

UNC Workgroup 0449 Minutes

Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures

Friday 10 May 2103

at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Charles Ruffell	(CR)	RWE Npower
Clement Perry*	(CP)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Helen Stack	(HS)	Centrica
Julie Cox	(JC)	Energy UK
Mike Jena*	(MJ)	Ofgem

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0449/100513

The Workgroup Report is due to the UNC Modification Panel on 20 June 2013.

1.0 Introduction

TD welcomed all to the meeting.

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

There were no outstanding actions to consider.

2.0 Discussion

Review of Proposed Amendments to the Modification

FH explained that the modification had been revised in line with points raised at the previous meeting, including developing defined terms.

CP suggested that it might be preferable to deal with partial allocations by a first come first served approach rather than prorating. It was acknowledged that this timestamp style approach is being put forward as a preferred approach for EU harmonisation. It was felt that it would be advantageous for the modification to align with the EU approach, and FH agreed to redraft the modification on this basis.

Discussion then centred on the exit elements of the solution, with comments being captured on screen (see document published alongside these minutes).

JC highlighted that the potential CAM impacts remain a concern and unless we start progressing the matter soon, the target date could become beyond reach. FH added that future Gemini / Prism considerations could be required as well. National Grid would welcome any views on how best to develop the CAM solutions going forward. CP and MJ confirmed that Ofgem believe the proposals in Modification 0449 would make GB compliant with the 01 October 2013 requirements.

TD suggested that if it is accepted that the EU proposals are the right thing to do, it raises the question as to why National Grid is not proposing to do this. FH suggested that, as an interim solution, applying the rules to IPs only provides the best solution that can be delivered at this time.

FH explained that the two forms of available capacity (primary and secondary) are subtly different to the European definitions – the UNC never envisaged trading bids, whilst for annual capacity there is no concept of surrendering and that ‘window’ timings remain an issue that needs careful management. When asked whether publication of prices is something that needs to be considered, FH advised that the only charges that would be visible were for Y+1. It should also be noted that National Grid are unable to provide enduring annual information during Y+1.

When asked whether there are any potential hoarding issues involved with parties only surrendering / releasing partial capacity, FH suggested that matter was more to do with seeking to have a consistent process across both entry and exit. It was suggested that the issue of what quantity to offer and thereafter accept, would possibly need further consideration (i.e. constraining what is disposed of). FH suggested that should anyone have any issues with the proposed solution, please provide them to him directly and he would ensure that these are included in any future CAM considerations.

When discussing the submission of no more than one Surrender Offer per IP, FH indicated that whilst National Grid is keen to limit the number of offers involved, he would investigate whether this could be ‘slackened off’ a little to include either a tranche style or stepped approach. He would also consider the supporting EXCR changes statement that may be necessary.

Regarding the Forward Agreement aspects, FH advised that the duration is for full years only and not the 1st of the month and that the reason it is Y+1 is to reflect the fact that charges beyond this period are unknown. It was suggested that might instead reference the prevailing price rather than a specific value.

Transparency Obligations

FH explained that this area is in need of more work as discussions with Ofgem are ongoing and a template would be provided in due course. He went on to point out that the same information could be published in more than one place. JC suggested that the CMP Reporting recommendations could be a good starting point for National Grid, in providing a summary style report. FH advised that National Grid intends to provide a spreadsheet on its web site (similar in style to NCORM) and a link would be made available in due course.

Closing, discussion briefly touched upon the matter of what to do where no capacity is available under the normal processes and TD suggested that this would need to be amended to reflect the UNC requirements. When asked whether or not, the information would go onto the ENTSOG platform, FH suggested that it is more likely to be hosted on a transparency specific platform – the day ahead information would be via a CAM platform.

Next Steps

The Modification would be revised in light of the Workgroup’s discussions and a review of progress will be made at the next meeting.

3.0 Diary Planning

The next Workgroup meeting will take place at 10:30 on Thursday 06 June 2013, at the Energy Networks Association, Dean Bradley House, 52 Horseferry Road, London. SW1P 2AF.