

UNC Workgroup 0493 Minutes
**EU Gas Balancing Code – Daily Nominations at Interconnection
Points (IP)**
10.00am Friday 11 July 2014
at Energy Networks Association, 52 Horseferry Road, London
SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Anna Shrigley	(AS)	ENI
Charles Ruffell	(CR)	RWEst
Chris Shanley	(CS)	National Grid NTS
Francisco Goncalves	(FG)	Gazprom
Graham Jack	(GJ)	Centrica
Isabelle-Agnes Magne	(IAM)	GDF Suez
Julie Cox*	(JC)	Energy UK
Kevin Brown	(KB)	Petronas
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lesley Ramsey	(LR)	National Grid NTS
Lucy Manning	(LM)	Interconnector UK
Malcolm Montgomery	(MM)	National Grid NTS
Marshall Hall	(MHa)	Oil & Gas UK
Matthew Hatch	(MH)	National Grid NTS
Pavanjit Dhesi	(PD)	Interconnector UK
Peter Bolitho	(PB)	Waters Wye Associates
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme*	(RF)	E.ON UK
Richard Miller	(RM)	Ofgem

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0493/110714>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 October 2014.

1. Introduction and Status Review

1.1 Review of Minutes

The minutes of the previous meeting (22 May 2014) were accepted.

1.2 Review of Actions

0501: National Grid NTS (PL/CS) to double check with other TSOs what their expected approach regarding capacity validation and over nominations and explain possible alternative options open to National Grid (as the TSO) with regards to capacity validation and over nomination and provide a copy of the TSO nominations framework for publication alongside the minutes.

Update: Please refer to the National Grid NTS presentation under item 2 below. Closed

0502: National Grid NTS (PL/CS) to provide a link (for inclusion in the minutes) to the Edig@s Implementation Guidelines Sections VI and III and the BRS documents.

Update: Please refer to the National Grid NTS presentation under item 2 below. Closed

0503: National Grid NTS (PL/CS) to provide a view on EIC Codes utilisation going forwards (reference page 8 footer number 4).

Update: Please refer to the National Grid NTS presentation under item 2 below. Closed

0504: National Grid NTS (PL/CS) to provide to provide some example scenarios for multiple confirmed quantities and how traded quantities would be applied to them.

Update: Please refer to the National Grid NTS presentation under item 2 below. Closed

0505: National Grid NTS (PL/CS) to consider providing an 'Exceptional Event' scenario (based around business rules 95 & 96) that include both the nominations and allocations aspects.

Update: Please refer to the National Grid NTS presentation under item 2 below. Closed

2. Discussions

2.1 Modification Proposal 0493 Presentation (National Grid NTS)

During a review of the presentations provided by both CS and PL, the following key points (by exception) were discussed:

Action 0501 update

Option 2 – Existing GB Regime, slide 9 – This represented National Grid's preferred option. From July 2016 if the Interconnection Point (IP) becomes constrained/congested and TSOs wish to apply restriction of nomination/re-nomination rights, the lead time would be circa 12 – 18 months.

ENTSOG has suggested working closer with the author of the recent Critical (ACER) Report to provide additional background;

IUK Nominations Framework (1) & (2), slides 14 & 15 – PL highlighted that although there was a difference in earliest nomination time between TSOs, as this is not prescribed by the EU Balancing Code this is ‘legitimate’ and alignment is not necessary i.e. Users in each jurisdiction need to be cognisant of the relevant provisions. Agreement of the ‘matching rule’ is pending at this time. Any change in flow can only take effect at the nominations/renominations effective time (i.e. 2hrs for the re-nominations process, although the matching process and outcome communication can be processed more quickly). When asked how this compares to existing provisions, PL advised that the existing notice period is one hour but the proposal is in line with the EU Balancing Code and the additional time allows TSOs to match the respective quantities – it was also acknowledged that some TSOs may have significant numbers of IPs. JC provided a brief update on the EU Balancing Code provisions, noting that the Code allows TSOs to agree to an effective time less than 2 hours. PL noted that at this time NG was not of a view to agree to this given its lack of experience in undertaking a matching process with adjacent TSOs. JC requested that it be recorded that National Grid was not looking to allow nominations to become effective in a shorter time than 2 hours. CS clarified that this was due to the expectation that the renomination processing cycle will be longer than an hour.

(focus now moved onto the Interconnector Nominations presentation, before returning back to NGs presentation)

BBL Nominations Framework (1) & (2), slides 16 & 17 – it was confirmed that there is a good level of interaction between National Grid and BBL and other TSOs.

BGE/Gaslink/PTL Nominations Framework (1) & (2), slides 18 & 19 – PL advised that discussions with the Irish TSOs are not as far advanced as with BBL and IUK , hence the higher number of ‘TBC’ items. Further the TSO interfaces for NG at Moffat remains to be determined.

The aim is to complete all frameworks around the same time and in time for the Workgroup to report back to the Modification Panel in October. Whether or not, National Grid is going to be the initiating TSO at Moffat is yet to be determined.

The Irish TSOs are aware of, and working towards, the proposed October 2015 Implementation of the EU Balancing Code.

Action 0502 update

EDIG@S Implementation Guidelines Sections VI and III and BRS document links provided on slide 21.

Action 0503 update

EIC Codes – Current View, slides 23 & 24 – no questions were raised in respect of the update provided by National Grid.

