

Transmission Workgroup Minutes

Thursday 06 June 2013

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

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alena Aliakseyeva	(AA)	Ofgem
Alex Whitmarsh	(AW)	Ofgem
Angus Paxton	(AP)	Poyry
Antonio Ciavoletta	(AC)	BP Gas
Benedikt Unger	(BU)	Poyry
Charles Ruffell	(CR)	RWE Npower
Chris Hill	(CH)	Cornwall Energy
Clare Cameron	(CC)	Ofgem
Ewan Thorburn	(ET)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Julie Cox	(JCx)	Energy UK
Lewis Hodgart*	(LH)	Ofgem
Mark Dalton	(MD)	BG Group
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme*	(RF)	E.ON UK
Sarah Lloyd	(SL)	National Grid NTS
Sean McGoldrick	(SM)	National Grid NTS
Steve Pownall	(SP)	National Grid NTS

*via teleconference

Copies of all papers are available at www.gasgovernance.co.uk/tx/060613

1. Introduction and Status Review

TD welcomed all to the meeting.

1.1 Review of minutes and actions from the previous meeting (02 May 2013)

1.1.1 Minutes

The minutes were accepted.

1.1.2 Actions

Actions **TR0103**, **TR0204**, **TR0205** and **TR0206** have been transferred to Workgroup 0452.

TR1101: *Long term non-firm capacity:* Draft a new modification.

Update: Raised as Modification 0454 and a Workgroup has been established to review and assess (see 2.4 below). **Complete**

TR0401: *EU Developments - Bacton Split:* Ofgem to provide a view.

Update: CC reported that Ofgem was investigating options to bundle and that work was continuing; no view was available at present. Responding to questions CC agreed to provide an update on what options were being considered, what timescales were involved before a view could be expected, and to confirm if this topic would be an agenda item at the Stakeholder meeting on 20 June 2013. **Carried forward**

TR0501: *Change to Gas Day* – Formulate a coordinated approach across all parties from offshore to customer meter and report on process/progress to keep Workgroup informed.

Update: An open meeting was being arranged for the first week of July. DECC would be attending, and prior to issuing an invitation CC would welcome suggestions on other appropriate parties (wider industry) to contact/invite. CC would also be happy to catalogue any questions/issues identified to ensure they will be covered and asked that these be forwarded to her (clare.cameron@ofgem.gov.uk) in advance of the meeting. **Carried forward**

TR0502: *Gemini Replatforming Project* – National Grid NTS to raise Shippers' concerns with the Xoserve project team and consider appropriate ways to alleviate/mitigate potential financial exposures of Shippers in relation to planned outage.

Update: SM had raised this with Xoserve, who had contacted Centrica to discuss/offer contingencies. GJ confirmed that Xoserve's response had been satisfactory. **Closed**

1.2 Review of Live Modifications not covered elsewhere on the agenda

The Modifications Register is at: www.gasgovernance.co.uk/mods

0376S – Implemented on 01 June 2013.

0435 – On hold pending further industry developments.

0439 – Panel recommended implementation; awaiting Ofgem decision. GJ reiterated the Shippers' need for a timely decision and FH indicated that he would check that National Grid NTS was ready/prepared in the event that a decision to implement was received shortly.

0447S - Implementation on 10 June 2013.

1.3 Ofgem Update

AW provided a general industry update:

- ***Entry Capacity Substitution Methodology Statement: Accompanying Statement.*** The letter releases National Grid Gas from its obligation to provide an Independent Examiner Statement alongside the 2013/14 Entry Capacity Substitution Methodology Statement. A copy of the letter can be found at the following location of the Ofgem website:
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=53&refer=Networks/Trans/GasTransPolicy/EntrySubstitution>
- ***RIIO-T1 Draft Regulatory Instructions and Guidance – open letter consultation.*** This consultation seeks views on the structure and content of Regulatory Instructions and Guidance (RIGs) through which Ofgem will collect performance data on an annual basis from network owners. The consultation is open to 07 June 2013 for responses. A copy of the consultation paper can be found at the following location on the Ofgem website:
[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=RIGs Consultation Letter RIIO-T1 09.05.13.pdf&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=RIGs%20Consultation%20Letter%20RIIOT1%2009.05.13.pdf&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes)
- ***Exit Capacity Substitution and Revision Methodology Statement 2013 – approval letter.*** The letter approves National Grid Gas' Exit Capacity Substitution and Methodology Statement, which comes into effect on 01 June 2013. A copy of the decision letter can be found at the following location on the Ofgem website:

http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=ExCS_2013_decision_letter_FINAL.pdf&refer=Networks/Trans/GasTransPolicy/ExitSub

