

## Energy Balancing Credit Committee Minutes

### Monday 20 July 2015

### By Teleconference

#### Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
James Hill	(JH)	Shipper	Voting
Karen Visgarda (Secretary)	(KV)	Joint Office	Non-Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting
Pauline Babb	(PB)	Shipper	Voting
Sharon Farby	(SF)	Shipper	Voting
Richard Fairholme	(RF)	Shipper	Voting
Gemma Truran	(GT)	Shipper	Voting

#### Apologies received

Sandra Dworkin	(SD)	Xoserve	Non-Voting
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#### 1. Introduction

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

#### 2. Review of Minutes and Actions

##### 2.1 Minutes

Minutes from the June meeting were approved.

##### 2.2 Actions

**Action EBC 1102b:** Identify options for extending or enhancing EBCC membership. Include reviewing other UNC and non UNC committees/groups for ideas to expand membership.

**Update:** MC stated that the draft modification still requires some further details and will be issued by the end of August for review and discussion by the members. **Carried forward**

**Action EBC 1102C:** Increasing/promoting EBCC Membership - RF to write to appropriate industry trade associations.

**Update:** RF is in the process of writing to the industry in the lead up to the nominations to draw attention to the process. This matter has been co-ordinated via the Gas Forum, who now have a single point of contact and it has also been high-lighted to Energy UK. MC stated it is useful to have a reminder of the election process. **Carried forward.**

**EBC 0401:** Face to Face visits with the Xoserve Energy Balancing Credit Teams - Xoserve to make appropriate arrangements and communicate the details.

**Update:** MC proposed a meeting after October, and it was agreed the face to face meeting would be 16 November 2015. **Closed.**

**EBC 0601:** MC to look at Daily Settlements for the past 3 years and the impacts on the Trading and Clearer Systems.

**Update:** MC has investigated this matter and will supply analysis in a graph format to show the results along with the minutes. See discussion under item 4 below. **Closed.**

**EBC 0602:** MC to investigate whether the minimum credit limit is appropriate for all parties.

**Update:** MC stated this matter is currently with the Legal Team awaiting further investigation. **Carried forward.**

**New Action 0701:** MC to circulate the new Credit Rules and members to respond by the end of August.

### 3. Operational Update

MC provided the operation update for June.

#### 3.1 Cash Call Notices

During June 2015 there were 5 Cash Call Notice issued, 2 were paid, 2 were appealed and withdrawn and 1 required a failure to pay notice to be issued and it was paid the following day.

#### 3.2 Further Security Requests (FSRs)

There was 1 FSRs issued during June 2015.

#### 3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
May 2015	98.59%	100%
June 2015	100%	100%
Rolling 12 Months	99.53%	100%

No Notice of Failure to Pay Energy Balancing Invoice were issued during June.

### 4. Market Operator Update

**Action 0601.** \* MC provided an overview regarding the specific requirements requested by the Market Operator – ICE Clear Europe in relation to security and daily billing.

MC stated that the Market Operator is keen to progress. However, Xoserve are seeking confirmation from members regarding the basis on which security should be provided as the UNC and EBCR do not make

any special provision for the Market Operator at present. MC enquired if members were happy to operate the account on the same basis as that extended to the current market operator.

PB asked what would happen in a default and non-payment situation. MC stated that as presently, the committee would be immediately made aware any default would be managed via the Cash Call process, however there is an obligation to convene a meeting of the EBCC where exposure exceeds 60% of the agreed cash call limit.

**All members unanimously agreed that ICE Clear Europe should operate on the same basis as the current Market Operator, with a minimum level of security supported by a pre payment agreement.**

MC explained at the last meeting ICE were hopeful to 'go live' on 14 July 2015, however this has now been put back until later in the year. MC also advised that ICE is working closely with National Grid and Xoserve.

## **5. Modifications**

MC explained that Modification 0233 would be picked up again with National Grid following implementation of SCR requirements.

## **6. Bank Ratings**

MC commented on the fact there has been quite a lot of movement and that Barclays now have a stable rating outlook. MC explained that there has been a general change in outlook with Moody's making 8 rating changes Most notable in terms of impact is Deutsche Bank being down graded. MC advised that he would provide details in graph form alongside the minutes of the meeting.

## **7. Any Other Business**

### **a. Review of Energy Balancing Credit Rules for minimum security for balancing purposes of not less than £10,0000.**

MC explained the matter is being looked into following comments from members and MC will write to the Customer directly to explain the process that is being undertaken.

**New Action 0702: MC to respond to the Customer regarding the Energy Balancing Credit Rules, explaining the matter is currently with the Legal Team.**

### **b. MC stated that a Voluntary Discontinuance request had been received from Cargill International SA shipper short code CAR.**

MC stated that CAR had not traded for a long period of time and there were no live supply points. The only area outstanding was the bank details for them to exit the market.

**The members all unanimously agreed for Cargill International SA to exit the market.**

### **c. Gas Balancing Meeting – changes to the Gas Day**

RF wanted to know if a representative from the EBCC would be present at the meeting on 20 July 2015. MC confirmed that Xoserve's Operational Change Team are supporting the Gas Day Changes and

MC stated that he believed none of the changes would have an impact on the Gemini system. RF proposed it would be useful if a team member could be there from a development view point. MC confirmed that he would speak with the Industry Engagement Team about this meeting.

**d) Provision of Bank Accounts**

MC gave an update on the new bank provider and stated the Treasury Team has confirmed this will be up and running shortly.

**e) Balancing Invoice Dates**

JH enquired if the Balancing Invoice date that had been moved because the Nexus implementation date was being put back, was in the invoice date likely to be moved back to the usual date? MC stated he did not believe this to be necessary as bringing the issue date provides Shippers with a longer time period to validate invoices.

**8. Date of Next Meeting**

**An Operational Update will be circulated to members in August.**

EBCC meetings are scheduled as follows:

Date	Location
Monday 21 September 2015, 10:30	Via teleconference
Monday 16 November 2015, 10:30	31 Homer Road, Solihull B91 3LT (combined October/November meeting)
Monday 21 December 2015, 10:30	Via teleconference

**Action Log – Energy Balancing Credit Committee (20 July 2015)**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>EBC 1102b</b>	26/01/15	2.0	Identify options for extending or enhancing EBCC membership. Include reviewing other UNC and non UNC committees/groups for ideas to expand membership.	JO/Xoserve (BF/MC/SD)	<i>Continuing</i> <b>Carried forward</b>

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>EBC 1102C</b>	30/04/15	2.2	Increasing/promoting EBCC Membership - RF to write to appropriate industry trade associations.	RF	<b>Carried forward</b>
<b>EBC 0401</b>	30/04/15	6.	Face to Face visit with the Xoserve Energy Balancing Credit Teams - Xoserve to make appropriate arrangements and communicate the details.	Xoserve (MC/SD)	<b>Closed</b>
<b>EBC 0601</b>	22/06/15	4.	MC to look at Daily Settlements for the past 3 years and the impacts on the Trading and Clearer Systems.	Xoserve (MC)	<b>Closed</b>
<b>EBC 0602</b>	22/06/15	6.	MC to investigate whether the minimum credit limit is appropriate for all parties.	Xoserve (MC)	<b>Carried forward</b>
<b>EBC 0701</b>	20/07/15	2.	MC to circulate the new Credit Rules and members to respond by the end of August.	Xoserve (MC)	<b>Pending</b>
<b>EBC 0702</b>	20/07/15	7.	AOB - MC to respond to the Customer regarding the Energy Balancing Credit Rules, explaining the matter is currently with the Legal Team.	Xoserve (MC)	<b>Pending</b>