

## Transmission Workgroup Minutes

Thursday 05 December 2013

Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

### Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Anthony Miller	(AM)	Centrica
Bethan Winter*	(BW)	Wales & West Utilities
Beverley Viney	(BV)	National Grid NTS
Charles Ruffell	(CR)	RWE npower
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Dave Addison*	(DA)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Hayley Burden	(HB)	National Grid NTS
Isabell-Agnes Magne*	(IAM)	GDF Suez
Jeff Chandler	(JCh)	SSE
Jeff Thomson	(JT)	Ofgem
Julie Cox	(JCx)	Energy UK
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Mark Cockayne	(MC)	Xoserve
Mike Wassell	(MW)	National Grid NTS
Nahed Cherfa	(NC)	Statoil
Natasha Ranatunga	(NR)	EDF Energy
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme*	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Ryan McLaughlin	(RM)	Ofgem
Tim Davis	(TD)	Joint Office
Vanessa Sturman	(VS)	Ofgem

Copies of all papers are available at: [www.gasgovernance.co.uk/tx/051213](http://www.gasgovernance.co.uk/tx/051213)

### 1. Introduction and Status Review

LJ welcomed all to the meeting.

#### 1.1 Review of minutes and actions from the previous meeting (07 November 2013)

##### 1.1.1 Minutes

The minutes of the previous meeting were accepted.

##### 1.1.2 Actions

**TR1003:** All to consider how to address EU developments going forward and send any identified issues to: [chris.shanley@nationalgrid.com](mailto:chris.shanley@nationalgrid.com) by 18 October 2013.

**Update:** Covered within the 'EU Balancing Code – Information Provision presentation – please see item 1.4, below. **Carried Forward**

**TR1101:** *EU Balancing Code/Nominations* – Provide examples to illustrate impacts.

**Update:** Covered within the 'EU Balancing Code – Information Provision presentation – please see item 1.4, below. **Carried Forward**

## 1.2 Review of Live Modifications not covered elsewhere on the agenda

The Modifications Register is at: [www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)

**0407** - Implemented on 01 December 2013.

**0435** - Next steps under consideration; Workgroup reporting date extended to 17 April 2014.

**0452** - Workgroup due to Report to 19 December 2013 Panel.

**0454** - Consultation closes on 12 December 2013

**0461** - Workgroup due to report by 20 February 2014 Panel.

**0465** - Workgroup due to Report by 19 December 2013 Panel.

**0471S** - Workgroup due to report by 20 February 2014 Panel.

## 1.3 Ofgem Update

RM/VS provided a general update, as follows:

- *Decision on the first year of the Gas Network Innovation Competition.* This decision letter outlines projects the Authority will fund under the 2013 Gas Network Innovation Competition. A copy of the decision letter can be found at the following location of the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/decision-first-year-gas-network-innovation-competition>
- *Directions issued to NGGT under the Special Conditions of the gas transporter licence in respect to the Annual Iteration Process for the GT1 price control financial model.* This direction notice includes the revised PCFM variable values to be used in the annual iteration process and MOD value term. A copy of the notice can be found at the following location of the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/directions-issued-national-grid-gas-plc-under-special-conditions-gas-transporter-licence-respect-annual-iteration-process-gt1-price-control-financial-model-which-took-place-30-november-2013>

During a brief discussion on whether or not a financial update was available, RM was assigned a new action to investigate and seek to provide an update at the next meeting.

**TR1201: With regard to Directions issued to NGGT under the Special Conditions of the gas transporter licence in respect to the Annual Iteration Process for the GT1 price control financial model - Ofgem (RM) to investigate and seek to provide an update on the financial detail behind the direction notice in time for consideration at the next meeting.**

- *Gas Network Innovation competition submission from NGGT – Vector.* We published non-confidential documents related to NGGT's Gas Network Innovation Competition VECTOR project. These documents can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/gas-network-innovation-competition-submission-national-grid-gas-transmission-vector>
- *RIIO-GT1 PCFM - summary of recent modifications.* This document summarises modifications the Authority has directed to RIIO-GT1 PCFM. A copy of the document can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/riio-gt1-pcfm-summary-recent-modifications>

**TR1202: With regard to RIIO-GT1 PCFM - Ofgem (RM/JT) to provide clarification on the terms and process for notifying stakeholders when such licence changes are being taken forward.**

## 1.4 European Developments

National Grid NTS provided an update on the various aspects.

