

UNC Workgroup 0485 Minutes

EU Gas Balancing Code – Introduction of Long-term use-it-or-lose-it mechanism to facilitate compliance with EU Congestion Management Procedures

Tuesday 03 June 2014

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

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)*	(MB)	Joint Office
Andrew Pearce*	(AP)	BP Gas
Anna Shrigley	(AS)	ENI UK
Antony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWEst
Colin Hamilton	(CH)	National Grid NTS
Danielle Stoves	(DS)	Interconnector UK
David McCrone	(DM)	Ofgem
Erika Melen	(EM)	Scotia Gas Networks
Francisco Goncalves*	(FG)	Gazprom
Graham Jack	(GJ)	Centrica
Isabelle-Agnes Magne*	(IM)	GDF Suez
Jeff Chandler	(JC)	SSE
Julie Cox	(JCx)	Energy UK
Kevin Brown	(KB)	Petronas
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lesley Ramsey	(LR)	National Grid NTS
Malcolm Montgomery	(MM)	National Grid NTS
Marshall Hall	(MHa)	Oil & Gas UK
Matt Hatch	(MH)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Ric Lea	(RL)	Gazprom
Richard Fairholme*	(RF)	E.ON UK
Richard Miller	(RM)	Ofgem

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0485/030614>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 June 2014.

1.0 Introduction

BF welcomed all to the meeting.

2.0 Review of Minutes and Actions

2.1 Minutes

The minutes of the previous meeting were accepted.

2.2 Actions

0501: National Grid NTS (CH) to discuss the proposed amendments to the legal text in line with Workgroup discussions with his legal contacts with a view to providing updated legal text and a accompanying amended modification in time for consideration at the next meeting.

Update: Modification and legal text revised and published. **Closed**

0502: National Grid NTS (CH) and Ofgem (JH) to discuss whether an aggregated market position report would be preferable, plus whether the roll-over of capacity is an issue and what level of detail is appropriate in the Ofgem directions and thereafter to provide a view at the next meeting.

Update: CH advised that following discussions between National Grid NTS and Ofgem it is expected that this action would be covered off during the ongoing development of Modification 0500. **Closed**

0503: Ofgem (JH) to consider how a Shipper who had previously received an alert would know when they were subsequently 'off the hook' so to speak, in time for consideration at the next meeting.

Update: It is envisaged that all Shippers will be monitored on a 6 monthly cycle based around a GREEN/AMBER/RED warning report based approach although utilising current Gemini functionality Shippers can view their respective positions on a monthly basis (by extrapolation and interpretation of current data provisions within the appropriate Gemini screens). **Closed**

0504: National Grid NTS (CH) to consider whether there is benefit in having the governance aspects for the guidance document 'built in' to Code and ensure that whatever is proposed in recorded within the guidance document.

Update: CH advised that following further consideration National Grid NTS is of the view that it is best to keep the (governance) Guidance Document outside of Code, and as such, the document will be published on the National Grid web site. CH also advised that any changes proposed to the document would be via an industry consultation process in the hope that this would provide greater flexibility and transparency. National Grid NTS will be monitoring progress and discussing with the community as lessons are learnt. **Closed**

0505: National Grid NTS (CH) to provide additional clarification around the Discretionary Capacity Release mechanisms, especially their neutrality aspects.

Update: CH advised that as far as the Discretionary Capacity Release Mechanisms are concerned, National Grid NTS's current thinking is to utilise the existing (surrender process style) tools (i.e. Obligated Release) until CAM work 'kicks in' and further consideration would be undertaken as part of the development of Modification 0500. He reminded parties that National Grid NTS is 'cash neutral' with regard to this matter (i.e. what money comes in, goes back out with NO excess revenue generated). **Closed**

0506: National Grid NTS (CH) to look to amend the modification in line with the Workgroup discussions (and take into account proposed revisions to the legal text) in time for consideration at the next meeting.

Update: BF advised that an amended modification reflecting Workgroup discussions (v3.0, dated 29 May 2014) had been provided by National Grid NTS following the previous meeting. **Closed**

3.0 Revised Modification (version 3.0)

CH provided a brief overview of the recent amendments to the modification focusing attention on the change from the originally proposed 10 Business Days to now read 20 Business Days (paragraph 4, page 5). When asked CH suggested that areas such as economic tests and withdrawal processes would be considered in more detail during development of Modification 0500.

4.0 Legal Text

CH provided a brief overview of the recent changes made to the legal text and again drew attention to the change to 20 Business Days in paragraph 2.4 of Annex B-4. He also advised that during development of the legal text the National Grid lawyers had considered items such as capitalisation, etc.

5.0 Workgroup Report

The Workgroup Report was reviewed and approved for submission to the June UNC Modification Panel, with the recommendation that it be issued for consultation.

6.0 Diary Planning

No further meetings were required.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	22/05/14	4.0	To discuss the proposed amendments to the legal text in line with Workgroup discussions with his legal contacts with a view to providing updated legal text and a accompanying amended modification in time for consideration at the next meeting.	National Grid NTS (CH)	Closed
0502	22/05/14	4.0	To discuss whether an aggregated market position report would be preferable, plus whether the roll-over of capacity is an issue and what level of detail is appropriate in the Ofgem directions and thereafter to provide a view at the next meeting.	National Grid NTS (CH) & Ofgem (JH)	Closed

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0503	22/05/14	5.0	To consider how a Shipper who had previously received an alert would know when they were subsequently 'off the hook' so to speak, in time for consideration at the next meeting.	Ofgem (JH)	Closed
0504	22/05/14	5.0	To consider whether there is benefit in having the governance aspects for the guidance document 'built in' to Code and ensure that whatever is proposed is recorded within the guidance document.	National Grid NTS (CH)	Closed
0505	22/05/14	5.0	To provide additional clarification around the Discretionary Capacity Release mechanisms, especially their neutrality aspects.	National Grid NTS (CH)	Closed
0506	22/05/14	5.0	To look to amend the modification in line with the Workgroup discussions (and take into account proposed revisions to the legal text) in time for consideration at the next meeting.	National Grid NTS (CH)	Closed