

Transmission Workgroup Minutes

Thursday 01 May 2014

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alena Aliakseyeva	(AA)	Ofgem
Andrew Pearce	(AP)	BP Gas
Andy Heppel	(AH)	TGPP Ltd
Anna Shrigley	(AS)	ENI UK
Antonio Ciavolella	(AC)	BP Gas
Carol Slack*	(CSI)	Interconnector UK
Charles Ruffell	(CR)	RWEst
Chris Shanley	(CS)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
Colin Williams*	(CW)	National Grid NTS
Danielle Stoves	(DS)	Interconnector UK
David Reilly	(DR)	Ofgem
Dennis Rachwal	(DRa)	National Grid NTS
Doug Wood	(DW)	BP Gas
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Hilary Chapman	(HC)	Xoserve
Jeff Chandler	(JC)	SSE
Julie Cox	(JCx)	Energy UK
Kevin Brown	(KB)	Petronas
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lisa Martin	(LM)	Ofgem
Lisa Waters	(LW)	Waters Wye Associates
Martin Connor	(MC)	National Grid NTS
Matt Hatch	(MH)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Phil Broom	(PBr)	GDF Suez
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Hounslea*	(RH)	National Grid NTS
Richard Lea*	(RL)	Gazprom
Roddy Monroe	(RM)	Centrica Storage
Sat Kalsi	(SK)	Xoserve
Victoria Volossov	(VV)	Ofgem

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/tx/010514

1. Introduction and Status Review

1.1 Review of Minutes and Actions from the previous meeting (03 April 2014)

1.1.1 Minutes

The minutes of the previous meeting were accepted.

1.1.2 Actions

TR0401: *Outstanding Issues 0006 and 0008* – Confirm if these can be removed from the Issues Register.

Update: FH confirmed that these issues could be closed and removed from the Issues Register. **Closed**

TR0402: *Outstanding Issue 0049* – Confirm if this can be removed from the Issues Register.

Update: GJ's understanding was that Xoserve had conducted the work associated with this issue, and confirmed that the issue could now be closed and removed from the Issues Register. **Closed**

TR0403: *Entry Capacity Transfer and Trade Methodology Statement Review* – Review, and submit any issues to National Grid NTS by 30 April 2014.

Update: Complete. **Closed**

1.2 Review of Live Modifications not covered elsewhere on the agenda

The Modifications Register is at: www.gasgovernance.co.uk/mods.

0452V and **0465V** – With Ofgem for decision.

0454 – Panel recommended implementation; FMR sent back by Ofgem seeking further clarification on certain points. See 2., below.

0471S – Implemented on 29 April 2014.

0490S – Implementation effective on 14 May 2014.

1.3 Ofgem Update

DR provided a general update as follows:

- **RIIO-T1 Gas Transmission Price Control – Regulatory Instructions and Guidance: Version 1.5.** This is the modified document following consultation. The document provides instructions and guidance to the gas transmission owner - National Grid Gas plc (in respect of its transmission business) - to enable it to complete the reporting requirements associated with the transmission price control from 01 April 2013 to 31 March 2021. A copy of the modified document can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/riio-t1-regulatory-instructions-and-guidance-modification-decision-gas-transmission>
- **Ofgem Simplification Plan 2014-15.** This consultation invites on what more Ofgem could do to simplify, clarify and make its regulation work better. A copy of the modified document can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-simplification-plan-2014-15-consultation>
- **Notice under Section 23 of the Gas Act - Extending the Permits Arrangements.** This is a direction to implement new licence text to allow the Permits Arrangements for year 2 of RIIO-T1. A copy of the modified document can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/modification-direction-permit-arrangements-provision-incremental-capacity-licence-national-grid-gas-plc>

It was questioned whether permit arrangements might be reconsidered once decisions have been reached on the PARCA arrangements.

Action TR0501: Establish whether permit arrangements might be reconsidered once decisions have been reached on the PARCA arrangements.

1.4 Pre Modification Discussions Update

None for consideration.

2. Workgroups

2.1 0454 – Introduction of a Long Term Non Firm Capacity Product

Minutes available at www.gasgovernance.co.uk/0454/010514

2.2 0498 – Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point

Minutes available at www.gasgovernance.co.uk/0498/010514

3. Issues

3.1 Issues Register

Following confirmation of closure from the originators (see Actions TR0401 and TR0402 at 1.1.2, above) the 3 outstanding entries will be removed from the Issues Register.

3.2 Gas Security of Supply Significant Code Review (SCR) Proposals: Credit Implications for the GB Gas Market

Following confirmation of closure from the originator (see Action TR0402 at 1.1.2, above) this outstanding entry will be removed from the Issues Register.

3.3 New Issues

No new issues raised.

4. Any Other Business

4.1 Systems Development Update (Xoserve)

SK gave a presentation, outlining a high level view of the principal areas of change regarding EU Code Phase 2 and UK Link Replacement.

The entering of bookings through PRISMA and Gemini was queried and a brief explanation was given as to how the interactions would work.

An overview of the indicative timeline was given. SK observed that it was slightly behind schedule on detailed design but this was being addressed. A clean up of the data currently held was underway, and Xoserve was looking at what can be done to address transitional issues identified, eg if 100% of the data was not clean. As further detail is developed it will be communicated to the industry and there will be opportunity for Users to trial and become familiar with the new systems.

An indicative view of the areas of impact on EU Code Phase 2 and UK Link Replacement was provided. The EU work was slightly ahead of the consequential changes and it was necessary to make sure that any dependencies (Nexus, Gemini), and the order of magnitude, are very clear. More detail on the Phase 2 changes will be released as progress is made and there will be opportunities to test the APIs. Referring to the UK Link replacement, SK believed the magnitude of change was quite small in relation to EU.

