

IGT UNC 23-10 Modification Workstream Meeting

Draft Minutes

Thursday, 12th June 2023 via Teleconference

Attendee	Initial	Organisation	Notes
Rachel Clark	RC	Gemserv	Chair
Claire Louise Roberts	CR	Scottish Power	
Clare Manning	CM	E.ON	
David Morley	DM	OVO	
Ellie Rogers	ER	Xoserve	
Gavin Williams	GW	National Gas	
Helen Bevan	HB	Gemserv	Secretariat
Josie Lewis	JL	Xoserve	
Kundai Manningtree	KM	BUUK	
Nick King	NK	Barrow Shipping	
Phillip Lucas	PL	National Gas Metering	Present for items 1, 2, 3, 4 and 5
Stuart Monk	SM	MUA	
Bradley Mercer	BM	Gemserv	Secretariat

1. Welcome and Apologies for Absence

The Chair welcomed members to the Workgroup. The Chair advised that apologies had been received from Anne Jackson (Gemserv) and Isaac Moore (Gemserv).

2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the Final Agenda and asked attendees for 'Any Other Business' (AOB) items.

3. Approval of the Previous Minutes 23/09

RC advised that no comments had been received on the Draft Minutes ahead of the meeting and invited Members to provide any feedback or questions. No comments were received, and the Minutes were approved as an accurate reflection of the meeting.

4. Outstanding Actions

The Chair informed the Workgroup that there were two outstanding actions:

- 23/09 – 01: David Morley to include drafting in UNC0843 acknowledging that an IGT might require several Independent Shrinkage Charges if they operate in several LDZs.**
DM informed Members that an update on the action would be provided under agenda item six
– **Closed.**

- **23/10 – 02: David Morley to amend UNC0843 acknowledging that the Authority might consider a license change to allow IGTs to purchase gas.** DM advised the group that UNC0843 had been amended to acknowledge Authority consideration of license changes, as presented under agenda item six. – **Closed.**

CODE MATTERS ARISING

5. Gas Off Take between individual GDNs and individual IGTs (revised thinking in association with modifications UNC 0808 and UNC 0842)

PL noted that National Gas Transmission (NGT) had received a request to present their proposed UNC derogation on reverse compression of gas on IGT networks to the Workstream following an appearance at the September UNC Distribution Workgroup. PL provided members with an overview of the physical scenario of Reverse Compression running through a PowerPoint presentation. PL summarised the scenario advising that there was insufficient capacity in the Distribution Network (DN) to accept biomethane entry. PL informed the group that capacity in the DN would be created by withdrawing gas from the DN, compressing it, and injecting it into the National Transmission System (NTS) by a process of Reverse Compression via an IGT pipeline. PL advised that energy off taken from for Reverse Compression would be equal to energy delivered to the NTS, therefore creating a net effect on the system. PL confirmed that low volumes were expected, and Reverse Compression was only expected to take place overnight in the summer months when DN demand was low.

PL provided an overview of the governance route for the solution to work advising that there would need to be a derogation in the Uniform Network Code (UNC), PL advised that the UNC derogation was drafted and due to be presented to the UNC Panel in October. PL added that the derogation was the first submitted under the new arrangement and that this would be subject to Authority approval, PL advised that a similar derogation may be required under the IGT UNC.

PL advised that the UNC derogation would run for three years to allow for the trial to run its course and highlighted that there were examples of this scenario across Europe, including live examples in Denmark. PL advised that should the trial be successful it was likely that Reverse Compression would be brought in to IGT UNC governance via a Code Modification.

DM asked if any tolerances would be applied to the accuracy of gas as it was compressed and would this lead to Unidentified Gas (UIG). PL advised that UIG had not been considered however, given the expected low volumes associated with the compression the materiality had been questioned. DM asked how much gas was expected to move. PL advised that April 2025 to April 2026 it was expected that 5-10 million Kwh of gas would be moved, in the period April 2026 to April 2027 10-20 million Kwh of gas was expected to be moved and in the period April 2027 to April 2028 20-30 million Kwh of gas was expected to move. DM advised that was a lot of gas and would expect there to be some

tolerances applied to consider Shrinkage and asked PL to reconsider the impact on UIG and Shrinkage.

GH asked where in the model would the IGT equipment begin and end. PL confirmed that everything in between the DN and NTS would be IGT equipment. GH asked how Reverse Compression would impact charging methodology. NK advised there would not be any fiscal metering as the same amount of gas would be leaving and entering the system. NK added that the system would be interfaced with transmission and distribution. PL advised that the two points would not be treated as Entry and Exit points for the purpose of the UNC.

