

Energy Balancing Credit Committee Minutes

Monday 25 July 2016

Teleconference

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HC)	Joint Office	Non-Voting
David Holland	(DH)	Shipper	Voting Member
Gavin Ferguson	(GF)	Shipper	Voting Member
Gemma Truran	(GT)	Shipper	Voting Member
James Hill	(JH)	Shipper	Voting Member
Richard Fairholme	(RF)	Shipper	Voting Member
Mark Cockayne	(MC)	Xoserve	Non-Voting
Sandra Dworkin	(SD)	Xoserve	Non-Voting

Apologies

Pauline Babb	(PB)	Shipper	Voting Member
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Copies of all papers are available at: <http://www.gasgovernance.co.uk/ebcc/250716>

1. Introduction and Status Review

LJ welcomed the members to the meeting, which was quorate.

1.1 Approval of Minutes (26 June 2016)

MC requested two amendments to the 26 June 2016 minutes, to correct the Rolling 12 month settlement reported as 99.94% to 99.49% and the reference to HSBC within section 4.1 should have been to Lloyds. The amended minutes have been published and approved.

1.2 Actions

EBC 0501: Xoserve (MC) to speak with Ofgem (JD/TF) to understand Ofgem's thoughts and next steps. (*draft EBCC membership mod*)

Update: Deferred until discussions have been held with Ofgem. **Carried forward.**

EBC 0503: Xoserve (MC) Confirmation of first Sub Group meeting to be held in London or Windsor, date and venue to be confirmed.

Update: First Sub Group meeting has been confirmed for 05 September 2016 all members were reminded to respond directly to Xoserve on their availability. **Carried Forward.**

2. Operational Update

SD provided the operational report for June 2016.

2.1 Cash Call Notices

During June there were 2 Cash Call Notices issued, one had been appealed and withdrawn and other had been paid.

2.2 Further Security Requests (FSRs)

During June there were no Further Security Requests issued.

2.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
May 2016	99.87%	100%
June 2016	100%	100%
Rolling 12 Months	99.49%	100%

SD confirmed one Failure to Pay Notice for a very small value had been issued.

3. Modifications

3.1 *Modification 0534 – Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points*

Available at: www.gasgovernance.co.uk/0534

MC confirmed that the Xoserve system solution was now in place and that the first payment would be due late August.

3.2 **Modification 0568 – Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer**

Available at: <http://www.gasgovernance.co.uk/0568>

MC confirmed that the first invoice would be issued on 03 August and will cover all of June, July and the 01 and 02 August.

3.3 **Modification 0587 – Seasonal Energy Balancing Credit Cover**

Available at: www.gasgovernance.co.uk/0587

SD explained that the modification proposes to introduce a Winter/Summer profile for security requirements.

SD highlighted that at last month's EBCC members discussed the modification in more detail. Members considered that the existing rules were sufficient to manage a solution. The EBCC did not agree to provide an initial representation but that it was worthwhile explaining how the existing rules work. Mark explained that parties had requested some analysis to be provided for the Transmission Workgroup.

SD explained that some analysis had been provided at the July Transmission Workgroup in respect of 2 small, 2 medium and 2 large portfolio shippers. In addition the same analysis was provided to the User for their profile. The information showed the value of Energy Balancing Security required over the last 3 years based on net indebtedness if profiled over Summer/Winter periods specified in Modification 0587. The analysis wasn't conclusive in supporting the modification. However, when looking at the bar charts you needed to take into account the timing differences ie when security recalculated and when it was put in place, also that some shippers were growing their portfolio and also that some just don't fit the domestic summer/winter profile. SD explained that it is possible to return security under current rules when requested to shippers if the criteria is met in UNC X2.3.5. However, the workgroup were not satisfied that the analysis particularly supported the modification and they were not happy with the format it was in. This was probably not helped by the communication challenges faced by dialling in.

SD confirmed Xoserve are working with Opus to re-examine the data and that Opus would discuss this at the Transmission Workgroup in September.

It was noted at the Transmission Workgroup that the existing rules could be utilised where the security is held as cash, and there may not be a need for a modification. However Opus wished to continue with the modification to provide clarity within the UNC. GF enquired asked about the possibility of using a letter of credit as an alternative solution. LJ confirmed that this was discussed at the Workgroup, a stepped letter of credit could be used as at present.

4. Any Other Business

4.1 Gemini Releases

EU Phase 3 – MC confirmed 1st EBI with the IP Balancing Allocations (reference conditions) issued successfully on 01 July.

EU Summer 2016 Release – UAT completed. System implementation on 14 August with a regime go live date of 01 October 2016.

4.2 Market Operator Indebtedness

MC highlighted an incident whereby the Market Operator had exceeded their 60% indebtedness position, normally there is an obligation to convene an EBCC, however due to the circumstances a communication had been issued to clarify the approach taken. No concerns were raised about the approach taken and the action taken was deemed appropriate.

4.3 Voluntary Discontinuances

SD provided the details of four Voluntary Discontinuances:

APX Commodity Ltd, Shipper Short Code: ENO

Cargill Plc, Shipper Short Code: CAP.

Merril Lynch Commodities (Europe) Ltd, Shipper Short Code: ETM.

Wingas Storage Enterprise Ltd, Shipper Short Code: WSE.

The committee members approved all Voluntary Discontinuances.

4.4 Nominations for EBCC

It was noted that 6 nominations had been received for the 9 EBCC positions. MC enquired if the Joint Office would be confirming the nominations. LJ confirmed that at this stage the received nominations for the Panel and Sub-committees would not be publicised as a subsequent nomination process had been opened to fill the remaining position and he did not want the publication of names influencing the submission of nominations. He clarified that the appointments would be confirmed by 01 September.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

EBCC meetings are scheduled as follows:

Time Date	Venue
August 2016	An operational update will be provided rather than holding a Teleconference on 22 August.
10:30 Monday 26 September 2016	Teleconference

Action Table (25 July 2016)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 501	23/05/16	5.2	Xoserve (MC) to speak with Ofgem (JD/TF) to understand Ofgem's thoughts and next steps.	Xoserve (MC)	Carried Forward
EBC 503	23/05/16	5.2	Xoserve (MC) Confirmation of first Sub Group meeting to be held in London or Windsor, date and venue to be confirmed.	Xoserve (MC)	Carried Forward