

UNC Workgroup 0449 Minutes

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

Tuesday 25 June 2103

ENA, 52 Horseferry Road, London SW1P 2AF

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Charles Ruffell	(CR)	RWE npower
Clem Perry	(CP)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Helen Stack	(HS)	Centrica
Richard Fairholme*	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0449/250613

The Workgroup Report is due to the UNC Modification Panel on 18 July 2013.

1.0 Review of Minutes

The minutes of the previous meeting (06 June 2013) were accepted.

2.0 Discussion

CMP transparency obligation

FH had provided a presentation for information purposes, illustrating the format that National Grid NTS is required to provide the data in, and mapping the data items within the modification to the CMP requirements (H, I, J and K). 'H' only applies to non-auctions and will fall away when CAM is implemented. FH confirmed that this information is to be provided in addition to that currently provided by National Grid NTS.

Revised Modification

The modification had been revised to take account of the discussion at the previous meeting, and FH thanked those present for their contributions to the development of the modification.

Legal Text

FH briefly reiterated the structure of the legal text and the additions it would be making to the UNC. The Workgroup reviewed the legal text and comments/suggestions were noted for consideration as discussions progressed.

The following observations were made:

TPD Section B

B2.1.15 and B3.1.11 – Inclusion of the word “Certain” was questioned.

It was noted that consultations on the ECR and ExCR were imminent, and TD observed that it would be useful if these could be reasonably aligned with the consultation period for this modification to allow interested parties to take a holistic view and structure their comments accordingly. Sight of any planned supporting changes would be most welcome. It was believed that ExCR and ECR did not have to be implemented by 01 October 2013. Asked for Ofgem’s view, CP offered to confirm whether any supporting changes would be expected to be in place by 01 October 2013.

TPD B Annex B-3

1.5 – Definitions were reviewed to ensure interpretations were clear. It was questioned why initial capitals had not been used.

It was confirmed that it was not referring to all annual products.

1.5(d)(i) and (ii) – It was suggested that ‘following’ be replaced with ‘as a result of’.

1.5(j) – ‘surrendered amounts’ were discussed; was there inconsistency between (j) and (p)? FH gave an interpretation and will consider further clarification.

2.1 - Surrender invitations and ad hocs were discussed. Additional wording was suggested to provide clarity. Submission of surrender offers was discussed (method, window/timings). FH will discuss points raised with the lawyers.

3.1 – Minimum amounts were discussed. TD questioned if zero could be input, and also if a residual of eg 80,000kWh/day would not be accommodated because of the proposed lower limit of 100,000kWh. Inability to accept a smaller amount might be due to systems limitations.

3.1(f)(ii) – Sub paras (aa) and (bb) needed resetting to (1) and (2).

3.2 – Use of fax technology for submissions was discussed; were date/time stamps shown as received or sent, and what was acceptable - this may affect the wording/times stated in this paragraph. FH will consider changing wording to indicate acceptance parameters more clearly.

3.3 – FH confirmed that only one surrender offer could be made per quarter. Surrender would be on an enduring basis (once gone it remains gone).

3.4 – FH confirmed that National Grid NTS must have received the surrender offer before 17:00 on the last Day in the Surrender window.

3.6(b) - The inclusion of “..(in its sole discretion)..” was questioned by TD. FH explained why it was necessary to ensure a degree of flexibility. Shippers were comfortable with the explanation and suggested that it might be better to remove that form of words and replace with ...”in accordance with this Annex B-3” or something similar. FH would consider this change.

4.2(b) – It was questioned if it was clear enough in paragraph 4 that it is per relevant period per IP; more clarity might be required.

4.2(c) – The interpretation of “remaining capacity requirement” and how the acceptance process might work were discussed. FH confirmed that the aim was for National Grid NTS to take as much as it could. GJ questioned if references should be to “amount/amounts’ or to “quantity/quantities”. FH to consider what was appropriate.

5.1 – The sense of this para was questioned – there may be some missing words? FH to reconsider what wording is required.

5.3(c) – It was suggested that clarity would be improved by changing it to “.....User’s surrender offer,” ; and that the last reference should be amended to “surrendered amount”.

6.1 – The sense of this para was questioned – there may be some missing words? FH to reconsider what wording is required.

6.2(a) - An explanation of “fourth invitation date” was given. It was suggested that “on” should be changed to “for”.

6.3.1(a)(i) – Sub paras (aa) and (bb) needed resetting to (1) and (2).

7.1 – The sense of this para was questioned – there may be some missing words? FH to reconsider what wording is required.

8.1 – The sense of this para was questioned – there may be some missing words? FH to reconsider what wording is required.

9.3 – Use of the word “deemed” twice in quick succession was questioned (one may be unnecessary). Transposition in the order of appearance of “calendar quarter” and “calendar month” was suggested, as was removal of an extraneous “of”.

10.2(a) and 10.2(b) – The wording was discussed at some length and FH will reconsider suggestions made.

10.2(c) – FH will consider whether daily should be excluded.

The above suggestions and a number of other minor corrections were tracked in a further draft of the legal text and FH will discuss with the lawyers.

FH added that publication of this additional information (in the interim period prior to the implementation of CAM and CMP) may not carry much recognisable value until after both CAM and CMP Codes have been implemented.

Workgroup Report

The Workgroup Report was reviewed.

FH confirmed that Xoserve would be using existing functionality and processes and was not expecting to incur additional costs. No material impact was envisaged.

The relevant objectives were considered in relation to the modification. FH would ascertain which Licence obligation, if any, applied.

Next Steps

FH will consider suggestions and comments made and will provide revised legal text.

The Workgroup Report will be submitted to the July UNC Modification Panel with a recommendation that, subject to amended legal text being provided, it proceed to consultation.

3.0 Diary Planning

No further meetings were required.