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CCS NETWORK CODE MODIFICATION FORM

1 PERSONAL DETAILS

Proposer Name	Neal Gray-Wannell
Organisation	Net Zero North Sea Storage Limited
Company Type	T&SCo
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2 MODIFICATION PROPOSED

Modification Title:	Modification Panel Chairperson Expense Reimbursement
Description of Modification Proposal:	The Network Code does not contain any provisions relating to reimbursement of the Panel Chairperson's expenses and how those costs will be borne by the T&SCo.
Proposed Solution:	Update Section B to include a mechanism where T&SCo's are jointly responsible for funding an equal proportion of the costs incurred by the Panel Chairperson in the carrying out of the various tasks and duties assigned to it under the code. The proposed approach is for: • The secretary to enter into a contract to reimburse the Panel Chairperson for all reasonable costs and expenditure incurred in the carrying out of the various tasks assigned under the code as a pass-through charge to the T&SCO's. • The resource plan and budget forecast submitted by the secretary is to include the requirements for the panel chairperson. • The expense claim issued by the secretary is to include the Panel Chairperson's expenditure. • The draft and final statement of expenses are to include the proportion of the Panel Chairperson's expenditure to be included in the invoice to the T&SCO's. • The secretary will invoice the T&SCO's their proportion of the Secretary and Panel Chairperson's expenditure. • The panel chairperson's casting vote right throughout the above process will be revoked due to the inherent conflict of interest. Refer to the red line mark-up for the full detail.

<table>
<tr><td>Case for change:</td><td>This will provide prospective Panel Chairpersons with greater confidence in the ability to recover expenses incurred in the carrying out of the various tasks and duties assigned to them.
The lack of clarity on this topic is a blocker to widening the pool of potential candidates for the Panel Chairperson and appointing the most ideal candidate.</td></tr>
<tr><td>How does this Modification Proposal better achieve the Relevant Objectives:</td><td>
<table>
<tr><th>Relevant Objective</th><th>Identified Impact</th></tr>
<tr><td>The safe, economic, efficient and effective development and operation of the T&S Network to which the licence relates (as well as the coordinated, safe, economic, efficient and effective development and operation of the carbon dioxide transport and storage networks of one or more other T&S Licensees where relevant.</td><td>Limited impact</td></tr>
<tr><td>The economic, efficient and effective discharge of the Licensee's obligations under the licence</td><td>This will facilitate a more effective discharge of the T&SCo’s obligations under the Network Code and their Licences for the timely appointment of a Panel Chairperson.</td></tr>
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</td></tr>
<tr><td>Background Information: (Optional)</td><td>The lack of clarity on this topic is a blocker to widening the pool of potential candidates for the Panel Chairperson and appointing the most ideal candidate.</td></tr>
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3 CODE IMPACTS

Which parts of the code does this Modification impact:

Section:	Section B – Governance
Exhibits:	N/A
Annexures:	N/A

4 DRAFT LEGAL TEXT AND IMPACTS

Draft legal text (optional)	See attached red-line mark-up with proposed changes to Section B.
CCS Network Code baseline version	Version 1.0
Impact on Users and T&SCos (optional)	This will not have any impact on the Users. This will only impact the costs for the T&SCo's and these will be very limited.

5 SELF-GOVERNANCE

Should the Modification be Self-Governance/Fast Track Self Governance/?	Self-Governance
Rationale for Self-Governance:	This will not have any impact on the Users. This will only impact the costs for the T&SCo's and these will be very limited.

6 REGULATOR/SECRETARY OF STATE IMPACTS

Does this Modification impact a Significant Code Review?	No
Modification directed by the Regulator?	No
Does this Modification impact an existing SoS Modification Proposal?	No
Modification directed by the SoS?	No

7 TIMEFRAMES AND PROGRESSION

Do you consider this Change Proposal should be treated as an Urgent Modification Proposal	No
Justification for Urgent Modification Proposal:	N/A
Are there any required timescales for the development of this Modification?	This modification should be progressed as quickly as possible through the modification process to facilitate the panel in their appointment of the ideal Panel Chairperson in a timely fashion. This will ideally target the November release, with the following release as an alternative.

Proposers' preference on Modification progression path:	Straight to consultation

8 ATTACHMENTS

List any attachments or supporting documents to be considered with this Modification Proposal	Chairperson Funding Code Red-Line Proposal.doc