

Energy Balancing Credit Committee Minutes
Monday 23 February 2015
By Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Esther Sutton	(ES)	Shipper	Voting
Gemma Truran	(GT)	Shipper	Voting
James Hill	(JH)	Shipper	Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting
Sandra Dworkin	(SD)	Xoserve	Non-Voting

Apologies

Gavin Ferguson	(GF)
Pauline Babb	(PB)

1. Introduction

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

2. Minutes and Actions

EBC 0402: Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.

Update: Members agreed to review the action at the March meeting.

Carried Forward

Action EBC 1102: Clarify the process for the appointment of alternates by the emergency EBCC chair.

Update: MC advised that he intends to review the EBCR and the process for alternates being nominated by an emergency meeting chair. Any amendments would be brought forward to the EBCC for approval.

Carried Forward

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 advised that a number of proposals/options are being considered and that he intends to share these options at a future meeting. However, it is likely a modification would be required specifying a minimum membership attendance threshold for EBCC and that there may then be an option to extend membership by paying for the provision of independent experts to ensure community interests are protected.

Carried Forward

3. Operational Update

SD provided the following Operational update for January 2015.

3.1 Cash Call Notices

During January 2015 there were two Cash Call Notice issued, which one was paid and the other was appealed and withdrawn.

3.2 Further Security Requests (FSRs)

There were no FSRs issued during January 2015.

3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
December 2014	95.83%	100%
January 2015	100%	100%
Rolling 12 Months	99.63%	100%

There were no Failure to Pay Notices issued during January 2015.

4. Modifications

Modification 0521 - Revision of User Admission Criteria to include Transporter verification of its ability to transact with the Applicant User

MC advised that Ofgem had requested additional information about the costs for changing banks, including related system information and impacts related to the change. This additional analysis will have impacted the decision timescales as it has taken about two weeks to progress. BF advised that Ofgem have a decision SLA of 25 Days, although they reset the clock if they need to request additional information. MC confirmed the aim is to move bank if one can be identified that is willing to transact with one of more of the organisations impacted.

MC advised that a change would be required to UK Link to facilitate multiple bank accounts. Similarly a change would be required to the current scope of the UK Link replacement system if the proposal were to be accepted.

5. Significant Code Review (SCR) Update – Security of Supply

MC advised that National Grid NTS has confirmed that they would be willing to progress the credit related modification to support SCR which would introduce controls similar to those originally proposed in Modification 0233V.

MC provided an update on the systems build progress to meet the SCR requirements for 01 October 2015. He advised that system testing ends 09 April with implementation aimed for May in readiness for 01 October. New charge types are being prepared and will be issued to UK Link Committee to seek representations from parties.

6. Bank Ratings Review

MC advised that there were no changes to Bank ratings following the Greek election results and ongoing discussions surrounding the outstanding debt. The risk has been down rated should Greece exit the Euro as most Banks have written down their debts.

MC asked members to note that Barclays plc has been down rated to sub investment level. There is concern that Barclays Bank plc and a number of other banks will get downgraded in future. This has resulted from the implementation of new legislation effective from January 2015 - Bank Resolution and Recovery Directive which establishes rules to ensure banks have sufficient security to cover their outstanding risks, this has impacted Barclays, Deutsche Bank, HSBC, Lloyds and Santander which have been put on negative watch by Standard & Poors.

7. Any Other Business

a) Voluntary Discontinuances

None

b) Termination

MC advised that an organisation was terminated during the previous month, as there were no outstanding energy balancing exposures and no impacts on neutrality. MC advised that energy balancing securities would be released once the account is closed down.

8. Date of Next Meeting

EBCC meetings scheduled as follows:

Date	Location
Monday 30 March 2015, 10:30	Via teleconference

Monday 20 April 2015,10:30	Via teleconference
Tuesday 26 May 2015,10:30	Via teleconference
Monday 22 June 2015,10:30	Via teleconference
Monday 20 July 2015,10:30	Via teleconference
<i>[Monday 24 August 2015,10:30]</i>	Via teleconference
Monday 21 September 2015,10:30	Via teleconference
Monday 19 October 2015,10:30	Via teleconference
Monday 23 November 2015,10:30	Via teleconference
Monday 21 December 2015,10:30	Via teleconference

Action Log – Energy Balancing Credit Committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 0402	30/04/14	5.1	Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.	Xoserve (MC)	Carried Forward Consider at March 2015 meeting
EBC 1102	24/11/14	2.0	Clarify the process for the appointment of alternates by the emergency EBCC chair.	Xoserve (MC)	Carried Forward
EBC 1102b	26/01/15	2.0	Identify options for extending or enhancing EBCC membership. Include reviewing other UNC and non UNC committees/groups for ideas	JO/Xoserve (BF/MC/SD)	Carried Forward

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
			to expand membership.		