- **National Transmission System (NTS) Exit Capacity Release Methodology Statement decision letter.** This letter approves the Exit Capacity Release (ExCR) methodology statement that NGG will apply from 01 June 2013. A copy of the letter can be found at the following location of the Ofgem website:
http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=ExCR_2013_approval.pdf&refer=Networks/Trans/GasTransPolicy/ExitCapacity
- **Modifications to the special conditions of the gas transporter licence held by National Grid Gas plc and reasons for decision pursuant to sections 23 and 38A of the Gas Act 1986.** The direction notice implements changes to the gas transporter special conditions following RIIO-T1; namely adding an exit point (Kintore) and making other minor changes for further clarity. A copy of the direction notice can be found at the following location of the Ofgem website:
http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=NGGT_Stat_Mod_Dir_3June.pdf&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes

European Issues Update Table

Workstream	Status
Capacity Allocation	At the meeting on 15 April 2013 Member States approved the CAM FG. This will be published in the Official Journal after final EU processes are completed and is to be implemented by November 2015.
Tariffs	ACER was to submit the FG to the Commission before 31 March 2013. However, the Commission had some comments, (focusing on the cost allocation section), which will require some further work. ACER is now working on the cost allocation section text to consult on over the summer and will hold an open workshop. The aim is to finalise the FG by the end of 2013.
Congestion Management	Ofgem is currently holding discussions with IUK and BBL about making the necessary changes to their access rules in order to comply with the CMP Guidelines. IUK launched a consultation on its CMP proposals, which will close on 28 June 2013. National Grid Gas proposed a Uniform Network Code modification in March, covering the changes necessary to bring the current regimes into compliance with the CMP Guidelines. Changes will also be required at Moffat, where the GB and Irish/Northern Irish systems connect. Ofgem is currently holding implementation discussions with the relevant NRAs.
Gas Balancing	ACER is pushing for early implementation. The commission held a pre-comitology meeting with Member States in late May with the aim to vote at first comitology meeting on 11 July 2013. It may require a further comitology meeting in September 2013. The Commission has made a few small changes to the ENTSOG text as a result of the internal

	(mainly legal) review.
<i>Interoperability</i>	<p>ENTSOG published a draft Interoperability Network Code for consultation in February 2013. A workshop was held on 20 March 2013 to get feedback from interested parties on the network code.</p> <p>The ACER opinion on the Network Code is currently going through the GWG/BoR approval process. ENTSOG must submit the final Network Code to ACER by 11 September 2013.</p>
<i>Incremental Capacity</i>	<p>The blueprint was published on 23 May 2013. CEER and ACER held a joint public workshop on 03 June 2013 in Brussels to discuss the blueprint. Written comments are welcome until 17 June 2013. Some stakeholders present requested a workshop to go through specific case studies to understand better the different allocation procedures with real examples. This request is under consideration.</p> <p>There are likely to be amendments to the CAM NC and ACER will do some work on identifying what would need to be amended before involving ENTSOG in the process of draft amendments. ACER aims to have an amendment framework ready by 30 November 2013.</p>

Tariffs – JCx referred to the consultation due out this month and asked if there were to be any links. AW reported that Ofgem would be bringing forward (late June or July) a call for evidence on this to better understand the impact of applications at exit points. The focus will be on EU and GB aspects.

Incremental Capacity - FH reported that he had attended a very constructive workshop and encouraged parties to look at and respond to the CEERs Blueprint:

http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_WORKSHOP/CEER-ERGE%20EVENTS/GAS/CEER-ACER_Gas_Incremental_Capacity/Agenda

It was quite a complicated area to understand how it might work, and various parties have suggested workshops. National Grid NTS was generally quite supportive of the high level principles but also needs to understand more of the detail (not yet available for analysis).

MD asked if National Grid NTS would be using the PRISMA system. National Grid NTS responded that this is one of the options under consideration but no final decision has yet been made. If National Grid NTS were to use PRISMA, it would look at the possibility of using it for CMP when CAM is implemented.

1.4 European Developments

National Grid NTS presented on the following areas.

1.4.1 EU Gas Balancing Code – Comitology Position

National Grid NTS has informed DECC of its support for the code as it believes the code meets the Framework Guidelines requirements and is broadly consistent with GB's gas balancing arrangements. PH confirmed that National Grid NTS would write to Ofgem seeking approval of a 12 month extension to the GB implementation timescales. NW commented the industry would welcome some assurance when this could be initiated and how long Ofgem might take to decide/confirm the extension. **Post Meeting Note:** *National Grid NTS cannot formally request*

the additional 12 months implementation time until the Balancing Code is adopted into EU law, which is expected to be early next year. However, National Grid NTS will be seeking a 'minded to' view from Ofgem as soon as possible.

1.4.2 EU Interoperability and Data Exchange Network Code

Further views on amendment proposals have been invited following the closure of the public consultation, and the cost benefit analysis for common data exchange solutions is also being consulted on. PH detailed the main issues arising from the public consultation, including the key issues for National Grid NTS, and outlined the next steps. It was hoped to bring National Grid NTS' views on GB's implementation of this code to the July or August Transmission Workgroup.

