

**Energy Balancing Credit Committee Minutes**  
**Friday 26 September 2014**  
**By Teleconference**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office	Non-Voting
Esther Sutton	(ES)	Shipper	Voting
Gavin Ferguson	(GF)	Shipper	Voting
James Hill	(JH)	Shipper	Voting
Pauline Babb	(PB)	Shipper	Voting
Lorraine O'Shaughnessy	(LO)	Xoserve	Non-Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting

**Apologies**

John Costa	(JC)	Shipper
Dimuthu Wijetunga	(DW)	Shipper

**1. Introduction**

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

**2. Minutes and Actions**

The minutes from the previous meeting were accepted.

**EBC 0401, 0402, 0404 and 0405:** MC confirmed that these items were being considered as a single exercise and proposed to update members at the next face-to-face meeting. This was agreed.

**3. Operational Update**

LO provided the following Operational update for July and August 2014.

**3.1 Cash Call Notices**

During July 2014 there was one Cash Call Notice issued, which was appealed and withdrawn.

During August 2014 there were three Cash Call Notices issued, two of which were appealed and withdrawn; one was paid on the due date.

**3.2 Further Security Requests (FSRs)**

There were no FSRs issued during July and August 2014.

### 3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
June 2014	100%	100%
July 2014	100%	100%
August 2014	100%	100%
Rolling 12 Months	99.98%	100%

One Failure to Pay Notice was issued during each of July and August 2014. This was to the same party and for a non-material amount, and was a result of wrong bank details being used. The situation is being monitored going forward.

#### 4. Modifications

None discussed at this meeting.

#### 5. Significant Code Review Update – Security of Supply

MC advised that Ofgem had published their conclusions this week:

[Security of Supply SCR](#)

Following a short discussion about what was included in the Ofgem announcement, next steps were agreed to be for MC to meet with National Grid NTS to reconsider the content of Modification 0233V ahead of a more detailed discussion at the November EBCC meeting.

#### 6. Bank Ratings Review

There were no further updates at this meeting.

#### 7. Any Other Business

##### 7.1 Market Operator – potential reduction of settlement period

LOS updated members on the ongoing discussions with National Grid (25 July 2014 AOB item c). Additional information is required on justification of reducing the settlement period so that analysis can be undertaken. LOS advised that a further meeting is to be held and MC agreed to update members at the EBCC following such meeting.

## **7.2 Enron Administration (ENP shortcode)**

A further payment of £575k had been received from the Administrators, which would be smeared based upon the original smear date to market participants who are still active in the market in the next Energy Balancing invoice, to be issued on 01 October 2014.

## **7.3 Energy Balancing Invoice – Project Nexus Go-Live**

MC highlighted to members that, due to Project Nexus go live date on 01 October 2015, the project team have asked that the Energy Balancing Invoice scheduled to be issued on 01 October 2015 is brought forward to 29 September 2015. The payment due date, being 12 business days after the issue date, will also change from 13 October 2015 to the 12 October 2015. Members agreed this was a sensible approach.

## **7.4 Russia Sanctions**

MC reported that there were currently no triggers activated requiring action, nor did there appear to be anything enabling EBCC action should sanctions escalate. Discussions with Ofgem indicated that they believed they did not have 'powers to direct' should the Supplier of Last Resort process be required but would refer the issues highlighted in regard to Russia to DECC for consideration. Members discussed whether a UNC change was required to provide appropriate powers to EBCC to act in a timely way. It was believed that Modification 0233V contained relevant information and the matter was deferred to the next face-to-face meeting to allow MC to consider what a modification might look like.

## **7.5 Security**

LOS described one part of the current rules in regard to Cash held in the Cash Call account being excluded from the calculation of a Users peak exposure. One smaller party had, as a result, been requested to provide a 300% increase based on their previous 12 months peak indebtedness but felt that the Energy Balancing Credit Rules were unreasonable and proposed raising a modification. This party is well known to, and works actively with, Xoserve and a conversation had taken place about how this party could propose a modification. MC asked for members' views on the situation. Members agreed that the rules had to be applied on a common basis and, should this lead to some form of escalation to EBCC, they would consider the individual circumstances then.

## **7.6 Membership**

LJ confirmed that EBCC rules allowed for up to nine voting members and that the recent elections had resulted in five nominations. Members discussed the position and asked LJ to speak to Gemserv to request further nominees up to the maximum number.

**EBC 406:** Members were asked to confirm their standing alternates for the coming year, which would be recorded on the EBCC page on the JO website.

**8. Date of Next Meeting**

**EBCC meetings scheduled as follows:**

Date	Location
Friday 24 October 2014,10:30	Via teleconference
Friday 28 November 2014,10:30	Meeting at JO, 31 Homer Road Solihull
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
<b>EBC 0401</b>	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)	<b>Carried Forward</b>
<b>EBC 0402</b>	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)	<b>Carried Forward</b>
<b>EBC 0404</b>	30/04/14	5.1	<i>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.</i>	Xoserve (MC)	<b>Carried Forward</b>

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>EBC 0405</b>	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)	<b>Carried Forward</b>
<b>EBC 0406</b>	29/04/14	7.6	Members were asked to confirm their standing alternates for the coming year, which would be recorded on the EBCC page on the JO website	Members	<b>New</b>