

Future of Gas Steering Group

Draft Terms of Reference

Version 1.1

1. Introduction

In November 2016, National Grid launched its Future of Gas (FOG) stakeholder engagement programme to gather evidence, discuss and test the role of gas in the UK's transition to a low carbon economy. The conclusions of that programme were published in March 2018, in [The Future of Gas: how gas can support a low carbon future](#).

Recognising the level of uncertainty and potential change in the gas industry in the coming decades, one commitment was to work with stakeholders to develop a long-term plan for gas industry change in Great Britain (GB). The collective work to take this forward, assessing appropriate future solutions and direction of the gas market, is called the Gas Markets Plan (GMaP).

The GMaP will drive change through gas industry stakeholders working together in a proactive, co-ordinated way to shape markets, tackle complex problems and ensure all stakeholders have an opportunity to contribute to the GB gas market of the future.

The Future of Gas Steering Group has been set up to provide a cross industry leadership forum, bringing together a broad range of perspectives to help to develop and define priorities for the Gas Market Plan and associated outputs.

2. Purpose

To provide cross-industry leadership to develop the GMaP programme, focused on the priorities and changes to the gas market framework (see appendix for definition) over a 10-year horizon.

The Group will highlight the areas on which National Grid Gas Transmission, together with relevant stakeholders, should focus to maximise consumer value. These include, considering policy, regulation, commercial, social and technological changes that could impact the gas market framework.

To progressively build a community that collaborates on the evolution of gas market framework design.

3. Objectives

For the year 2020-21 the Steering Group's objectives will focus on:

Project Delivery. Support delivery of the first years' projects. Specifically, the work in Hydrogen, Gas Quality, Balancing & Capacity Access

Dissemination. Support delivery of FOG dissemination. This includes two FOG Forum events, development of the FOG website and relevant content, together with support in increasing the awareness of the FOG and GMaP programme to the gas industry.

Future Direction. Provide leadership and guidance on the direction for the programmes second year. This includes determination of the focus areas and or specific projects to be prioritised

4. Scope

GMaP Direction. Provide strategic input into the annual GMaP direction. This includes:

- The priority projects and focus areas to be undertaken for the following year
- Provide feedback, and views on the outputs of the programme including timing, style and dissemination routes etc

FOG Direction. Strategic input on the FOG direction such as:

- Forum development
- Website development
- Steering Group functions

GMaP. Support the delivery of the GMaP projects, examples of which include:

- Nominate Subject Matter Experts to input into Project Working Groups and/or engage in the work
- Provide general guidance where expertise is available, be it on an ad-hoc basis or as part of Project Working Groups into the design, scope and phases of the projects

Representation. Provide a two-way information share between the programme and the industry on relevant activity, including:

- Providing information on the GMaP programme to wider stakeholders as appropriate
- Providing information back to the GMaP programme on industry activity that could have a bearing on the programme. This could be used as part of a Steering Group discussion, directly as part of the GMaP Projects or form part of events to promote the industry activity (such as the FOG Forum)

5. Chair of the Steering Group

The Group will be chaired by the Head of Strategy & Performance, National Grid Gas Transmission, who may nominate a deputy to chair the meeting in their absence.

The Chair will provide leadership to the Group. They will be responsible for ensuring that each meeting is conducted in accordance with the Terms of Reference and in an orderly and efficient manner. The Chair will coordinate with the Secretariat to ensure that appropriate policies and procedures are in place for the effective management of the Group.

The Chair will ensure that all Group members can contribute their views to the Group.

6. Membership of the Group

In addition to the Chair, the Group will comprise the following:

- 21 members, who have applied within advertised timescales, joining between June and December 2019, for a minimum term of 2 years.

- The SG is comprised of the following breakdown of members:

Stakeholder category	No. of members
BEIS	1
Ofgem	1
Consumer	1
Environmental	1
Local authorities	1 via UK100 Local Government Leaders
Gas networks & physical connections	2 via ENA 4
Commercial users	3 via Energy UK
R&D, innovation & advisory	4
Technology & manufacturing	2
National Grid	1
Total	21
Independent Chair	1

- Details of the Nomination Process will be available on the Future of Gas website at such times when nominations are open.
- Any vacancies arising within the 2-year term will be filled for the individual stakeholder category in accordance with the Nomination Process.
- The composition of the Steering Group it will be communicated via the Future of Gas website
- Senior representatives should be able to make decisions and commit time/resource, with a strong understanding of the subject matter.
- Members will represent their sector as well as their own company views and are responsible for disseminating group updates to their sector.
- Alternates: A formal alternative for each sector representative will be agreed with the Chair. If a member of the Group is unable to attend, they will inform their alternate and the Chair. In the event of both the member and alternative not being available, a request to National Grid for a second alternative, for the particular meeting in question can be made.
- Non-attendance: If a member does not attend three consecutive meetings, the Chair reserves the right to seek nominations to appoint a replacement member to represent the relevant stakeholder category.
- Guests and observers: Will be invited to attend, present and/or participate in discussions on certain topics.
- Arising vacancies: if a member or alternative no longer wishes to be a part of the Group for reasons such as a change of role for example, then the existing member can appoint and inform National Grid of a new member from the existing company / trade association. In the event that the leaving member does not appoint from within the existing company / trade association, then the vacancy will be raised at the next meeting and guidance taken from the Group.
- Joining member requests: any requests for new representation beyond filling existing vacancies, will be brought to the Group for discussion and decision making
- Member categories: existing member may propose changes to the make-up of the Steering Group, such as a new stakeholder category.

