

Transmission Workgroup Minutes

Thursday 04 July 2013

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

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Whitmarsh	(AW)	Ofgem
Andrew Pearce	(AP)	BP Gas
Charles Ruffell	(CR)	RWE npower
Chris Hill	(CH)	Cornwall Energy
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Clement Perry	(CP)	Ofgem
Erika Melen	(EM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Hilary Chapman	(HC)	Xoserve
Jeff Chandler	(JC)	SSE
Joanna Ferguson	(JF)	Northern Gas Networks
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Mark Baker	(MB)	Centrica Storage
Matt Hatch	(MH)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Phil Broom	(PB)	GDF Suez
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Rob Cameron-Higgs	(RCH)	Wales & West Utilities

**via teleconference*

Copies of all papers are available at www.gasgovernance.co.uk/tx/040713

1. Introduction and Status Review

TD welcomed all to the meeting.

1.1 Review of minutes and actions from the previous meeting (06 June 2013)

1.1.1 Minutes

The minutes were accepted.

1.1.2 Actions

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

Update: CP reported that work was continuing; no view was available at present. **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: Ofgem had hosted an industry meeting on the previous day setting out a proposed approach. Any further suggestions of how best to approach the issue and ensure all are aware of the change would be welcome. **Complete**

1.2 Review of Live Modifications not covered elsewhere on the agenda

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

0435 – On hold. CS confirmed that National Grid NTS was continuing to work on the methodology to support the SCR and UNC0435 DSR process; however, a revised modification was required before any more progress could be made.

0439 – Implemented on 01 July 2013.

0447S - Implemented on 10 June 2013.

0449 – The Workgroup Report will be submitted to the July Modification Panel.

0459S – Consultation closes on 11 July 2013.

0460S – Legal text is under preparation and will be considered at the July Modification Panel.

1.3 Ofgem Update

AW provided a general industry update:

- **UNC0456: Revision to the treatment of Allocation of Unidentified Gas (AUG) for the 2013/14 AUG year decision letter.** The letter gives effect to the new consumption based AUG methodology and associated AUG Table for part of the 2013/14 formula year. 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=UNC456D \(3\) \(3\).pdf&refer=Licensing/GasCodes/UNC/Mods](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=UNC456D%20(3).pdf&refer=Licensing/GasCodes/UNC/Mods)
- **Gas Transmission Charging Review – call for evidence.** This letter invites views on the scope of and priorities for Gas Transmission Charging Review. It is open for comments until 16 September 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=Gas Trans Charging Review Call for Evidence.pdf&refer=Networks/Trans/GasTransPolicy](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Gas%20Trans%20Charging%20Review%20Call%20for%20Evidence.pdf&refer=Networks/Trans/GasTransPolicy)
- **UNC0439: Notice for Enduring Annual Exit (Flat) Capacity reduction Applications decision letter.** This decision removes the requirement for the 14 months' notice to apply for reductions in Enduring Annual NTS Exit (Flat) Capacity at July application windows, where the User Commitment has been, or will be, satisfied. 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=UNC 439 D.pdf&refer=Licensing/GasCodes/UNC/Mods](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=UNC%20439%20D.pdf&refer=Licensing/GasCodes/UNC/Mods)
- **Modification of gas and electricity licence to implement Code Governance Review(Phase 2) final proposals.** This decision letter modifies the gas and electricity licences to implement the Code Governance Review phase 2 final proposals. A full description of all the changes can be found in the letter at the following location of the Ofgem website: [http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Modification of gas and electricity licences to implement Code Governance Review \(Phase 2\) final proposals.pdf&refer=Licensing/IndCodes/CGR](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Modification%20of%20gas%20and%20electricity%20licences%20to%20implement%20Code%20Governance%20Review%20(Phase%202)%20final%20proposals.pdf&refer=Licensing/IndCodes/CGR)

