

Transmission Workgroup Minutes
Thursday 06 September 2012
Elxon, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Antony Miller	(AM)	Centrica Storage
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Debra Hawkin	(DH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Hannah Lewis	(HL)	IEES
Jeff Chandler*	(JC)	SSE
Joel Martin	(JM1)	Scotia Gas Networks
Julie Cox	(JCx)	Energy UK
Kathy Heard	(KH)	National Grid NTS
Lewis Hodgart	(LH)	Ofgem
Mari Toda	(MT)	EDF Energy
Mike Wassell	(MW)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Rekha Theaker	(RT)	Petronas Energy
Richard Fairholme	(RF)	E.ON UK
Sean McGoldrick	(SM)	National Grid NTS
Shelley Rouse	(SR)	Statoil UK
Tricia Moody	(TM)	Xoserve

*via teleconference

1. Introduction

Copies of all papers are available at www.gasgovernance.co.uk/tx/060912

TD welcomed attendees to the meeting.

1.1 Review of Minutes and Actions of the previous meeting (02 August 2012)

1.1.1 Minutes

The minutes of the previous meeting (02 August 2012) were accepted.

1.1.2 Actions

TR0401: 0376 - Seek a view as to whether a manual workaround or the systems development will be in place by 01 October 2012.

Update: MW reported that test scenarios had been developed; testing was currently in progress, results were being assessed and a final

Xoserve report was expected in October. National Grid NTS were assessing the change/development requirements for systems.

On behalf of Xoserve, TM reported that Change Order 2257 had been received from National Grid NTS to undertake detailed analysis and testing to understand what system impacts there are due to Modification 0376. Detailed analysis activities were completed on the 17 August 2012, and Xoserve was currently in the third week of a seven-week testing period. **Closed**

TR0506: National Grid Distribution in relation to Action 001 transferred from Workgroup 0412: Review the terminology used to identify an LDZ interruptible customer within UNC and the Safety Case and who would be impacted from a customer perspective.

Update: TD reported that National Grid Distribution had looked at this and confirmed that there were no plans to review the terminology at this stage. Affected sites will remain interruptible as far as the Safety case is concerned. NW questioned the definition in use for a 1-in-20 demand in this context, and MW clarified that this is based on diversified load. **Closed**

TR0507: (NTS Exit Regime Daily Processes Overview) National Grid NTS to check publication format and location in relation to statement "If 13:30 D-1 Demand forecast >80% of 1 in 20 peak day demand then MNEPOR is not released".

Update: MW advised that this requirement would be part of Gemini Phase III – the data is available and the two numbers required to calculate above the 80% will be made available on the National Grid website. **Closed**

TR0601: *Aligning the connections and capacity processes* - National Grid NTS to analyse the constraint costs associated with "connect and manage".

Update: The analysis has been published on the Joint Office website at www.gasgovernance.co.uk/tx/060912. **Closed**

TR0801: *Draft Modification – Development of the capacity and connection processes – Planning and Advanced Reservation of Capacity Agreement (PARCA)* - National Grid NTS (MW) to provide worked examples of the PARCA approach under differing scenarios.

Update: To be provided at the meeting on 18 September 2012.

In the meantime a document that compared and contrasted the options of PARCA, split auction with PCA, and the status quo had been provided to aid understanding and discussion. This is intended to be a working document that reflects the latest position on the

options. Those present were encouraged to read it before the next meeting on 18 September 2012. **Carried forward**

TR0802: *Draft Modification – Development of the capacity and connection processes – Planning and Advanced Reservation of Capacity Agreement (PARCA)* - All to review the draft modification.

Update: To be discussed at the meeting on 18 September 2012.
Carried forward

1.2 Review of Live Modifications not covered elsewhere on the agenda

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

Of specific note were:

- 0426** – Legal Text has been prepared at request of UNC Modification Panel for inclusion in the Draft Modification Report (DMR);
- 0423S** – Implemented 10 August 2012;
- 0415** – Consultation closes on 07 September 2012;
- 0412** - Due to be implemented with effect from 06:00hrs on 01 October 2012;
- 0363** – Due to be implemented with effect from 06:00hrs on 01 October 2012;
- 0376S** – Implementation date is to be confirmed;
- 0276** – Implementation date is to be confirmed; and
- 0338V** – Ofgem consultation launched.

