofgem for Authority consideration for Urgency, with Urgency being rejected on 19<sup>th</sup> October 2022.

#### Urgency Outcome

CR asked why Urgency was rejected by the Authority. The Proposer advised that they have been in discussion with Ofgem and the Code Administrator. As part of those discussions the Proposer provided additional information to support them in making their decision on Urgency. The Proposer provided some rationale with regards to their justification for urgency, including:

- Commercial impact on Proposer Organization as it is unclear if IGTs will have to fund scheme costs; and
- CDSP being in breach of IGT UNC Part N (CDSP and UK Link), as they would not have the role of administering the EPG scheme within the scope of their responsibilities under the IGT

UNC and therefore would be using the Supply Point level IGT data on behalf of IGTs with out the nessessary permissions being in Code.

The Proposer advised that Ofgem felt that neither of the above principles were justified and they didn't have the evidence they needed to consider the CDSP being in breach. They also advised that any costs to IGTs would be levied regardless of this Modification being given urgent status.

The Proposer also highlighted that they were advised by Ofgem that the decision on urgency in no way reflected the Authority's view on the merits of the Modification or their view on whether it should be implemented. Ofgem were invited to comment and added that if the Modification is submitted to Ofgem it will be assessed on its merits at that time.

The Panel, having reviewed the justification for Urgency set out by the Proposer and the Authority's rationale for rejection, unanimously agreed with the Proposer in that the Modification should have been treated as Urgent. This was because the EPG Scheme is currently being administered and includes IGT Supply Points. They recognised that IGT Supply Points were included to ensure there was no discrimination against customers on IGT networks, though this was done even though the nessessary permissions did not exist within the IGT UNC.

#### Governance Route & Next Steps

The Proposer advised they believe the need for the Modification, and the fact that the activity of the scheme is being undertaken by the CDSP, go hand in hand with Urgency (like it has done for the UNC Modification and the BSC Modification associated with the scheme). However, the Proposer understands where Ofgem are coming from with regards to their decision.

In light of the Authority's decision to reject Urgency, the Proposer requested that the Panel consider whether the Modification should be progressed as an Authority Decision Modification. The Proposer felt that Self-Governance was not applicable as there will be a material impact on consumers.

The Panel unanimously agreed with the Proposer's request in that IGT162 should be treated as an Authority Decision Modification as it did not meet the Self-Governance Criteria due to the material impact it would have on Consumers.

The Panel considered whether the Modification required consideration by a Workgroup before it was progressed further. The Panel reviewed the Modification and agreed that the intent and need were clear. They also noted that parties to the IGT UNC will also be parties to the UNC and they will have already seen details of the EPG Scheme and what was delivered as part of UNC0824 - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas

Consumers (Gas). As a result of the above they did not feel there was a need to send this Modification to Workgroup.

The Panel unanimously agreed that the Modification should be issued for consultation. The Panel discussed the potential timetable and unanimously agreed that the Consultation should be issued for a period of 2 weeks and 3 days. Which would allow industry time to review and respond to the consultation but also allow the Modification to be brought back to Panel in November.

#### Solution

The Panel considered the UNC0824 solution and highlighted that the IGT UNC needs to adopt necessary changes made in the UNC with regards to the governance of the Data Services Contract (DSC) and in relation to the EPG scheme.

It was therefore recognised that IGT162 needs to ensure that the EPG scheme and the CDSP's role in administering the scheme is covered in the IGT UNC as well.

The Panel unanimously agreed that IGT162, and the changes it seeks to make to Part N, fulfil the intent of the solution and the requirements highlighted above by the Panel.

#### Impacts and Costs

The Panel considered the impacts of the Modification as set out above. The Panel agreed that the impacts highlighted were an accurate reflection and they had no more to add.

CR asked if there would be a REC impact given that the EPG Scheme is also Supplier facing. The Chair advised that the REC did consider the Scheme and the need for change in the REC but determined that given the speed of the required changes and the gas and electricity entities taking on administrator roles that the approach for change was pragmatic.

