

Transmission Workgroup Minutes

Thursday 02 July 2015

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

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont	(LD)	Joint Office
Adam Lane	(AL)	Centrica
Andrew Morris	(AM)	Bacton Agent
Anna Shrigley	(AS)	Eni
Charles Ruffell	(CR)	RWEST
Colin Hamilton	(CH)	National Grid NTS
David McCrone	(DM)	Ofgem
Francisco Gonçálvez	(FG)	Gazprom
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Marie Maurice*	(MM)	GDF Suez
Matina Delacovias	(MD)	Bacton Agent
Matthew Hatch	(MH)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez Energy
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme*	(RF)	E.ON
Steve Nunnington*	(SN)	Xoserve
Terry Burke	(TB)	Statoil

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/020715>

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Approval of Minutes from the previous meeting (04 June 2015)

The minutes of the previous meeting were approved.

1.2 Ofgem Update

In this month's update, DM drew attention to the items relating to:

- Ofgem's invitation to a code governance review workshop on 22 July 2015.
- Ofgem's decision on Uniform Network Code (UNC) 0519: Harmonisation of Conditions at Interconnection Points.
- Ofgem's decision on Gas System Operator (SO) incentives review 2015-18.
- Ofgem's decision on Uniform Network Code (UNC) Modifications 0493 and 0500.
- Ofgem's letter to National Grid: Gas Market Operator arrangements.

- Licence modifications to gas licences under section 23 of the Gas Act 1986 to ensure Great Britain's (GB's) compliance with the European Union legislative definition of gas day.
- Ofgem's decision on National Grid's Gas System Management Principles Statement (SMPS) submission for 2015/16.
- Grain LNG phase 4: revocation of third party access exemption.
- Ofgem's Final Decision – SSE Hornsea Limited (SSEHL) application for a minor facilities exemption (MFE) for Hornsea gas storage facility.

Referring to Modification 0519, GJ asked what would be the process for notifying Shippers of the change of arrangements. PH advised that these will be discussed within the IUK and BBL Interconnector Engagement Sessions (following on after this Transmission Workgroup meeting), and National Grid NTS will issue a communication regarding Moffat.

1.3 Pre Modification Discussions

None.

2. European Codes

General

There had been no changes to the Code Status Update information or the Road Map since the last meeting.

2.1 EU Modifications

0501V, 0501AV, 0501BV and 0501CV

MH gave a position update. Ofgem's impact assessment was now closed and the responses were under review. A decision is required before 21 July 2015 as this is the latest date that the processes can be effected to ensure the planned go-live date is achieved - the Joint Office requires a decision letter at the latest the day before (20 July 2015).

In the meantime, as it is as yet unknown which of the modifications may be directed for implementation, National Grid NTS has developed proformas for use in respect of each individual modification, and the drafts will be published on the Joint Office website at: www.gasgovernance.co.uk/0501. MH encouraged parties to make themselves aware of these in the interim as there will be limited time for their completion. The final versions are to be formally issued once it is known which modification is approved for implementation.

Noting that the trigger date for the process to commence would be the implementation date of the relevant modification, the Bacton reallocation process timelines (40 days and 50 days, depending on the individual modification) were displayed to clarify how this would be applied.

New Modification - Reduction to Minimum Quantity at Interconnector Points

Adjacent TSOs have requested a reduction in the eligible minimum quantity (from 100,000kWh to 1kWh) to meet the needs of the Irish market. National Grid NTS intends to raise a modification to reduce the quantities at Moffat (1kWh/d) and Bacton (1kWh/h), to be effective from Gas Day 01 November 2015 (coinciding with CAM implementation). No system impacts are anticipated for Gemini or PRISMA. This will be presented at the July

UNC Modification Panel, with the recommendation for self-governance status and that it be sent to Transmission Workgroup (for assessment at the August meeting).

New Modification - Housekeeping relating to EID Sections A, B and C

In relation to Modifications 0493 and 0500 a number of areas have been identified as requiring clarification and/or correction. National Grid NTS intend to raise a modification to address these aspects. This will be presented at the July UNC Modification Panel, with the recommendation for self-governance status and that it be sent to Transmission Workgroup (for assessment at the August meeting), the aim being to have the modification in place before EU processes commence on 01 October 2015.