7. Secretariat

The Secretariat role will be undertaken by the National Grid Gas Transmission. The Secretariat will:

- Provide secretariat services to the Group and the Chair:
 - Organise meetings, including booking venues, in consultation with the Chair. Meetings will be both physical and virtual, subject to requirements
 - Send out meeting invitations
 - Prepare agendas, minutes and collate other papers
 - Will circulate meeting agendas and supporting documents/papers five working days prior to each meeting. Only by exception will any material be provided closer to the meeting
 - Take minutes of meetings and circulate to Group members within five working days of each meeting.
 - Publish all agreed meeting minutes, presentations and other relevant documents on the Group section of the Future of Gas website. Due regard will be taken of any sensitive information, which will not be published where deemed inappropriate.
 - Maintain a list of Group actions and send reminders to Group members to complete their actions
 - Produce and update a detailed project plan to allow the Group to deliver its agreed outputs
 - Maintain a list of Group members and administer the member Nomination Process.
- Manage stakeholder engagement for the Group's arrangements:
 - Act as first point of contact for stakeholders who wish to contact the Group
 - Create and maintain a stakeholder (outside of the Group) distribution list.
- Maintain a dedicated section of the Future of Gas website, to include information about:
 - Upcoming Group meeting dates
 - Membership of the Group
 - Contact routes for stakeholders wishing to communicate with the Group
 - Any outputs that the Group agrees can be published on the website.

8. Ways of working

- Frequency and location: It is proposed that the Steering Group meet 3 or 4 times a year. The default will be to run meetings in line with the seasons which will be planned to coincide with FOG and GMaP milestones and progress. The meeting will be held at National Grid offices or another venue arranged by National Grid. Virtual meetings will be used where appropriate and necessary. Dial in options for physical meeting will be offered. The Group may meet more frequently where proposed and supported by the Group.
- Decision making: The group will have no formal decision-making power. But members will be able to take forward proposals to bodies with formal decision-making power as appropriate.

9. Reporting

The Steering Group will demonstrate progress through the annual publication of the Gas Market Plan and any follow up work packages.

10. Finance and resourcing

Funding group administration – it is intended that National Grid will cover the costs associated with running the Steering Group, including room hire, catering, expenses and secretariat support. National Grid will not cover expenses for Steering Group members' travel etc. Other members may offer to host meetings on occasion.

Work programme resourcing – the Group will agree on what is deliverable with the resources available. Resourcing is likely to come from: a) In-house support in National Grid; or b) In-kind support from other stakeholders /group members. Any projects that require additional, specialist services not available through in-kind means, will need be considered on a case by case basis as part of any potential work.

11. Terms of Reference review

These Terms of Reference will be reviewed annually. Next review: July 2021

APPENDIX A – GAS MARKET FRAMEWORK DEFINITION

For the purposes of the Gas Market Plan, the 'gas market framework' is defined as the commercial and operational rules that underpin the buying, selling and transportation of gas in Great Britain. The rules that determine the National Balancing Point through the Uniform Network Code, Network Entry & Exit Agreements, Storage Connection Agreements, Interconnector Agreements for example.

The GB gas market is characterised as:

- Liberalised
- Liquid
- Competitive
- Single commodity product

The rules are principally concerned with the roles and responsibilities of:

- Shippers
- Suppliers
- Transmission System Operators
- Distribution Networks
- Producers
- Storage Operators
- LNG Terminals
- Interconnectors
- Delivery Facility Operators
- Code & process administrators

The gas market framework is directly linked to energy policy and primary legislation (e.g. the Gas Act 1995) both domestically and within interconnected markets. Whilst some GMaP projects may explore issues associated with energy policy and primary legislation, it is not the main focus of GMaP: the focus is on the evolution of the GB market rules to be fit for the energy future and transition to net zero.

Examples of topics that are not a focus for GMaP include:

- Determining the value of gas in the net zero energy system
- Determining commodity prices
- Exploring and evaluating business models
- Determining carbon and incentive prices

APPENDIX B – GAS MARKET PLAN ISSUE HOPPER

Below is a non-exhaustive list of topics that the Steering Group can debate for future GMaP exploration. National Grid will manage the list of topics. Members can raise new topics, comments and alter the list upon Group agreement. This list will inform the programme of future work.

Hydrogen - In progress

Gas Quality - In progress

Gas Balancing - In progress

Access Capacity - In works

Guarantees of Origin

Biomethane

Interconnection

LNG

Storage

CCUS

North Sea

EU decarbonisation

Natural Gas for transport (Road & shipping)

H2 for transport (Road, shipping & aviation)

Gas & Electricity interaction

Digitisation and data