European Issues Update Table

Workstream	Status
<i>Capacity Allocation</i>	Member States approved the CAM FG on the 15 April 2013. It will be published in Official Journal after final EU processes are complete and implemented by November 2015. Implementation planning discussions are now under way.
<i>Tariffs</i>	<p>ACER consulted on proposed text changes to the FG between 31 January and 11 February 2013. The FG was to be submitted to the Commission before 31 March 2013. However, the Commission had some concerns about the FG, specifically regarding the cost allocation section, and requested further work be undertaken. Around 80% of FG text has been agreed and ACER are working to complete the cost allocation section text.</p> <p>This will be consulted on between 17 July and 17 September 2013. An open workshop will be held in September. The finalised FG will be sent to the Commission by 30 November 2013.</p>
<i>Congestion Management</i>	<p>NGG proposed a Uniform Network Code modification in March with 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.</p> <p>Draft CMP business rules for GasLink to reflect CMP have been submitted to Ofgem for comment. Ofgem is engaging with the relevant NRAs to better understand how implementation can be taken forward.</p>
<i>Gas Balancing</i>	<p>The Commission held a pre-comitology meeting with Member States in late May with the aim of holding a vote at first comitology meeting on 11 July 2013. A further comitology meeting may also be held in September.</p> <p>The Commission has made a few small changes to ENTSOG's text as a result of internal review. Any comments to be raised at comitology should be provided to DECC and Ofgem by 04 July 2013.</p>
<i>Interoperability</i>	A draft NC was approved on 12 June 2013. The next trilateral between ENTSOG-ACER-Commission takes place on 18 July 2013. ENTSOG will aim to produce a new draft by 09 July 2013 and then, if agreed, submit a final version to ACER before 11 September 2013.
<i>Incremental Capacity</i>	CEER and ACER held a joint public workshop on 03 June 2013 in Brussels to discuss the blueprint. Written comments from several participants have been sent to CEER and will be made available online in the coming weeks. Some stakeholders

	<p>requested specific case studies to understand better the different allocation procedures. ACER is looking into covering this request in two events - a tariff event in early August, and an IC-tariffs specific event in early September.</p> <p>It is likely the CAM NC will be amended. ACER will undertake work on identifying what amendments may be required before involving ENTSOG.</p> <p>ACER aims to have an amendment framework ready by 30 November 2013 after which ENTSOG will draft the amendment for 6-9 months. ACER will review in autumn 2014.</p>
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1.4 European Developments

National Grid NTS presented on the following areas.

1.4.1 EU CAM Code – Impact Assessment

The CAM Code requires a high degree of change at NTS interconnection points in terms of the prevailing UNC and related documents, contracts, NTS processes and IT systems. MH gave an overview of the identified impacts arising from the seven Chapters.

Chapter 4: Bundling of Cross-border capacity – TD questioned the definition of IP which differed from that in Modification 0449. This was recognised and FH indicated that this might require further consideration.

Chapter 6: Tariffs and Capacity Booking Platform – The current charging arrangements will be retained until 2017 when the Tariff Code takes effect. MH confirmed that the working assumption was that CAM would be confined to IPs, rather than be implemented across GB.

The impacts will be discussed with Ofgem and plans to address them will be developed. Updates will be provided to the Workgroup.

1.4.2 EU Gas Balancing Code

A revised version has been issued; CS briefly outlined the revisions that had been made. DECC was looking at the legality of placing obligations on parties other than TSOs.

The code will come into force in January 2014 unless a second Comitology meeting is deemed necessary in October, in which case it will slip to April 2014. National Grid NTS remain in dialogue with Ofgem to obtain the necessary extension once the implementation date is confirmed.

1.4.3 EU Interoperability and Data Exchange Network Code

MH reported that following public consultation a revised version of the draft Code is to be issued. The Stakeholder Support Process will then provide a final opportunity to express views, after which the Code will be further refined and submitted to ACER in September. CS drew attention to the high likelihood of OBAs at IPs and reiterated this was the last opportunity for parties to make their views known.

1.4.4 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"> Interoperability Code implementation – National Grid NTS' initial thoughts 	01 August 2013

1.4.5 General Observations

PB asked how the code implementations would be handled – would it be a 'bundled' process or on a more individual basis? MH advised that National Grid NTS was in discussion with Ofgem to establish an appropriate approach to enact all of these obligations.

2. Workgroups

The following Workgroup meetings took place:

2.1 0452 – Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA)

Minutes for this meeting are at: www.gasgovernance.co.uk/0452/040713

2.2 0454 – Introduction of a Long Term Non Firm Capacity Product

Minutes for this meeting are at: www.gasgovernance.co.uk/0454/040713

2.3 0461 – Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes

Minutes for this meeting are at: www.gasgovernance.co.uk/0461/040713

3. Issues

3.1 Changing the Gas Day

As Modification 0461 had now been formally raised and sent to Workgroup for development (see 2.4, above) it was agreed this issue should be closed.

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 advised progress had been delayed by a couple of weeks and National Grid NTS was in discussion with Ofgem.

5. Diary Planning

The next Transmission Workgroup will take place at 10:30, on Thursday 01 August 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 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: 04 July 2013

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR0401	04/04/13	1.4.4	<i>EU Developments - Bacton Split:</i> Ofgem to provide a view.	Ofgem (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 (CC)	Complete