1.3 Ofgem Update

LH reported on recent Ofgem activities, as follows:

- *Uniform Network Code (UNC) 0412: Changes to the Stages of Emergency Resulting from Changes Introduced by Exit Reform:* On 22 August Ofgem directed implementation of UNC 0412. UNC0412 brings the Stages of Emergency set out in the UNC into line with the National Emergency Coordinator's Safety Case.
- *RIIO-T1 Initial Proposals for NGGT.* A reminder that the consultation on the initial proposals closes on 21 September 2012.

Full information is available at the following location on Ofgem's website:
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=RIIO%20T1%20Initial%20Proposals%20for%20NGGT%20and%20NGGT%20Overview%202707212.pdf&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes>.

1.4 European Developments

National Grid NTS presented on the following areas:

1.4.1 EU CAM Network Code and CMP Guideline – Update

EU CAM Network Code

MW reported that ENTSOG had sought industry views on *potential* changes to the CAM Code but have not accepted some suggested changes proposed by ACER. The Engagement letter and non-confidential responses are available at <http://www.entsog.eu/publications/camnetworkcode.html>. A summary table giving an overview of the level of stakeholder support for the various ENTSOG proposals was displayed.

National Grid NTS thanked those present for the GB responses.

Following stakeholder feedback the CAM Code is now being reviewed internally and potential changes are being discussed with ACER, which has requested that the revised Code be sent back by 17 September 2012, in order to meet the Commission's deadline for the start of Comitology (December 2012).

ACER has planned a workshop (19 September 2012) to discuss opinion and the revised version of CAM. CAM was also likely to be on the agenda at the Madrid forum. MW pointed out that the September date given for this in the presentation was incorrect. The Madrid Forum was being held 02/03 October 2012.

For any further information in this area please contact:
matthew.hatch@nationalgrid.com

Constraint Management Principles (CMP) Guideline

The CMP were approved by the Member States at the Comitology meeting in April 2012, and have been issued in the Official European Union Journal dated 24 August 2012.

MW reported that GB has to be compliant by 01 October 2013 (July 2016 for Firm Day Ahead UIOLI), and compliance and an impact assessment are under discussion with Ofgem. In principle National Grid's CMP arrangements are already broadly compliant but there are certain areas where further clarification is required. Ofgem is also discussing compliance with other GB Interconnector Operators.

For any further information in this area please contact:
matthew.hatch@nationalgrid.com

1.4.2 EU Gas Balancing Code – Update

CS gave an update. The current project plan timeline was displayed, together with an overview of the consultation responses. A workshop

had taken place in July at which ENTSOG addressed stakeholder issues and gave preliminary views. CS then gave National Grid's views on the refined draft Code, and indicated that reservations remained in respect of one key issue: Rejection of nomination due to a physical constraint. In National Grid NTS' view the 'or' should be an 'and'. The key issue is what is firm capacity – this seems to mean different things to different parties, and there seems to be inconsistency with other Codes. Other parties had also expressed concerns in their responses and ENTSOG had revised its proposal. CS encouraged parties to read the Analysis of Decision (AoD) and would be happy to field any questions.

Responding to a question from NW, CS believed there was room for the other Codes (12) to reassess the position. There was not a lot of time to change this Code, and it may have to be taken out depending on the impacts on other regimes. If others believe it is a big issue then this may influence ENTSOG's actions. Also ACER can send the Code back for reassessment if it has major concerns.

The Stakeholder support process will run from 14 - 28 September. Another iteration of the code will be submitted for ENTSOG Board approval in October, with the submission of the final Draft Code and AoD document to ACER in November. TSOs and NRAs will be contributing data to inform the Commission's impact assessment.

It is likely that the Code will be returned, with some issues to be reassessed.