It was confirmed that 01 October 2015 was the implementation date being worked towards, and that Xoserve would return to the Workgroup in July and August with further detail/updates. The Change Overview Board was providing a monitoring role at key decision

points and will be made aware of any 'change collision'. Parties might therefore be requested to carry out testing potentially in parallel. The difficulties of trying to weave three pieces of work together was recognised and a monthly assessment is made whether the plans continue to be deliverable.

NR referred to Modification 0491 and whether changes can only be made on the first of a month and within a certain period (avoiding the winter period). SK gave his views, observing that there was a desire to de-risk and avoid the winter period.

4.2 Gas Transmission Charging Review (GTCR) Update (Ofgem)

Presenting on behalf of Ofgem, AA gave an overview of progress made so far and the next steps. Attention was directed to the Literature review/report published on Ofgem's website through the following link: [Link to Literature Review – Gas Transmission Charging review](#) and AA gave a brief summary of the contents. This will be used to inform policy development. Three core options were outlined. AA asked if there was anything else that can be done to improve predictability of commodity charges that could be looked at in parallel to the GTCR, and possibly at the NTS Charging Methodology Forum (NTS CMF) in May.

CW then briefly outlined the focus of the NTSCMF teleconference meeting planned for 19 May 2014. NR requested that a list/details of the current information provision/links be made available ahead of the NTS CMF meeting.

Action TR0502: *Charging Information* - Provide a list/details of the current charging information provision/links for publication ahead of the NTS CMF meeting on 19 May 2014 (at www.gasgovernance.co.uk/ntscmf/190514)

AA confirmed that the options will be further developed over the summer; in June/July the focus will be on modelling and Ofgem will be procuring external consultancy support for this. VV explained that there was a desire to engage the industry in a GTCR Technical Workgroup and outlined the purpose and objective, and an indication of the potential commitment that might be required. The envisaged role and operation and the potential limited composition of the group were explained.

JCx counselled against 'exclusion', citing past experience of involvement in small industry groups. Charging was an extremely important issue for the industry and required much wider debate. Limiting attendance would not be well received; other Shippers, who also advocated that a degree of 'openness' be retained for attendance and contribution to such a group, echoed this view. It was observed that June/July might not be a good time to hold these meetings because of summer holiday commitments. LW requested that meeting papers be circulated sufficiently well in advance so that any comments/questions can be raised in good time.

When asked if the industry could raise issues for discussion in advance, AA reiterated that the focus would be on technical aspects of modelling and explained in more detail what was being looked at; if what was being raised was an alternative to one of the options being modelled that could be considered. With any other issues AA indicated she would be happy to discuss to assess the relevance.

4.3 Transmission Planning Code (TPC) Review Update (National Grid NTS)

At the UNC Transmission Workgroup on Thursday 3 April National Grid NTS was asked how PARCAs might be managed in the TPC Review in light of the potential timing of the decision on UNC Modifications 0452V and 0465V. National Grid indicated that two drafts of the TPC could be produced, one with PARCAs implemented and one without, if a decision had not been made at the time of TPC consultation.

Noting that these two modifications had been with Ofgem for some while, Shippers observed that if Ofgem were to expedite its decisions then significantly less (and potentially unnecessary) work would be required to be done by National Grid NTS and this would be more efficient.

RH confirmed that under the current circumstances National Grid NTS would look to consult on two versions. The drafting stage had commenced; the consultation stage would start at the beginning of June and would close at the beginning of July. If decisions on the modifications were to be received before the end of May then only one version will be produced for consultation.

4.4 Industrial Emissions Directive and the NTS Compressor Fleet

RH gave a brief update and confirmed that a letter would be going out to the industry very shortly. A website area was also being developed.

4.5 National Grid Website Problems

NR drew attention to Shippers' continuing poor experience in relation to the National Grid website. There were significant problems in accessing documents for both gas and electricity. LW also commented on this. FH noted Shippers concerns and would feed back to the relevant parties.

4.6 Late Meeting Papers

Provision of late meeting papers was of increasing concern to meeting participants.

LJ reminded that meeting papers should be provided at least 5 clear days in advance of any meeting.

5. Diary Planning

These meetings will immediately follow the proceedings of the UNC European Workgroup.

Date	Location
Thursday 05 June 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 03 July 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 07 August 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 04 September 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 02 October 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 06 November 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 04 December 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table – UNC Transmission Workgroup: 01 May 2014

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR0401	03/04/14	3.1	<i>Outstanding Issues 0006 and 0008</i> – Confirm if these can be removed from the Issues Register.	National Grid NTS (FH)	Closed
TR0402	03/04/14	3.1	<i>Outstanding Issue 0049</i> – Confirm if this can be removed from the Issues Register.	Centrica (GJ/RH)	Closed
TR0403	03/04/14	4.3	<i>Entry Capacity Transfer and Trade Methodology Statement Review</i> – Review, and submit any issues to National Grid NTS by 30 April 2014.	ALL	Closed
TR0501	01/05/14	1.3	Establish whether permit arrangements might be reconsidered once decisions have been reached on the PARCA arrangements.	Ofgem (DR)	Pending
TR0502	01/05/14	4.2	<i>Charging Information</i> - Provide a list/details of the current charging information provision/links for publication ahead of the NTS CMF meeting on 19 May 2014 (at www.gasgovernance.co.uk/ntscmf/190514)	National Grid NTS (CW)	Provide by 09 May 2014 Pending