

UNC European Workgroup Minutes

Thursday 01 May 2014

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Pearce	(AP)	BP Gas
Anna Shrigley	(AS)	ENI UK
Anna Trant*	(AT)	Total
Antonio Ciavolella	(AC)	BP Gas
Carol Slack*	(CSI)	Interconnector UK
Charles Ruffell	(CR)	RWEst
Chris Shanley	(CS)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
Danielle Stoves	(DS)	Interconnector UK
David Reilly	(DR)	Ofgem
Dennis Rachwal	(DRa)	National Grid NTS
Doug Wood	(DW)	BP Gas
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Hilary Chapman	(HC)	Xoserve
Jeff Chandler	(JC)	SSE
Julie Cox	(JCx)	Energy UK
Kevin Brown	(KB)	Petronas
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lisa Martin	(LM)	Ofgem
Lisa Waters	(LW)	Waters Wye Associates
Martin Connor	(MC)	National Grid NTS
Matt Hatch	(MH)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Phil Broom	(PBr)	GDF Suez
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea*	(RL)	Gazprom
Roddy Monroe	(RM)	Centrica Storage

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/european/010514

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Minutes

The minutes of the previous meeting were accepted.

1.2 Actions

No actions outstanding.

2. Workgroups

2.1 0493 – EU Gas Balancing Code - Daily Nominations at Interconnector Points (IP)

Minutes for this meeting are available at www.gasgovernance.co.uk/0493/010514.

2.2 0494 - Imbalance Charge amendments required to align the UNC with the Network Code on Gas Balancing of Transmission Networks

Minutes for this meeting are available at www.gasgovernance.co.uk/0494/010514.

3. General Update

An update was provided on the status and timelines of each of the EU Codes. It was noted that there were no major changes, except for Interoperability where the comitology meetings had been postponed, which might affect the implementation dates. The Workgroup will be kept updated.

MH added that CMP arrangements will be integrated with the CAM auctions.

The Road Map will be updated to reflect these changes.

4. EU Code Updates

4.1 Gas Allocations at IPs under the EU Interoperability Code

MC gave a brief presentation, outlining the background and drawing attention to the Operational Balancing Account (OBA) key issues and implications.

The proposed approach was explained and an indicative timeline was provided. National Grid NTS has concluded that an OBA allocation regime will be required at all three IPs and that changes will be required to Interconnection Agreements and the UNC. Discussions will take place with adjacent TSOs and GB Shippers to agree the OBA design, and interactions with other aspects of the GB regime will also be examined.

A further update will be provided at the European Workgroup meeting on 05 June 2014.

4.2 Tariff (TAR) Code and Incremental Capacity Amendment

CH gave an update, and went on to explain the structure of the draft TAR Network Code, advising that there had been some deviations from the Framework Guidelines. These were briefly summarised. (Chapter 2 – increase from 4 to 5 cost allocations; Chapter 3 – publication notice period – CH confirmed will be in the supporting document; Chapter 4 – Interruptible capacity pricing – uni- and bi-directional interruptible capacity; Chapter 6 – now split into two separate chapters, ie 6 and 7; fixed price will be an option).

Next week the TSOs will be reviewing the whole document to ensure it is cohesive. The supporting document will outline three options. CH explained fixed and floating prices at IPs, the net effect of which stays flat until such time as it breaks through the buffer. The Shorthaul issue was not resolved yet. It needed further clarification and CH was trying to get the concept included in the supporting document.

5. UNC Modification Plans

CS confirmed there was no fundamental change to the plans.

6. EU Implementation Programme – System Developments Update

Update to be provided at the next meeting.

7. Draft EU Modifications

MH gave a brief presentation, advising that National Grid NTS intended to submit two modifications to the May UNC Modification Panel. The key features of each modification were outlined, together with an estimated timeline to achieve compliance.

7.1 EU Capacity Regulations – Capacity Allocation Mechanisms with Congestion Management Procedures

It was noted that details of this draft modification had been considered and discussed at previous EU Workgroup meetings. The Workgroup made no further comments or observations.

7.2 Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations

MH outlined the key points. When asked by RL, MH clarified that an aggregate overrun was not included in the modification. LW also asked why fungibility was not included. MH replied that this was not a requirement of CAM and that National Grid NTS would (as previously stated) work with the industry if another party were to bring forward a different proposal. This had been subject to wide industry discussions and to date an alternative modification had not been raised by an industry party.

LW suggested that the modification should have an option for Users to 'step out' of the current contracts, as the product rights appear to be changing from November 2015. MH replied that National Grid NTS did not consider that contracts were changing and explained that the modification proposal allowed for Users to decide where their capacity is to be held (at UKCS or IP) and that the total quantity and price were not changing, just the location where it was to be held from November 2015.

There was a brief discussion. GJ believed that National Grid NTS should reconsider, as UKCS was not part of EU regulation. LM suggested that once Shippers have provided an indication of where they want to see their current holdings sit this should clarify what should be held at the EU IP ASEP or if the baseline at UKCS should change if preference indicates this.

Shippers reiterated their concerns that contract terms had changed. AS suggested that Shippers should be given the opportunity to split or withdraw, or to offer to new entrants that might have these requirements.

8. Any Other Business

8.1 Concept Document – IUK, National Grid, Fluxys

DS reminded that the consultation closing date was Tuesday 06 May 2014.

9. Diary Planning

In order to ease pressure on the primary European Workgroup meeting and to more efficiently address the business related to individual Workgroups, two additional European Workgroup Days have been arranged as follows:

- Thursday 22 May 2014 (Solihull) - Workgroups 0489, 0485, 0494 and 0493.
- Tuesday 03 June 2014 (London) – Workgroups 0500 and 0501.

UNC European Workgroup meetings scheduled for 2014.

Please note the earlier start time of 10:00 for ALL meetings.

Date	Location
Thursday 22 May 2014, 10:00 (Workgroups 0489, 0485, 0494 and 0493)	Please note the location: 31 Homer Road, Solihull B91 3LT
Tuesday 03 June 2014, 10:00 (Workgroups 0500 and 0501)	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 05 June 2014, 10:00	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 03 July 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 07 August 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 04 September 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 02 October 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 06 November 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 04 December 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table – UNC European Workgroup: 01 May 2014

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
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