### 1.4.1 EU Balancing Code – Information Provision Update

BV provided a brief overview of the presentation.

During the discussions, BV confirmed that as far as the NDM forecast requirements were concerned, there are no anticipated Modification 0461 'Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes' impacts.

Moving on to consider the 'NDMA Process' on slide 7, BV highlighted that the D-1 12:00 timing for the EU Balancing Code was the main area of concern.

In considering the 'Option 1 – pros and cons' on slide 9, CS confirmed that the funding aspects of any proposed modification would be considered further during its development, and furthermore, National Grid NTS do not believe that the modification would be directly related to delivery of Project Nexus. In looking at the proposed 'cons' and the fact that it is believed that the 'run' would be facilitated via Project Nexus functionality, BV explained that in essence this means that it is envisaged that Project Nexus would have the flexibility to be able to cope with any proposed change. It was also suggested that in the absence of a 12 o'clock forecast, it is proposed to use the best available variables – so far those close to Project Nexus are not expecting this to cause too great an impact. CS asked that, should anyone believe that there are additional benefits associated with any of the options that they please let him know. When asked what the actual difference is between a 12:00 and 14:00 forecast timing, CS advised that he believes that this would enhance the current provisions whilst also satisfying new EU requirements.

Moving on to consider the 'NDMA Accuracy Report' requirements, BV suggested that National Grid NTS are open to any suggestion as to the frequency of publishing the reports.

When asked about a likely implementation date, CS suggested that whilst it is expected that the modification would be raised in Q1 2014, its effective implementation date would be looking to align with the EU requirements date of October 2015.

#### **1.4.2 Long-term Use-it-or-lose-it Mechanism (LTUIOLI)**

When asked, PH confirmed that he expects any business rules that may aid Shipper understanding and early warning mechanism would be part of the development of a modification, although exactly where either of these would reside as part of an enduring solution remains to be determined. It was also suggested that clarity around how Ofgem would assess any Shipper justifications for their respective levels of utilisation would be welcomed along with a better understanding of how the withdrawal mechanism would/could work (i.e. via Ofgem direction for a partial/temporary/enduring solution). PH suggested that the withdrawal mechanism is aimed more at the EU rather than GB markets.

When asked whether or not parties would be expected to pay for their capacity following a voluntary withdrawal, PH advised that CMP is not explicit on this point, therefore this will be one of the issues to be addressed in the development phase of the forthcoming National Grid Modification.

In considering potential NRA discretionary provisions, CS advised that consideration of any under utilisation would be part of a set of steps during which communications would be ongoing between parties. PH believes that where a Shipper is clearly able to justify their lack of utilisation of the service, then it would be unlikely that they would be forced to withdraw.

#### **1.4.3 EU Interoperability and Data Exchange Network Code – ACER 'Reasoned Opinion'**

PH gave an overview of the current status, and highlighted that the Joint Office had recently released an email on National Grid NTS's behalf relating to this matter. In looking at the 'ACER's Requested Changes (2)' page, JC suggested that it is the Data Exchange area that causes her most concern and suggested that we would have to wait and see if ACER are happy with ENTSOG's proposed approach.

In considering the 'Next Steps', a new action was placed on Ofgem (JT) to confirm whom within Ofgem is to replace Mike Jenner on the Interoperability Contract work.

**TR1203: Ofgem (JT/RM) to confirm whom within Ofgem is to replace Mike Jenner on the Interoperability Contract work.**

#### 1.4.4 European Updates (Gas Codes) Timetable

A Gas Codes timeline was provided for information, together with a Table indicating the current status of each Code and its fixed/estimated implementation date. It was suggested that avoiding Q4 in 2015 would be preferable.

