

## Transmission Workgroup Minutes

Thursday 01 August 2013

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

### Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Pearce	(AP)	BP Gas
Anna Grant*	(AG)	Total E & P
Antony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE npower
Chris Hill	(CH)	Cornwall Energy
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Clare Cantle-Jones	(CCJ)	ENA
Emma Buckton	(EB)	Northern Gas Networks
Erika Melen	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Hilary Chapman*	(HC)	Xoserve
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
Mark Dalton*	(MD)	BG Group
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Paul Whitlock (for WG0461)	(PW)	Marathon Oil
Phil Hobbins	(PH)	National Grid NTS
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Sarah Lloyd	(SL)	National Grid NTS

\*via teleconference

Copies of all papers are available at [www.gasgovernance.co.uk/tx/010813](http://www.gasgovernance.co.uk/tx/010813)

### 1. Introduction and Status Review

TD welcomed all to the meeting.

#### 1.1 Review of minutes and actions from the previous meeting (04 July 2013)

##### 1.1.1 Minutes

The minutes were accepted.

##### 1.1.2 Actions

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

**Update:** JT reported that work was continuing; no view was available at present. **Carried forward**

## 1.2 Review of Live Modifications not covered elsewhere on the agenda

The Modifications Register is at: [www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)

**0435** – On hold. CW was considering next steps.

**0449** – Consultation closes on 08 August 2013.

## 1.3 Ofgem Update

JT provided a general industry update:

- **Notice under S23 of the Gas Act – Gas Transporter Licence Standard Special Conditions.** This is a Section 23 notice that outlines modifications the Authority intends to make to the Standard Special Conditions of the Gas Transporter Licence. These changes are mostly to tidy up minor drafting errors or inconsistencies. A copy of the notice can be found at the following location of the Ofgem website:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=556&refer=Networks/GasDistr/RIIO-GD1/ConRes>
- **Gas Security of Supply Significant Code Review – Updated Proposed Final Decision.** This letter updates stakeholders on changes made to the Gas Security of Supply SCR proposals. These changes have been made in response to stakeholder feedback. A copy of the letter and proposed changes can be found at the following location on the Ofgem website:  
[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=130723\\_GasSCR\\_upfd.pdf&refer=Markets/WhIMkts/CompandEff/GasSCR](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=130723_GasSCR_upfd.pdf&refer=Markets/WhIMkts/CompandEff/GasSCR)
- **Further analysis and next steps: Review of the gas interconnectors between GB and Belgian and Dutch markets.** This is a joint GB, Belgian and Dutch regulatory authorities follow up to the consultation on the efficiency of gas flows across the gas interconnectors. The letter summarises the consultation responses and the next steps the regulators see as necessary. A full copy of the letter can be found at the following location on the Ofgem website:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=225&refer=Europe>
- **Minutes from the Ofgem Gas Day Open Meeting.** These are minutes from the July open day to discuss the alignment of the GB and European gas day. A copy of the minutes can be found at the following location on the Ofgem website:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=222&refer=Europe>
- **Gas Transmission Charging Review – call for evidence.** A copy of the presentations and Q&A discussed at the Gas Transmission Charging Review stakeholder meeting can be found at the following location on the Ofgem website:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=79&refer=Networks/Trans/GasTransPolicy>.

*European Issues Update Table*

<b>Workstream</b>	<b>Status</b>
<i>Capacity Allocation</i>	Member States approved the CAM Framework Guideline (FG) on 15 April 2013. Discussions about implementing the FG are now underway. The FG must be implemented by 01 November 2015.
<i>Tariffs</i>	A consultation on the cost allocation section of the FG is taking place between 17 July 2013 and 17 September 2013. This is in response to concerns the Commission expressed about this chapter. ACER will host a workshop in September to discuss the text changes with the aim of sending the final FG to the Commission by 30 November 2013.
<i>Congestion Management</i>	Ofgem is holding discussions with IUK and BBL about making changes to their access rules to comply with the CMP guidelines. Changes will also be required at Moffat, where the GB and Irish/Northern Irish systems connect. Draft CMP business rules for GasLink to reflect CMP have been submitted to Ofgem for comment. We are also currently holding implementation discussions with the relevant National Regulatory Authorities (NRAs).
<i>Gas Balancing</i>	ENTSOG have re-submitted the Gas Balancing Code, which the Dutch NRA is leading on implementing. The Commission held a pre-comitology meeting with Member States in late May and a further comitology meeting will be held in September. The Commission has made a few small changes to the text submitted by ENTSOG as a result of legal review. A meeting to adopt the code is scheduled to take place in October.
<i>Interoperability</i>	ACER's Board of Regulators (BoR) approved the draft Network Code on 12 June 2013. ENTSOG must submit final Network Code to ACER by 11 September 2013. There are still a few outstanding issues to be resolved including questions about Article 26, which covers dispute resolution. A date has still to be set for comitology.
<i>Incremental Capacity</i>	<p>The Blueprint was published on 23 May 2012. Some stakeholders requested a workshop and case studies to explain the different allocation procedures. A Q&amp;A will take place on 07 August 2013 with a session on incremental capacity. There are plans for an ACER event on 03 September 2013.</p> <p>It is likely amendments to the CAM and Tariffs NCs will be required. ACER will identify what needs to be amended before involving ENTSOG in the drafting process.</p> <p>ACER aims to have an amendment framework ready by 30 November 2013, after which ENTSOG will draft the amendment. ACER plans to review in autumn 2014 and hold the first auction integrating incremental capacity in March 2017.</p>