1.4.3 EU Interoperability and Data Exchange Network Code

PH explained the current position, reporting that ACER has commissioned an impact assessment (not published yet). PH reiterated which Topic areas were covered, and then summarised the main changes to the Framework Guidelines (minor rather than fundamental).

- the implementation period has been reduced from 18 months post comitology to 12
- a new section on dispute resolution
- the removal of the requirement to develop a 'standard' Interconnection Agreement
- potential for use of common units to be extended to other measurements in addition to energy, volume pressure and CV
- Suppliers to be considered in addition to Shippers and end-consumers to receive gas quality information
- the text on odourisation has been softened (preferred model is non-odourised)
- removal of 'Cross-border Cooperation' section.

The key impact areas for GB had not really changed. PH reiterated these and confirmed that National Grid NTS will be keeping a close

watch on developments.

An indicative timeline for the development of the Code was displayed.

JCx asked about Tariffs. DH responded that the draft Framework Guidelines were due out this week and encouraged parties to read them. A stakeholder workshop was being held in Ljubljana (Slovenia) on 18 September 2012 and attendees would be welcome to participate.

1.4.4 European Updates Timetable

The programme of updates to be given to the Transmission Workgroup over the next few months is detailed below:

Topic	Workgroup Date
• to be confirmed	04 October 2012
• to be confirmed	01 November 2012
• ENTSOG Winter Outlook Report	06 December 2012

2. Issues

2.1 Communications – Force Majeure and Emergency

It was agreed that this item should now be removed from future agendas and the issue closed.

2.2 Aligning the connections and capacity processes

2.2.1 Long term non-firm capacity: Draft business principles

MW gave a presentation, recapping on the objectives and the two options currently put forward as potentially viable. Some high level principles had been devised for each option and had been published on the Joint Office website for review.

The process trigger was illustrated and the release criteria were discussed. MW noted comments for further clarification, eg the customer may want capacity earlier than their signal – how would that work? Slide 5, bullet point 2 was also questioned and understanding may require further clarification. JCx commented that connection is different to delivery of capacity and connections can be built fairly quickly. She gave examples of where a project may benefit from interruptible status while the process for delivery is being addressed. She was not sure that this was entirely clear. This may need consideration at the incremental trigger stage.

National Grid NTS believed a staged capacity release (annually) approach would give more control. However, this was queried by JCx and GJ, who questioned the degree of certainty that would be provided. JCx thought that some administrative process that affected the release of the capacity product

would be required. MW thought that the problem may be the target delivery date and a party could be left with capacity not needed. Scenarios were discussed and how timelines could change at the different stages of a project and the effect of not having a PARCA.

High-level draft business principles for both Options were illustrated and briefly discussed. While it was suggested that the pricing element should be discussed in the Charging Methodology Forum, attendees preferred to keep the development process in one place. It was also noted that there may be wider EU impacts to consider.

Seven different scenarios were illustrated and considered.

Scenario 1

JCx commented that this sounded more like a discussion between parties rather than an auction allocation type process. NW referred to a 'free' option. DH raised concerns at this and indicated that there was a debate to be had regarding that.

TD summarised that this was addressing the case where a customer seeks capacity from a given date, but Firm is not available from this date: a customer can be offered an interruptible product (with its associated risk for the customer) in the meantime.

Shippers sought more clarity on what would be available and when, and questioned whether a long-term product would offer any greater degree of comfort to the customer. GJ questioned if daily offpeak capacity could be made available via any other product, and MW would consider this.

Action TR0901: Consider if daily offpeak capacity could be made available via any other product.

The other six scenarios were passed through without comment.

MW encouraged parties to review and consider the draft business principles prior to the next meeting on Tuesday 18 September 2012.

TD then asked those present if there were any views on whether either option was to be preferred. NW indicated that a preference would depend upon the price – if it were free then Option A would be preferred; if both were the same price then Option B would be preferred. In any case, the process for booking incremental capacity should be made very clear.