#### 1.4.5 Future EU Updates

PH gave an overview of the current status, and when asked confirmed that the surrender offers for February 2014 auction apply to both AMSEC and QSEC.

Before closing, CS provided a brief update on the two outstanding actions TR1003 and TR1101, as follows:

**TR1101** – currently awaiting completion of Bacton consultation discussions before compiling any examples to illustrate potential Nominations impacts. When asked for a view on how Ireland's CAM would be addressed, CS advised that discussions are ongoing and that National Grid are directly involved in discussions (around the proposed 2 TSO approach) with the TSO's and the Regulator. CLOSE

**TR1003** – CS indicated that it remains his preference to use the Transmission Workgroup as the main forum for discussing the ongoing EU developments. CLOSE

CS also advised that an 'EU Code Implementation Programme Phase 2 – Areas of Change December 2013' document had been published for this meeting and asked that parties review the document and provide any feedback at the January 2014 meeting. When asked, CS confirmed that the document would also be published on the National Grid web site in future. Thereafter, a new action was assigned to all parties to review the document and provide views.

**TR1204: All parties to review the 'EU Code Implementation Programme Phase 2 – Areas of Change December 2013' document and provide their feedback at the January 2014 meeting.**

**TR1205: Joint Office (LJ/LD) to ensure that consideration of the 'EU Code Implementation Programme Phase 2 – Areas of Change December 2013' document is included on the agenda for January 2014 meeting.**

## 2. Workgroups

The following Workgroup meetings took place:

### 2.1 0461 – Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes

Minutes for this meeting are available at: [www.gasgovernance.co.uk/0461/051213](http://www.gasgovernance.co.uk/0461/051213)

### 2.2 0471S – Amending the start time that a Day-ahead Market Offer can be accepted

Minutes for this meeting are available at: [www.gasgovernance.co.uk/0471/051213](http://www.gasgovernance.co.uk/0471/051213)

## 3. Issues

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

MC provided a brief resume of the 'EBCC Update SCR impacts' presentation provided at the 07 November meeting and advised that work with the EBCC remains ongoing – next update at the January 2014 meeting.

### 3.2 New Issues

No new issues raised at this time.

## 4. Any Other Business

None.

## 5. Diary Planning

Transmission Workgroup meetings scheduled for 2014.

**Please note the January meeting is NOT on the first Thursday in the month.**

Date	Time	Location
<b>Thursday 09 January 2014</b>	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 06 February 2014	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 06 March 2014	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 03 April 2014	10:30	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

### Action Table – UNC Transmission Workgroup: 05 December 2013

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR1003	03/10/13	1.4.4	All to consider how to address EU developments going forward and send any identified issues to: chris.shanley@nationalgrid.com by 18 October 2013.	ALL parties	<b>Carried Forward</b>
TR1101	07/11/13	1.4.3	EU Balancing Code/ Nominations – Provide examples to illustrate impacts.	National Grid NTS (CS)	<b>Carried Forward</b>
TR1201	05/12/13	1.3	<i>With regard to Directions issued to NGGT under the Special Conditions of the gas transporter licence in respect to the Annual Iteration Process for the GT1 price control financial model - Ofgem (RM) to investigate and seek to provide an update on the financial detail behind the direction notice in time for consideration at the next meeting.</i>	Ofgem (RM)	
TR1202	05/12/13	1.3	<i>With regard to RIIO-GT1 PCFM - Ofgem (RM/JT) to provide clarification on the terms and process for notifying stakeholders when such licence changes are being taken forward.</i>	Ofgem (JT/RM)	
TR1203	05/12/13	1.4.3	To confirm whom within Ofgem is to replace Mike Jenner on the Interoperability Contract work.	Ofgem (JT/RM)	
TR1204	05/12/13	1.4.3	To review the 'EU Code Implementation Programme Phase 2 – Areas of Change December 2013' document and provide their feedback at the January 2014 meeting.	ALL parties	
TR1205	05/12/13	1.4.3	To ensure that consideration of the 'EU Code Implementation Programme Phase 2 – Areas of Change December 2013' document is included on the agenda for January 2014 meeting.	Joint Office (LJ/LD)	