Actions 0504 & 0505 updates

0505: Revised Confirmed Quantities following an Exceptional Event or Emergency, slide 26 – PL described how a consequential reduction in nominated quantities would applied a User's multiple nominations. CS noted that National Grid would utilise the measures described within the System Management Principles Statement in order to resolve a Constraint management event. PB provided a view that NG should look to utilise other tools ahead of a capacity buy backs.

0504: Revised Confirmed Quantities following Physical or Locational Trades, slide 27 – CS opened by reminding those present that in the 'new world', there will be a 'link' between flows and allocations and that multiple nominations for a User on a day means that this new process is needed. CS added that adopting clear rules to be applied by National Grid could/would eliminate some parties concerns and issues relating to this matter.

It was noted that as long as there was sufficient time remaining in the Renomination period, parties would be able to re-nominate different apportionments across nominated quantities should they wish to.

0505: Exceptional Event Frequency at IPs, slide 28 – PL highlighted the low frequency of exceptional events over the three year period between June 2011 to June 2014.

2.2 Nominations Presentation (Interconnector UK)

LM provided a brief overview of the presentation during which she confirmed that the NTS Shippers getting daily Confirmed Quantities updated on an hourly basis is different to current processes.

In considering the proposed Single Sided Nominations submissions to National Grid via Gemini, LM advised that matching capacity on both sides of the bundle is still being considered by the TSOs (National Grid and IUK in this instance) concerned. In responding to concerns that this would appear to suggest a loss of 2hrs of flexibility, LM suggested that as IUK currently works to a 1hr 'matching' (re-nominations) schedule, in reality the proposal would only introduce a 59 minute delay in processing.

In acknowledging that there may well be a slight loss in flexibility, offset to some degree by enhanced TSO procedures and processes, CS explained that the proposals reflect the EU Balancing Code rules.

2.3 Interaction with other EU Codes processes Presentation (National Grid NTS)

PL provided an onscreen review of scenarios designed to show the interaction between the capacity, nomination and allocation regimes under the EU Codes. CS noted that whilst the values

provided in the examples are deliberately extreme, in reality it is expected that values are likely to be more closely matched.

It was noted that the 'lesser of' matching rule was the default rule in the event that TSOs could not agree on the rule to be applied. LM noted that proposal for IUK/National Grid was to continue with the current 'IUK value prevails' rule that IUK utilises which it believed is a pragmatic approach. When asked, PL confirmed that the matching rule would be specified within the TSO Interconnection Agreement and also noted the proposed obligation within 0493 for National Grid to inform Users of its role at each relevant point. CS suggested that this is likely to be displayed within the Gemini system.

When asked about the BBL matching rule, CS confirmed that these are currently being discussed, but he would not be surprised if they end up very similar to the IUK proposal.

In response to a previous question regarding any planned changes to the overrun regime, MH confirmed that the end of month Exit overruns process would continue 'asis' (as per UNC Modification 0500 rules).

Action 0701: CS asked for Workgroup members to provide any additional items (Modification Proposal or Business Rules) that they would like discussed and resolved promptly.

Action 0702: National Grid NTS and IUK (CS/PL/LM) to provide some capacity validation to nominations relationship scenarios for consideration at the next meeting.

3. Draft Business Rules

No further comments were made in relation to the Business Rules.

4. Legal Text

CS highlighted that National Grid intended to provide the draft legal text for review at the September Workgroup with the expectation that the Workgroup Report could also be concluded at this meeting.

5. Workgroup Report

Consideration deferred.

6. Any Other Business

None.

7. Diary Planning

The following meetings are scheduled to take place during 2014.

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

Date	Location
Tuesday 12 August 2014 European Workgroups Day: 0493, 0500 and 0501	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Tuesday 16 September 2014 European Workgroups Day: 0493, 0500 and 0501	31 Homer Road, Solihull B91 3LT
Wednesday 08 October 2014 European Workgroups Day: 0493, 0500 and 0501	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Tuesday 21 October 2014 European Workgroups Day: 0493, 0500 and 0501	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Wednesday 05 November 2014 European Workgroups Day: 0493, 0500 and 0501	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	22/05/14	3.0	To double check with other TSOs what their expected approach regarding over nominations is expected to be (inc. an explanation of possible alternative options) and also provide a copy of the TSO 'common areas of concern' log for publication alongside the minutes.	National Grid NTS (PL/CS)	Update provided. Closed
0502	22/05/14	3.0	To provide a link (for inclusion in the minutes) to the Edig Implementation Guidelines Sections VI and II and the BRS documents.	National Grid NTS (PL/CS)	Update provided. Closed
0503	22/05/14	3.0	To provide a view on EIC Codes utilisation going forwards (reference page 8 footer number 4).	National Grid NTS (PL/CS)	Update provided. Closed
0504	22/05/14	3.0	To provide to provide some example scenarios for multiple confirmed quantities and how we will then apply traded quantities to them.	National Grid NTS (PL/CS)	Update provided. Closed
0505	22/05/14	3.0	To consider providing an 'Exceptions Event' scenario (based around business rules 95 & 96) that include both the nominations and allocations aspects.	National Grid NTS (PL/CS)	Update provided. Closed
0701	11/07/14	2.0	CS asked for Workgroup members to provide any additional items (Modification Proposal or Business Rules) that they would like discussed and resolved promptly.	ALL	Update pending.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0702	11/07/14	2.0	To provide some capacity validation to nominations relationship scenarios for consideration at the next meeting.	National Grid NTS & IUK (CS/PL/LM)	Update pending.