JCx believed the options needed further consideration, and queried how clear was it going to be to the industry when permits are used. MW explained what would be published.

2.2.2 Draft Capacity and Connection Plan

MW presented a proposed timeline to progress the work. The meeting on 18 September 2012 will be reviewing and discussing the PARCA Business Rules, and the revised Option A and B Business Rules, taking account of comments received.

2.2.3 Capacity and Connection – Compare and Contrast (working document)

This had been published to give parties the opportunity to review and comment and for Ofgem to consider its views before the next meeting on 18 September 2012.

LH indicated that if there were any areas of major concern or areas not considered to be worth pursuing, then Ofgem would give a view, but added that as its consultation on National Grid's Business Plan closes on 21 September 2012, it was unlikely to be too expansive in its views before consideration of any responses received. JCx pointed out that the Workgroup needed to understand what was acceptable/not acceptable to Ofgem at a very early stage so as to avoid wasting time and effort on unnecessary work.

JCx then suggested that it would help to see a worked example to clarify how baselines might be reduced, how capacity is held until release, and the effects on the securitisation of capacity (impacts/how it would work, etc) to aid understanding of the subtleties. MW would consider developing this in time for the next meeting. JCx added that if Ofgem did not like the idea of capacity being held outside of the market, it would help to know what other suggestions there might be that could address the inflexibilities of the Planning Act in relation to projects.

RT questioned what it meant in terms of existing entry/exit customers – when would they have access to information that required them to take action. She would like more clarity on these timescales to understand what might need to be done and when. What would be the magnitude of the impact? MW agreed that more detail was required, and explained some scenarios.

TD then thanked Ofgem (LH) for its contributions and input so far, which had been very much welcomed by the Workgroup.

2.3 New Issues

None raised.

3. Any Other Business

3.1 Project Remit

MW gave an update. National Grid NTS recently conducted a survey of the GB gas industry asking for feedback on providing a central service for the collection and publication of REMIT insider information notifications. The response was overwhelmingly in favour of having this service.

As part of the survey parties were asked for views on what the service should look like. National Grid NTS had noted views and was now working on the development of a notice board type solution, with social media capability. The service should be available for use during late October and further communication will be issued nearer the time. Providers of notifications will

need to register for this service before posting notifications, and National Grid NTS will be creating a new user and authorisation process to handle these requests prior to the launch of the service; more details will follow soon.

A number of comments were also received suggesting that National Grid NTS provide a central register of third party REMIT Insider Information Notification web sites. This has now been set up and the register can be found on the REMIT channel of the National Grid Gas Operational Info site <http://www.nationalgrid.com/uk/Gas/OperationalInfo/remit>.

If anyone would like further information on these services, please contact mike.pratten@nationalgrid.com or paul.gallagher@nationalgrid.com.

3.2 Enduring Exit arrangements

The daily aspects of the Enduring Exit arrangement go live in three and a half weeks:

- Day ahead auctions for firm and off peak capacity for gas day 01 October will be carried out for first time on 30 September, with the first within day auctions for firm capacity carried out on 01 October 2012
- User training is currently being carried out for GEMINI functionality and exit processes by Xoserve
- GEMINI itself went live with new screens and functionality at the end of July
- New data and reports will be available on MIPI by the end of September
- Information about the exit regime is available on National Grid's website at <http://www.nationalgrid.com/uk/Gas/OperationalInfo/excap/>. More information around daily processes will be published on there by 30 September

If there are any concerns or questions then please e-mail National Grid NTS at: nts.exitcapacity@uk.ngrid.com or contact the Capacity Team on 01926 651058.

MW also drew attention to the fact that all interruptible meters are being end dated for the end of this month and that Xoserve is carrying out a process to achieve this. Xoserve should be contacted directly if parties had any concerns relating to this.

Exit Reform

TM gave a brief update from Xoserve's perspective.

The Gemini Exit System changes were successfully implemented on 29 July 2012 and testing of the new NTS Exit Reform APIs commenced on 20 August 2012.