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## 1.4 European Developments

### 1.4.1 EU CAM Network Code and CMP Update

#### *Capacity Allocation Mechanism (CAM)*

National Grid NTS has been investigating options for fulfilling its capacity booking platform obligation under CAM, and has concluded at this stage that the PRISMA booking platform appears to offer the best technical solution to meet its CAM auction requirements, but before making a decision wider industry opinion will be sought via an open consultation letter. To support this, there will be a PRISMA presentation at the next Ofgem/DECC meeting on 06 September 2013, at which an overview of the CAM requirements and what needs to be done to address them will be given.

Parties were encouraged to submit responses to the open letter to: [europeanpolicy@nationalgrid.com](mailto:europeanpolicy@nationalgrid.com), by 20 September 2013.

#### *Congestion Management Procedures (CMP)*

Consultation on UNC Modification 0449 (Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures) closes on 08 August 2013.

### 1.4.2 EU Gas Balancing Code

Following further revisions (no impacts to GB identified) the code is expected to come into force in April 2014.

### 1.4.3 EU Interoperability and Data Exchange Network Code

Following further feedback the code will be refined and submitted to ACER in September. The provisional timeline for compliance was reviewed, and convergence with implementation of the CAM and BAL codes in October 2015 was anticipated. IS and contract changes will take place in parallel to UNC changes.

Responding to questions regarding Wobbe differences, it was confirmed that the EU standardisation body was progressing a harmonised gas quality specification across the EU. This could extend to sulphur and other additional parameters. A consultant represents the interests of all the GB Transporters, and a group met periodically to assess developments. There was still uncertainty as to what will be applied. PW pointed out that upstream parties have concerns about the level of costs that these changes (eg plant and equipment) might incur. PH drew attention to a report produced by Poyry; there was a pilot project being operated by some EU parties and learning points will be drawn out from this. There will be more opportunities to comment.

An overview of implementation within the UNC was given; attention was drawn to specific areas where further detail was outlined:

- Matching Process
- Gas Allocations - Early views from Shippers regarding the OBAs at IPs were encouraged (contact: [philip.hobbins@nationalgrid.com](mailto:philip.hobbins@nationalgrid.com))
- IA Publication/Consultation Requirements
- Data Exchange.

An overview of implementation in respect of other areas (non UNC) was given; attention was drawn to specific points where further detail was outlined:

- Alignment of Interconnection Agreements
- Gas Quality.

Substantial reform to GB arrangements is likely and will need to be carried out alongside systems and contracts amendments.

Responding to a question from JC, PH confirmed there was no view at the moment on costs; further discussion was required with IUK and BBL to gain a better understanding of how they operate, before exploring further with Xoserve.

PH confirmed that National Grid NTS was not looking to extend the arrangements outside of IPs (the EU code was only promoting it at IPs).

#### 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
• Balancing Update	05 September 2013

## 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/0452/010813](http://www.gasgovernance.co.uk/0452/010813)

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

Minutes for this meeting are at: [www.gasgovernance.co.uk/0454/010813](http://www.gasgovernance.co.uk/0454/010813)

### 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/0461/010813](http://www.gasgovernance.co.uk/0461/010813)

## 3. Issues

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

Awaiting developments; no further update.

### 3.2 New Issues

None raised.

## 4. Any Other Business

None raised.

## 5. Diary Planning

The next Transmission Workgroup will take place at 10:30, on Thursday 05 September 2013, at ENA, 6<sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

The following Transmission Workgroup meetings are scheduled for 2013:

<b>Date</b>	<b>Time</b>	<b>Location</b>
Thursday 05 September 2013	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 03 October 2013	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 07 November 2013	10:30	ENA, 6 <sup>th</sup> 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: 01 August 2013**

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