

Transmission Workgroup Minutes

Thursday 03 April 2014

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

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Angus Paxton	(AP)	Poyry
Anna Shrigley	(AS)	ENI
Chris Shanley	(CS)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
Danielle Stoves	(DS)	Interconnector UK
David Reilly	(DR)	Ofgem
Eddie Blackburn	(EB)	National Grid NTS
Erika Melen	(EM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Hayley Burden	(HB)	National Grid NTS
Isabelle-Agnes Magne*	(IAM)	GDF Suez
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
Jessica Housden	(JH)	Ofgem
Julie Cox	(JCx)	Energy UK
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Kirsty Kirke*	(KK)	Ofgem
Lucy Manning	(LM)	Interconnector UK
Matt Hatch	(MH)	National Grid NTS
Natasha Ranatunga	(NR)	EDF Energy
Peter Bolitho	(PB)	Waters Wye Associates
Phil Broom	(PBr)	GDF Suez
Richard Hounslea	(RH)	National Grid NTS
Ricky Hill	(RHl)	British Gas
Ryan McLaughlin	(RMc)	Ofgem
Sarah Lloyd	(SL)	National Grid NTS

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/tx/030414

1. Introduction and Status Review

1.1 Review of minutes and actions from the previous meeting (06 March 2014)

1.1.1 Minutes

The minutes of the previous meeting were accepted.

1.1.2 Actions

None outstanding.

1.2 Review of Live Modifications not covered elsewhere on the agenda

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

0435 – Withdrawn by the Proposer on 17 March 2014.

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.

0461 – Implementation date 01 October 2015.

0471S – Implementation date to be confirmed

0490S – Consultation closes 04 April 2014.

1.3 Ofgem Update

JT provided a general update, as follows:

- **UNC 461: Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes.** The decision letter approves the change of the gas day to align with the CAM gas day definition. It also approves other UNC changes required to fully implement the new gas day. A copy of the decision letter can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-unc461-changing-unc-gas-day-align-gas-day-eu-network-codes>.
- **Transmission networks: report on the performance of Transmission Owners during TPCR4 and TPCR4RO 2007-08 to 2012-13.** This report summarises the outputs, incentives, Regulatory Asset Value, revenue allowances and company expenditure during TPCR4 and the subsequent rollover year. It also outlines the performance of the system operator companies, which provide balancing services to the entire gas and electricity systems. A copy of the report can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/transmission-networks-report-performance-transmission-owners-during-regulatory-periods-tpcr4-and-tpcr4ro-2007-08-2012-13>.
- **RIIO-T1 Regulatory Instructions and Guidance (RIG) modification notice – gas transmission.** This is a consultation on proposed modifications to the RIIO-T1 Regulatory Instructions and Guidance for gas transmission licensees. The RIGs are the primary means the Authority directs the Licensees to collect and provide information. The consultation closes on 08 April 2014. A copy of the consultation 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-notice-gas-transmission>
- **Gas Transmission Charging Review.** Ofgem had met with stakeholder groups and has agreed to provide regular updates to the Transmission Workgroup. A representative will attend the May meeting. NR suggested that information on the progress of the academic research would also be welcomed as part of the proposed update.

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/0454/030414

3. Issues

3.1 Issues Register

LJ drew attention to the 3 outstanding entries on the Issues Register, noting that these had been on hold for some time:

0006: Operating Margins Procurement – raised by National Grid NTS

0008: Emergency Market Arrangements – raised by National Grid NTS

0049: Gas Security of Supply Significant Code Review (SCR) Proposals: Credit Implications for the GB Gas Market – raised by Centrica

It was agreed that the originators should confirm if these could now be removed from the Issues Register.

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

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

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

On hold pending confirmation of status – see 3.1, above.

3.3 New Issues

No new issues raised.

4. Any Other Business

4.1 Systems Development Update (Xoserve)

Deferred to the May meeting.

4.2 Transmission Planning Code (TPC) Review 2014

In a short presentation RH outlined the background and gave an overview of the TPC. The last review had taken place in 2012, and a timeline illustrating the review process was displayed. The review will take account of recent industry developments and RH requested that any other identified areas/issues be notified to National Grid NTS by 25 April 2014 at Richard.hounslea@nationalgrid.com or ntsinvestment@nationalgrid.com

JCx asked how issues relating to PARCAs might be managed in the absence of a decision. EB indicated that two versions would be produced, one with and one without, with a potential ad hoc review of the TPC later. JT was unable to confirm any timescales for the Authority's decision on the two outstanding modifications; these were still under consideration.

RH reiterated NTS' willingness to engage with stakeholders to discuss any issues.

4.3 Industrial Emissions Directive (IED) and the NTS Compressor Fleet

EB gave a brief presentation, reporting that 17 compressor units were identified as being non-compliant with the IED. Various options for removing, mothballing, intermittent operating, and replacement, possibly with different capability, were under consideration to find the best option that would enable National Grid NTS to continue to meet its capacity release obligations.

Given the significant spend involved and the supply/Demand interplay with baselines, EB sought stakeholder views on industry engagement. JCx drew attention to studies on flexibility requirements. EB described various areas of flexibility and concurred that there might be some overlap.

Any feedback on appropriate industry engagement would be welcome and should be sent to: Richard.hounslea@nationalgrid.com or ntsinvestment@nationalgrid.com

4.4 Entry Capacity Transfer and Trade Methodology Statement Review

FH gave a brief presentation, advising that National Grid NTS will commence its bi-annual review of this document in 2014.

Parties identifying any issues with the methodology should notify these to National Grid NTS via box.transmissioncapacityandcharging@nationalgrid.com by 30 April 2014.

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

5. Diary Planning

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

Date	Location
Thursday 01 May 2014	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
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: 03 April 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)	Pending
TR0402	03/04/14	3.1	<i>Outstanding Issue 0049</i> – Confirm if this can be removed from the Issues Register.	Centrica (GJ/RH)	Pending
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	By 30 April 2014 Pending