External User Training will commence from 03 September 2012 and the new NTS Exit Reform regime will go live from 01 October 2012. The first NTS Enduring Exit Capacity (NXC) invoice for October 2012 will be issued on 06 November 2012.

Preparation for the decommissioning of the old Exit Capacity processes is underway and the final Exit Capacity invoice for September will be issued on 04 October 2012 (06 November if any September overruns incurred).

3.3 Short Term Access to System Flexibility

MW reported that National Grid NTS was in the process of reviewing the Short Term Access to System Flexibility Allocation Methodology and this will be issued shortly. Further explanatory information on the changes will be provided once it is issued, but the intention was to move away from the relatively complex SFRN process to a much simpler and clearer process.

3.4 Gemini Re-Platforming (GRP) Overview

GRP Progress and Plans

On behalf of Xoserve, TM gave a brief presentation on the GRP progress and plans. The proposed implementation date is 09 June 2013; this date is being formally submitted to the September UK Link Committee. Initial estimates indicate that the Gemini System will be inaccessible for approximately 12 hours whilst the implementation cut-over plan is completed. A contingency plan has also been established.

The anticipated impacts on external users were explained. These had been documented in detail in the "Gemini Connectivity Guide" which is being formally submitted to the September UK Link Committee.

Parties were encouraged to take part in User Testing and to register their participation in User Readiness Testing to ensure that they can access Gemini post cut-over.

The External User Readiness Testing period will run from 21 January 2013 to 01 March 2013 and Xoserve will provide the test cases that need to be executed. Users were invited to register their participation in User Readiness Testing by contacting: GRPcommunications@xoserve.com by 14 September 2012.

4. Diary Planning

The next Transmission Workgroup meeting will take place at 10:30, on Tuesday 18 September 2012, at 31 Homer Road, Solihull B91 3LT.

The Joint Office had tried to organise a London venue for this date without much success and TD indicated that the Joint Office would very much welcome any ideas/suggestions from any party able to provide/suggest an economical London venue to accommodate future meetings.

Further Transmission Workgroup meetings in 2012 are scheduled as follows:

10:00, on Thursday 04 October 2012, at ELEXON, 350 Euston Road, London NW1 3AW.

10:00, on Thursday 01 November 2012, at ELEXON, 350 Euston Road, London NW1 3AW.

10:00, on Thursday 06 December 2012, at ELEXON, 350 Euston Road, London NW1 3AW.

Action Log – UNC Transmission Workgroup: 06 September 2012

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR0401	05/04/12	1.3	0376 - Seek a view as to whether a manual workaround or the systems development will be in place by 01 October 2012.	National Grid NTS (MW)	Closed
TR0506	03/05/12	2.1	Action 001 transferred from Workgroup 0412: Review the terminology used to identify an LDZ interruptible customer within UNC and the Safety Case and who would be impacted from a customer perspective.	National Grid Distribution (AR)	Closed
TR0507	03/05/12	4.2	National Grid NTS to check publication format and location in relation to statement "If 13:30 D-1 Demand forecast >80% of 1 in 20 peak day demand then MNEPOR is not released".	National Grid NTS (MW)	Closed
TR0601	27/06/12	2.2	<i>Aligning the connections and capacity processes</i> - National Grid NTS to analyse the constraint costs associated with "connect and manage".	National Grid NTS (MW/SF)	Closed
TR0801	02/08/12	3.2.2	<i>Development of the capacity and connection processes – Planning and Advanced Reservation of Capacity Agreement (PARCA)</i> – Provide worked examples of the PARCA approach under differing scenarios.	National Grid NTS (MW)	Update to be provided for 18 September. Carried forward

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR0802	02/08/12	3.2.2	<i>Development of the capacity and connection processes – Planning and Advanced Reservation of Capacity Agreement (PARCA) – All to review the draft modification.</i>	ALL	Feedback to be provided for 18 September 2012 Carried forward
TR0901	06/09/12	2.2.1	<i>Long term non-firm capacity: Draft business principles - Consider if daily offpeak capacity could be made available via any other product.</i>	National Grid NTS (MW)	