

Transmission Workgroup Minutes

Thursday 06 March 2014

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

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Amrik Bal	(AB)	Shell
Anna Shrigley	(AS)	ENI
Bethan Winter	(BW)	Wales & West Utilities
Charles Ruffell	(CR)	RWE npower
Chris Shanley	(CS)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
Danielle Stoves	(DS)	Interconnector
Felicity Bush	(FB)	ESB
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Isabelle-Agnes Magne*	(IAM)	GDF Suez
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
Jessica Housden	(JH)	Ofgem
Joanna Campbell	(JCa)	Ofgem
Joanna Ferguson	(JF)	Northern Gas Networks
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Karen Healy	(KH)	National Grid NTS
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Malcolm Montgomery	(MM)	National Grid NTS
Marshall Hall	(MH1)	Oil & Gas UK
Martin Baker	(MB)	Xoserve
Martin Connor	(MC)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme*	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Ricky Hill	(RH)	British Gas
Roddy Monroe	(RM)	Centrica Storage
Ryan McLaughlin	(RMc)	Ofgem
Sarah Lloyd	(SL)	National Grid NTS
Sofia Eng	(SF)	EDF Energy

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/tx/060314

1. Introduction and Status Review

1.1 Review of minutes and actions from the previous meeting (06 February 2014)

1.1.1 Minutes

The minutes of the previous meeting were accepted.

1.1.2 Actions

TR0201: *Xoserve Review Update* – Add item to next agenda and invite Xoserve to provide updates for information purposes.

Update: Added to this agenda; Xoserve update provided at 4.1, below. **Closed**

1.2 Review of Live Modifications not covered elsewhere on the agenda

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

0435 - Workgroup reporting date 17 April 2014. Proposer to confirm next steps.

0452V and **0465V** - With Ofgem for decision; JT confirmed that these were complicated modifications and that Ofgem was holistically assessing the impacts and will then consult on the methodology and the Licence. JCh pointed out the need for decisions to be made before the AMR auctions later in the year.

0454 – Panel recommended implementation; FMR sent back by Ofgem seeking further clarification on certain points. See 2., below.

0461 – Ofgem carrying out an Impact Assessment.

0471S – Implementation date to be confirmed.

1.3 Ofgem Update

JT provided a general update, as follows:

- **Gas Transmission Charging Review - Response to Gas Forum Letter.** This is a response to a letter from the Gas Forum to Ian Marlee, which expressed concerns about the Gas Transmission Charging Review. The letter outlines why Ofgem think it is necessary to undertake the review. A copy of the letter can be found at the following location of the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/gas-transmission-charging-review-response-gas-forum-letter>
- **Direction to amend Final Modification Report of UNC0454 'Introduction of a Long Term Non Firm Capacity Product'.** This letter outlines the reasons the Authority sent back UNC 0454 to the UNC Modification Panel. A copy of the letter can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/xoserve-%E2%80%93-consultation-legal-and-regulatory-framework-establish-new-arrangements-gas-central-service-provider>
- **Xoserve – consultation on the legal and regulatory framework to establish new arrangements for the gas central service provider.** This consultation seeks views on which option Ofgem should implement to modify the legal and regulatory framework Xoserve is governed by. A copy of the consultation can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/xoserve-%E2%80%93-consultation-legal-and-regulatory-framework-establish-new-arrangements-gas-central-service-provider>
- **Gas Security of Supply Significant Code Review - Final Policy Decision.** This document explains Ofgem's decision on a demand-side response mechanism, the principles it should meet and how Ofgem plan to develop it. It also gives an overview of Ofgem's final policy decision for cash-out reform, and oits proposed decisions on how its

reforms will work in practice. Draft licence legal text and UNC business rules were published alongside this decision letter. A copy of the letter can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/gas-security-supply-significant-code-review-final-policy-decision>.

1.4 Pre Modification Discussions Update

None for consideration.

2. Workgroups

2.1 Workgroup 0454 – Introduction of a Long Term Non Firm Capacity Product

Minutes available at: www.gasgovernance.co.uk/0454/060314

3. Issues

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

No update available.

3.2 New Issues

No new issues raised.

4. Any Other Business

4.1 Xoserve Review - Ofgem Update

JCa gave a presentation, outlining the background to the review and giving an update on progress towards implementing the new arrangements.

Reference was made to the role of the newly convened Change Overview Board (COB). This had no formal responsibilities under Code governance but will be reviewing industry change priorities. Its views could feed into Xoserve's business planning and it has the potential to be a useful industry discussion forum and provide a good opportunity to engage with stakeholders.

Clarity on timescales for Licence changes was sought. April 2015 had been proposed but this may not now be feasible and, depending on consultation responses, would be reviewed.

Funding arrangements were queried. The GTs will cover the costs of Xoserve and at an appropriate point Ofgem will review against what has been delivered and see what has been covered; there was a possibility some funding can be removed if projects are not delivered. MB added there would be a regular assessment of outputs against funding and who pays what over what timeframe will be worked through. The governance funding review should not impact delivery of projects. The Change Overview Board (COB) had discussed EU Codes and Project Nexus priorities and would be sending a letter to Ofgem shortly. LJ drew attention to the Joint Office website at www.gasgovernance.co.uk/COB, where COB meeting papers will be made available.

JCh suggested that regular updates on the delivery of Xoserve's project plans would be welcome.

5. Diary Planning

These meetings will immediately follow the proceedings of the UNC European Workgroup.

Date	Location
Thursday 03 April 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 01 May 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 05 June 2014	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 Transmission Workgroup: 06 March 2014

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR0201	06/02/14	4.2	<i>Xoserve Review Update</i> - Add item to next agenda and invite Xoserve to provide updates for information purposes.	Joint Office (LJ/LD)	Closed