Common Units - JCx asked where the current UK rules were defined. PH explained what would have to be adopted and how it might have to be referenced; the main concern was this could introduce an error, however this might be small. It was confirmed that it would be applied at Interconnection Points only. It was observed that data would not be provided on a common basis and scope for confusion was recognised.

Data Exchange – PH indicated that National Grid NTS had a preference for AS4 rather than AS2 and explained why.

1.4.3 European Updates Timetable

A Gas Codes timeline was provided for information, together with a Table indicating the current status of each Code and its fixed/estimated implementation date.

EU Updates Programme

The programme of updates to be given to the Transmission Workgroup over the next few months is detailed below:

Topic	Workgroup Date
<ul style="list-style-type: none"> • CAM update* • Interoperability Code implementation – <i>National Grid NTS' initial thoughts</i> 	04 July 2013
<ul style="list-style-type: none"> • <i>To be confirmed</i> 	01 August 2013

***Post Meeting Note:** *Matt Hatch (National Grid NTS) will be presenting an Impact Assessment of the CAM Code at the July Workgroup.*

1.4.4 General Observations

Any developments, concerns, and options will be brought to the attention of the industry and the Workgroup for discussion and the seeking of views. Conversely, if the Workgroup has any concerns or views, National Grid NTS would welcome these.

2. Workgroups

The following Workgroup meetings took place:

2.1 0448 – Aligning UNC with Licence Conditions relating to European legislative change and Fast track self-governance

Minutes for this meeting are at: www.gasgovernance.co.uk/0448/060613

2.2 0449 – Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures

Minutes for this meeting are at: www.gasgovernance.co.uk/0449/060613

2.3 0452 – Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA)

Minutes for this meeting are at: www.gasgovernance.co.uk/0452/060613

2.4 0454 – Introduction of a Long Term Non Firm Capacity Product

Minutes for this meeting are at: www.gasgovernance.co.uk/0454/060613

3. Issues

3.1 Changing the Gas Day

PH reported that National Grid NTS was intending to submit a UNC Modification to the June UNC Modification Panel, and in the normal course of events a UNC Workgroup would be established to address requirements, following Panel's consideration.

See also Action TR0501, at 1.1.2 above.

3.2 Gas Security of Supply Significant Code Review (SCR) Proposals: Credit Implications for the GB Gas Market

Awaiting developments; no further update.

3.3 New Issues

None raised.

4. Any Other Business

4.1 Generic Revenue Driver (GRD) Methodology

Changes will be required to the Generic Revenue Driver Methodology, following the RIIO-T1 outcome and Licence changes. MW briefly outlined the proposed changes and presented the consultation timetable. The GRD Methodology will be submitted by 01 September 2013 to the Authority for decision and, if approved, will become effective from 01 November 2013.

4.2 Xoserve Senior Stakeholder Forum (19 June 2013)

Referring to this event NR asked if there might be any impacts for the Workgroup to consider. Explaining that Xoserve was seeking earlier engagement with higher-level decision makers to ensure smooth running of large-scale industry changes, TD indicated that he had been invited to attend, but did not believe there would be any impacts for the Transmission Workgroup.

5. Diary Planning

The next Transmission Workgroup will take place at 10:30, on Thursday 04 July 2013, at ENA, 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

The following Transmission Workgroup meetings are scheduled for 2013:

Date	Time	Location
Thursday 04 July 2013	10:30	ENA, 6 th Floor, Dean Bradley House, 52

		Horseferry Road, London SW1P 2AF
Thursday 01 August 2013	10:30	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 05 September 2013	10:30	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 03 October 2013	10:30	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 07 November 2013	10:30	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 05 December 2013	10:30	Energy UK, Charles House, 5 - 11 Regent Street, London SW1Y 4LR

Action Table – UNC Transmission Workgroup: 06 June 2013

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR1101	01/11/12	3.1.1	<i>Long term non-firm capacity:</i> Draft a new modification.	National Grid NTS (MW)	Complete
TR0401	04/04/13	1.4.4	<i>EU Developments - Bacton Split:</i> Ofgem to provide a view.	Ofgem (GP CC)	Carried forward
TR0501	02/05/13	1.3.1	<i>Change to Gas Day –</i> Formulate a co-ordinated approach across all parties from offshore to customer meter and report on process/progress to keep Workgroup informed.	Ofgem (LM CC)	Carried forward
TR0502	02/05/13	4.1	<i>Gemini Replatforming Project –</i> National Grid NTS to raise Shippers' concerns with the Xoserve project team and to consider ways to alleviate/mitigate potential financial exposures of Shippers in relation to planned outage.	National Grid NTS (SM)	Complete