

Energy Balancing Credit Committee Minutes
Friday 25 July 2014
By Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
David Holland	(DH)	Shipper	Voting
David Trevallion	(DT)	Shipper	Voting
Dimuthu Wijetunga	(DW)	Shipper	Voting
Esther Sutton	(ES)	Shipper	Voting
Gavin Ferguson	(GF)	Shipper	Voting
Lorraine O'Shaughnessy	(LO)	Xoserve	Non-Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting

Apologies

John Costa	(JC)	Shipper
Pauline Babb	(PB)	Shipper

1. Introduction

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

2. Minutes and Actions

The minutes from the previous meeting were accepted.

EBC 0401: *Review of Mind Maps: Provision and deployment of extra resources* – Establish how costs might be funded/recovered.

Update: MC advised that analysis is still ongoing to establish how many resources would be required. **Carried Forward**

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: MC advised that analysis still identifies Credit/security requirements in the range of £14b, which is about double the value expected. Further analysis is to be undertaken to identify a methodology nearer to expectations. **Carried Forward**

EBC 0403: *Review of Mind Maps: EBCC Operation* - MC to establish and engage with an appropriate Ofgem contact to support the EBCC in the event of market failure.

Update: MC advised that S Jarvis is confirmed as the Ofgem contact.
Closed

EBC 0404: *Review of Mind Maps: EBCC Operation* - MC to establish and engage with an appropriate National Grid NTS contact to support the EBCC in the event of market failure.

Update: MC advised that a meeting has been arranged with National Grid NTS for the following week to consider this action and who is the appropriate person. **Carried Forward**

EBC 0405: *Review of Mind Maps: EBCC Operation (Minutes)* – Review previous templates and devise/streamline where appropriate for use in an emergency situation.

Update: No further update provided **Carried Forward**

EBC 0406: Reissue profile Templates for Members to complete.

Update: LO advised that the templates had been reissued to members and the aim was to get them completed by September. **Completed**

3. Operational Update

LO provided the following Operational update for June 2014.

3.1 Cash Call Notices

During June 2014 there were two Cash Call Notices issued, one was paid and one was appealed and withdrawn.

3.2 Further Security Requests (FSRs)

There were no FSRs issued during June 2014.

3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
May 2014	100%	100%
June 2014	100%	100%
Rolling 12 Months	99.97%	100%

No Failure to Pay Notices were issued during June 2014.

LO asked members to note that an amendment to the EBCC Operational Stats dated 4th July 2014 report was added to the narrative of the Monthly Breakdown of Cash collected at Payment due date. As previously discussed All figures are rounded to two decimal places, so to avoid doubt, all future stats will include

this. MC advised that this was a finding in the Audit Report to provide clarity

4. Modifications

None discussed at this meeting.

5. Significant Code Review Update – Security of Supply

MC asked members to note that a new Workgroup has been set up to consider Demand Side Response (DSR) requirements and though EBCC wont be directly involved, Xoserve will monitor the Workgroup discussions. It should be noted that the impacts on Credit and Securities might be exacerbated by the SCR outcomes, though the issues existed prior to the SCR. The DSR is aimed at resolving the SCR impacts before they impact the Credit and Security arrangements, and therefore there is no requirement for EBCC to be involved.

Members agreed with this view.

6. Bank Ratings Review

There were no further updates at this meeting.

7. Review of Credit Rules

MC confirmed that they had received approval for the proposed changes to the Credit Rules discussed at the previous meeting circulated and circulated directly to Members. Following discussion, Members agreed that the effective date of changes is to be 01 August 2014. The revised document will be published and available on the following link.

<http://www.gasgovernance.co.uk/sites/default/files/EBCR%20Rules%20V3.20%20v1%20Approved%2001.08.2014%20Master.pdf>

8. Any Other Business

a) Voluntary discontinuances

Party A has no recorded activity for a considerable time. They have not received any recent energy balancing invoices. National Grid has agreed with their request to leave the market. Members agreed to Party A's discontinuance;

Party B has no recorded activity for a considerable time. They have not received an energy balancing invoice in their history. National Grid has agreed with their request to leave the market. Members agreed to Party B's discontinuance.

Party C has no recorded activity for a considerable time. They have not received any recent energy balancing invoices. That National Grid is considering their request to leave the market. Members agreed to Party c's discontinuance.

b) Changes to VAT applied to Energy Balancing

MC explained the recent changes to VAT that were effective from the 1st July 2014, concluding that there were no impacts on accounts during the transition.

c) Market Operator Changes

MC advised that the Market Operator (MO) is seeking a meeting as it is under pressure from its members to reduce the settlement period and that this may have an impact. The MO had advised that they were under going a reorganisation and progressing system changes. The MO had been advised that the scope of changes to Gemini would be limited by the up coming European changes, which would prevent any wholesale changes. A meeting has been arranged for 04 August to consider the options available.

9. Date of Next Meeting

EBCC meetings scheduled as follows:

Date	Location
Friday 26 September 2014,10:30	Via teleconference
Friday 24 October 2014,10:30	Meeting at 31 Homer Road Solihull
Friday 28 November 2014,10:30	Via teleconference
Monday 22 December 2014,10:30	Via teleconference

Action Log – Energy Balancing Credit Committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 0401	30/04/14	5.1	<i>Review of Mind Maps: Provision and deployment of extra resources – Establish how costs might be funded/recovered.</i>	Xoserve (MC)	Carried Forward
EBC 0402	30/04/14	5.1	Xoserve to write out to all Users with a forecast of Security Values	Xoserve (MC)	Carried Forward Update provided but

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
			calculated at £14 a therm based on Users peak exposures for previous 12 months.		suggested that this is put on hold at the moment.
EBC 0403	30/04/14	5.1	<i>Review of Mind Maps: EBCC Operation - MC</i> to establish and engage with an appropriate Ofgem contact to support the EBCC in the event of market failure.	Xoserve (MC)	Closed
EBC 0404	30/04/14	5.1	<i>Review of Mind Maps: EBCC Operation - MC</i> to establish and engage with an appropriate National Grid NTS contact to support the EBCC in the event of market failure.	Xoserve (MC)	Carried Forward
EBC 0405	30/04/14	5.1	<i>Review of Mind Maps: EBCC Operation (Minutes)</i> – Review previous templates and devise/streamline where appropriate for use in an emergency situation.	Xoserve (LO)	Carried Forward
EBC 0406	30/04/14	5.1	Reissue profile Templates for Members to complete.	Xoserve (LO)	Closed