PL provided a comparison between the proposed UNC derogation and UNC Modification 0808 and 0842. RC indicated that the proposer of UNC0808 had concluded that a an IGT UNC equivalent Modification would not be required, however, UNC0842 may require an equivalent Modification as stipulated in the initial proposal form. PL asked the group if there would need to be a derogation in the IGT UNC for the trial to take place. JR advised that if an equivalent Modification for UNC0808 was not required it would be unlikely that a derogation would be required for the IGT UNC.

The Workgroup queried the expected volume in parties involved in the project. NK advised that one IGT had shown interest in participating in the trial adding that at the moment he imagined the number of projects would be low. The Workgroup considered the commercial implications and arrangements of the trial and how those might be implemented outside of the Codes.

PL advised that the first gas was expected to be compressed in 2025 and the derogation was being sought now to support investments. The Workgroup considered whether an IGT UNC derogation would be needed. NK noted that a Modification was being drafted for the IGT UNC which would capture this trail in a wider scope of changes. The Chair suggested that the best approach would be to hold a meeting between NK, the Code Administrator and an IGT in order to ensure that NKs assumption was true, and a derogation would not be required in the IGT UNC.

MODIFICATIONS

6. IGT165 – Independent Shrinkage Expert (ISE) and Independent Shrinkage Charge (ISC)

The Chair invited DM to present [IGT165](#), DM provided Members with an overview of the Modification and the actions taken in relation to IGT165 at the previous workgroup meeting. DM advised that in relation to action 23/09 – 01, IGTs may operate in several LDZs and where this was the case, the IGT may be required to cover several IGTs ISCs which would be recouped at the LDZ level. DM advised members that in relation to action 23/09 – 02, the proposer had confirmed that they were not aware of a similar requirement for IGTs, however, licence changes for IGTs may need to be considered by the Authority. GH advised that there was a fundamental difference between IGTs and GDNs, therefore, license changes would be required.

DM provided members with an overview of the changes that he had made to the Business Rules in UNC843 since the last meeting advising that the business rules now read as follows:

If the GDN ISC and IGT ISC are approved by the Authority, Transporters and IGTs will be obliged to purchase volumes of gas to cover the respective ISCs via the Independent Shrinkage Charge Provider: The Transporter will fulfil the role of Independent Shrinkage Charge Provider or contract with a Shipper to fulfil the role. The mechanism to purchase gas for LDZ Shrinkage will be mirrored for purchasing ISC: for the avoidance of doubt, this is detailed in UNC's Transportation Principle Document, Section N, paragraph 4. For the avoidance of doubt, the ISE, within the ISS, will divide the Yearly GDN ISC into Daily GDN ISC (365 equal parts), and will divide the Yearly IGT ISC into Daily IGT ISC (365 equal parts). CDSP will load the Daily ISC amounts into Gemini and GDNs and IGTs will contract with a Shipper(s) to the Independent Shrinkage Charge Provider will purchase the respective ISCs. NB: for ease of implementation for the CDSP, the GDN ISC could be added to LDZ Shrinkage prior to loading into Gemini and could be considered under the XRN and not under 0843. IGTs will purchase gas within the LDZ that their network resides, therefore minimising the impact to Gemini which currently works at LDZ level. I.e., Gemini will not be required to operate at a level less granular than LDZ level due to 0843.

Members discussed the updated business rules with ER asking if there would be a change to the UNC Section N and the IGT UNC would link across or would the changes need to be included within IGT165. DM agreed to investigate this. SM advised that he did not believe that Section 4 did not include IGTs and suggested that Section 4 would need to be amended to facilitate the change.

DM confirmed that UNC843 would not be making changes to the Shrinkage Rules within Section N and would be creating a new party type (Independent Shrinkage Provider), and the obligations around this party type would mirror paragraph 4.

JR queried the benefit of creating an Independent Shrinkage Provider to do work that is already done in Industry. DM advised Members that the role of the Independent Shrinkage Provider was to reduce model error and ensure the party with the leakage was the party that paid for the leakage. DM urged parties to attend the UNC843 Working Group on 25th October 2023.

7. IGT170 – Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067

DA provided Members with an overview of the [Modification](#) advising that it had been raised due to the Central Switching Service (CSS) P1 incident and was clarifying treatment and activities necessary when the CSS Registration Effective from Date does not align to that recorded in the UK Link system due to this issue.

