

Energy Balancing Credit Committee Minutes

Monday 21 March 2016

via Teleconference

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HC)	Joint Office	Non-Voting
James Hill	(JH)	Shipper	Voting Member
Pauline Babb	(PB)	Shipper	Voting Member
Mark Cockayne	(MC)	Xoserve	Non-Voting
Richard Fairholme	(RF)	Shipper	Voting Member
Sandra Dworkin	(SD)	Xoserve	Non-Voting

Apologies

David Holland	(DH)	Shipper	Voting Member
Gavin Ferguson	(GF)	Shipper	Voting Member
Gemma Truran	(GT)	Shipper	Voting Member

Copies of all papers are available at: <http://www.gasgovernance.co.uk/ebcc/210316>

1. Introduction and Status Review

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

1.1 Approval of Minutes (23 February 2016)

Minutes from the previous meeting were approved.

1.2 Actions

0201: UNC 0568 – Xoserve to circulate a draft response on behalf of the EBCC for Modification 0568.

Update: EBCC representation submitted on 10 March. **Closed.**

0202: UNC 0569S – Xoserve to draft changes to EBCR and circulate to members for agreement.

Update: MC confirmed a draft change to the EBCR had been issued and become effective on 11 March. **Closed.**

0203: EBCR Peak Exposure - Xoserve to undertake more analysis and draft changes to consider at the next EBCC meeting.

Update: MC confirmed Xoserve are still working on this agreement and aim to bring a draft change for consideration at the next meeting. **Carried Forward.**

2. Operational Update

SD provided the operational report for February 2016.

2.1 Cash Call Notices

During February there were no Cash Call Notices issued.

2.2 Further Security Requests (FSRs)

During February there were no Further Security Requests issued.

2.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
January 2016	99.98%	100%
February 2016	99.86%	100%
Rolling 12 Months	99.36%	100%

SD explained that there were 3 'Failure to Pay' notices issued during February 2016. All these were related to one off process matters and were all resolved.

3. Market Operator Security Requirements

MC reported that the migration went live on 23 February 2016.

MC confirmed that Xoserve have continued to monitor exposure and there have been no issues. He explained there is still an outstanding item surrounding the Rule 305 Cash Call Process. A meeting was held on 02 March and there are two potential routes to address the interim issues prior to the implementation of Modification 0568.

4. Modifications

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

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

Xoserve expect to process the first batch of adjustments in May 2016, none of these are expected to be of a significant value. The details of the potential values have been shared with the Workgroup 0534.

4.2 Modification 0541A/B - Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06:00 - 06:00 Gas Day.

Available at: www.gasgovernance.co.uk/0541

MC advised that this modification is currently out for consultation with an expected decision from Ofgem mid April. Xoserve are currently assessing the potential Gemini system costs for the online adjustments, there are some challenges around the change schedules, a further update will be provided at the next meeting. MC explained that if an online Gemini solution is not viable, a manual workaround might have to be considered.

4.3 Modification 0568 - Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer

Available at: www.gasgovernance.co.uk/0568

MC advised that the Final Modification Report was presented to the March UNC Panel Meeting.

4.4 Modification 0569S - Removal of the minimum security requirement from the Energy Balancing Credit Rules

Available at: www.gasgovernance.co.uk/0569

MC advised following UNC Panel consideration on 18 February 2016 this self-governance modification had been implemented and EBC Rules updated on 11 March 2016.

5. Any Other Business

5.1 Project Nexus Implementation Risks

MC highlighted that British Gas had raised a potential risk at the Smart Metering Implementation Programme Implementation Managers Forum (SMIPIMF) essentially around Shipper administration affected by Project Nexus and the changes to UK Link systems. It was questioned if any special arrangements need to be considered, such as agreeing extensions to credit periods.

MC highlighted some of the changes and explained that the Energy Balancing Invoices are generated in Gemini, however, they are issued via UK Link, and this aspect will change as a result of UK Link replacement and will be subject to user trials. The schedule of invoices have been looked at, the invoice prior to implementation will be generated using the legacy system, the first invoice after implementation would be issued in November. MC asked members if they had a view on any potential risks.

PB enquired about what contingency arrangements would be put in place. MC explained that Xoserve's standard contingency arrangements would be in place for Energy Invoices.

Members agreed that Shippers would need to manage their own risks to ensure sufficient transition. The EBCC would continue to monitor the billing schedule and continue to monitor market exposure, however, no additional processes were deemed necessary. It was agreed that any early warning signals would be addressed through appropriate EBCC meetings as per the current process.

5.2 Voluntary Discontinuances

No Voluntary Discontinuances reported.

6. Diary Planning

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

EBCC meetings are scheduled as follows:

Time Date	Venue
11:00 Monday 25 April 2016	31 Homer Road, Solihull
10:30 Monday 23 May 2016	Teleconference
10:30 Monday 27 June 2016	Teleconference
10:30 Monday 25 July 2016	Teleconference

Action Table (21 March 2016)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 0201	23/02/16	4.3	UNC 0568 – Xoserve to circulate a draft response on behalf of the EBCC for Modification 0568.	(MC) Xoserve	Closed
EBC 0202	23/02/16	4.4	UNC 0569S – Xoserve to draft changes to EBCR and circulate to members for agreement.	(MC) Xoserve	Closed
EBC	23/02/16	5.3	EBCR Peak Exposure - Xoserve to	(MC)	Carried

Action Table (21 March 2016)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0203			undertake more analysis and draft changes to consider at the next EBCC meeting.	Xoserve	Forward