Panel members views indicated that the REC may have been the most appropriate place for the governance of the EPG Scheme to sit but recognised that the developments were done at pace and the usual consideration could not be afforded.

#### Relevant Objectives

The Panel considered the Proposer's views against the Relevant Objectives and agreed that the Modification will have a positive impact on Objectives (D) (Securing of effective competition) and (E) (Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers) for the reasons provided by the Proposer.

CR agreed that the Modification would also have a positive impact on Objective (F) (Promotion of efficiency in the implementation and administration of the Code) as IGT162 would ensure that the IGT UNC aligned with necessary provisions within the UNC that were delivered under UNC0824. The other members agreed, also noting that the EPG Scheme is already running and IGT162 would put in place the permissions required for the scheme retrospectively.

#### Implementation

The Panel considered the approach to implementation and noted that the EPG Scheme is already running without the necessary provisions to administer the scheme in the IGT UNC. The Panel felt that as a result the Modification should be implemented as soon as possible after approval.

#### Legal Drafting

The Panel reviewed the proposed Legal Drafting and unanimously agreed that the drafting delivers the intent of the IGT162 solution.

#### Authority Updates

##### **7. Authority Updates**

JS provided the following updates the Panel:

- **Faster Switching Programme:** Ofgem have formally closed the Faster Switching Significant Code Review (SCR).
- **Code Reform:** Ofgem are expecting to publish a call for input regarding key policy areas. While they continue to prep for publication, the timelines are under review whilst they wait for further information from Government regarding plans for the bill. **JRS** added that the Government remains committed to the Energy Security Bill and the delivery of changes to the energy system in the long term.

TL advised that, in light of the decision to close the Faster Switching SCR, the Code Administrator will be looking at next steps for [RG005 - IGT UNC Review of Impacts resulting from the Faster Switching Programme arrangements](#). The CA will bring details and a request for a decision on sending RG005 back to Workgroup at the December Panel meeting. Consideration can then be given to when the Review Group should go back to Workgroup and the CA will provide an indication on timescales for reports at that meeting.

##### **8. Ofgem's Expected Decision Dates**

The Panel were directed to Ofgem's latest Expected Decision Dates (EDDs) which were published on 14<sup>th</sup> October 2022. The table stipulated that:

- [IGT132VV- Introduction of IGT Code Credit Rules](#)
  - An EDD was given of 30<sup>th</sup> November 2022.



**AOB****9. Urgent IGT UNC Modification, [UNC0822 – Reform of Gas Demand Side Response Arrangements](#)**

The Chair provided an overview of the intent of UNC0822. The Chair advised that they discussed the Modification with National Grid in an effort to determine what needed to be included in the IGT UNC. National Grid advised that as they are not familiar with the IGT UNC they would be unable to advise what should be included in Code.

An equivalent modification will be required as there are approx. 25 IGT sites that would qualify for the criteria specified in UNC0822. This equates to approx. 5% of the total pot of sites that would qualify. Ofgem have advised that a Modification will be needed as they feel that customers on IGT networks need to be given the same opportunities as customers on other networks.

The Code Administrator has been unable to find a sponsor for the modification. The Panel were requested to consider adding the UNC Modification to the IGT UNC Workgroup agenda so that the Workgroup can work through it and determine what may be required under the IGT UNC. Once that work has been complete a party may feel more comfortable with sponsoring a modification. The Panel agreed with this approach.

**The next IGT UNC Panel meeting is scheduled for 25<sup>th</sup> November 2022.**

**Annex 1 – Actions Table**

Reference	Date	Action	Owner	Status
22/09 - 01	23/09/2022	CA to draft Urgent IGT UNC Modification Proposal related to UNC0824 - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas) and share with JR as sponsor of the Modification.	TL	Closed
22/09 - 02	23/09/2022	Chair to speak with National Grid regarding an Urgent IGT UNC Modification Proposal related to UNC0822 - Reform of Gas Demand Side Response Arrangements	Chair	Closed

DRAFT