DA advised that the adjustments would be made based on capacity and commodity and would initiate the CSDP to insert the meter reading to enable settlement. DA provided Members with an overview of the materiality test which would be applicable to any MPRNs that would fall under the procedure and the equivalent Modification in the UNC (UNC836S). JR advised that IGTs were neutral on where charging landed and expressed support for the proposed charging approach advising that it did not make sense to raise multiple invoices for nominal amounts.

The Workgroup noted that the Modification was Self-governance which was akin to the approach taken in UNC836S.

DA provided an overview of the Solution and Workgroup members were happy this facilitated the intent of the Modification. The Workgroup noted that the proposer of the Modification cited Relevant Objectives D (Securing of effective competition) and F (Promotion of efficiency in the implementation and administration of the Code). The Workgroup called out that the application of the materiality test would pose most benefit to Relevant Objective F. The Workgroup discussed that the ultimate efficiency would be for the Central Switching Service to be working effectively in order for this Modification to not be enacted.

DA noted that the recommendation for implementation of this Modification was to align with the Retail Energy Code (REC) change R0067, with an intended implementation date of February 2024.

The Legal Text provider was not present at the meeting to answer a specific question on definitions and as such members requested that the provider attended the IGT UNC October Panel meeting to provide an overview of the Legal Text. The Workgroup members did, however, believe that the Legal Text presented facilitated the aim of the solution.

The Workgroup concluded the Workgroup report and recommended to the Panel that this Modification go out for a three-week consultation period.

8. IGT171 – Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident

DA provided Members with an overview of [IGT171](#), advising that the Modification was seeking to address any settlement discrepancies arising from the CSS P1 incident by creating a suitable resolution framework. DA noted that the Modification was to be subject to an Authority decision due to the retrospective nature of the change in its dealing with 82,000 adjustments (7,000 IGT UNC adjustments) due to the P1 incident. The Workgroup agreed with the Proposers approach to Governance.

DA took the Workgroup through the Modifications Business Rules, noting that these were transitional business rules in order to allow the project of adjustments commence. JR queried Business Rule 7 and the timescales around when an IGT can invoice as the three-month window was ambiguous. DA resolved to add an additional sentence into the business rule to give clarification around when an IGT can invoice. The business rule will read; *'The IGTs will perform the IGT Transportation and Metering invoicing adjustment calculation after the CDSP Report is received indicating the Supply Meter Points subject to adjustment which shall be no earlier than at the end of the [third] month following issue of the CSS Effective Date Meter Reading to both Shippers, or the implementation Date of the Modification, whichever is the later.*'

DA noted that this change will also be reflected in section 3 'Why Change' to give greater certainty around this. DA noted that a further amended Modification would be submitted to the Code

Administrator following the meeting. The workgroup was satisfied that the solution facilitated the intent of the Modification.

DA noted that the Modification would have a cross code impact on the UNC and REC and that equivalent Modifications had been raised in both areas (UNC855 and R0067). DA added that all central system changes will be captured under CDSP changes XRN5567 and XRN5535A.

The Workgroup agreed with the Proposers perspective that the Modification furthers Relevant Objective F (Promotion of efficiency in the implementation and administration of the Code) as it allows the CDSP to undertake Settlement Adjustments as required therefore this further promotes the efficiency of industry processes. The Workgroup discussed that the ultimate efficiency would be for the Central Switching Service to be working effectively in order for this Modification to not be enacted.

The Workgroup discussed that as this is an Authority decision, the February release may be the most effective date to target for Implementation. The Chair noted that Ofgem carry out a publishing moratorium during December, therefore the timetable will be unknown and if not the February release, then an ad-hoc release may be the most pragmatic approach.

The Workgroup noted that this change should be aligned with the implementation of UNC0855.

As with the discussion around the legal text for IGT170 above, the Workgroup agreed that the legal text facilitated the Solution but requested that the legal text provider present this to the October IGT UNC Panel before a decision is made on Consultation.

The Workgroup concluded the Workgroup report and recommended to the Panel that this Modification go out for a three-week consultation period.

STANDING ITEMS

9. Cross-Code Implications Tracker

Members noted the contents of the Cross-Code Implications Tracker, and no questions were raised.

10. IGT UNC Known Issues Register

The Chair queried whether there were any issues raised within the meeting to add to the Known Issues Register. The Workgroup had nothing to add.

AOB

No items were added to AOB.

Annex 1 – Actions Table

Reference	Action	Owner	Status
23/09 – 01	David Morley to include drafting in UNC0843 acknowledging that an IGT might require several Independent Shrinkage Charges if they operate in several LDZs.	David Morley	Closed
23/09 – 02	David Morley to amend UNC0843 acknowledging that the Authority might consider a license change to allow IGTs to purchase gas.	David Morley	Closed

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