2.2 EU Tariffs Code (TAR and INC)

CH gave a presentation updating the Workgroup on the current position and potential timeline. Ninety-one comments had been received from ACER/EC and were now under review. Working Group teleconferences were planned for 03 and 06 July, and it was then hoped to provide a draft text, with the ENTSOG Board considering approval on 16 July. Observing there may be some delays to the overall timeline, CH explained what would happen in Comitology (sent round to all departments for comment, then to the lawyers, then to the translators). It was anticipated that the first Comitology meeting (non voting) was likely to be in Q1 2016, with possibly a second and third meeting.

CH then provided more detail on progress made with the various issues.

Transmission and dedicated services - The definitions were displayed. CH reported the text had been slightly reshaped to be fairly flexible (better preserved for the UK regime). Shorthaul will be an alternative capacity product.

Cost Allocation Test - Still under discussion; ACER accepts flows can be allowed under very strict criteria; to be finalised over the next few days.

Option to offer Fixed Tariffs - CH noted fixed will be allowed only for incremental.

Storage - Discussions ongoing; text has been added to allow for differences.

CH reported that an informal Member State meeting had recently taken place, with views expressed that code changes are an improvement but not sufficiently far reaching. Concerns had also been voiced regarding the non-binding opinion from ACER. A further meeting was due to be held in September. There appears to be a push for more de-scoping of the code, a two phase approach, and for tariff predictability. It is evident there are still many issues and concerns regarding giving more powers to ACER. It is still not clear to parties what problems are trying to be fixed. The text will not be ready for 17 September, so delays are likely.

Responding to a question from GJ, CH confirmed that there was no assignment for entry, and explained in more detail. There were still lots of questions as to how to manage this; anything after the publication of the Framework Guidelines will have the administered price; anything prior will remain as it was. Any perceived discrimination issues relating to IPs and other points will be addressed within the UK.

EU Incremental Amendment Update (INC)

Amended text is under review. A public consultation may be held mid/end July, however ENTSOG approval of TAR NC may be required before holding a consultation on the incremental amendment. CH briefly outlined what the amendments to CAM might include. All incremental will go through the 'open season' process (more like PARCAs). MH added

that Auction calendar changes are from March to July for Long Term, and Quarterly is moving to August, i.e. more out of line with GB auctions (entry).

2.3 Phase 2 UNC Modifications - Potential Timescales

PH briefly reiterated the status of the outstanding modifications, noting that Modification 0510 was likely to be issued for further consultation following the submission of a Variation Request to the July UNC Modification Panel (to address issues raised by BBL in its representation).

It was also noted that the consultation on Modification 0525 closes on 09 July 2015.

2.4 Planning for Phase II Implementation of the EU Network Codes

PH outlined the current position, affirming that following further discussions and the good progress made in the interim, the contingency arrangements that had been referred to at the last meeting were now unlikely to be required and it was anticipated that this will continue to be the case as further progress is made towards 'go live'.

Attention was drawn to brief progress highlights relating to contracts, processes and IT systems.

Referring to a point made by Angus Paxton at the previous meeting regarding repeat telemetry data from Upstream DFOs, PH reported that this had subsequently been considered further and National Grid now believed that it did not need to raise a modification to use this as the existing Code provisions sufficed.

At a technical level many discussions were continuing; a fuller update will be provided at the August meeting.

AS asked can Shippers submit PRISMA based capacity bookings at D-7 for 01 November 2015? MH agreed to clarify.

Action 0701: MH to clarify if Shippers can submit PRISMA based capacity bookings at D-7 for 01 November 2015.

Post Meeting Note: MH agreed to confirm whether under the new CAM arrangements for IPs when users can bid for capacity before the gas day and provided the following information:

"I can confirm that bidding will be from D-1 (day ahead).

CAM Mod 0500 text:

3.4.1 Rolling Day Ahead IP Capacity Auctions

1) The bid window for the Rolling Day Ahead IP Capacity Auctions shall be open between 15:30 and 16:00 hours on the day before the capacity can be utilised.

(First one will be on 31 October 2015 for 01 November 2015)

3.4.2 Within-Day IP Capacity Auctions

1) Daily NTS IP Capacity will also be made available in a series of within-day auctions. Users may submit bids to the JBP for each auction in the series in accordance with the Within-Day IP capacity auction schedule.

2) The schedule for Within-Day IP Capacity auctions on the JBP is:

a) For the first within-day auction for a Day, bids from Users may be submitted the Day before between 18:00 and 01:30 hours and allocations shall be made by 02:00 hours.

(First within day will be on 31 October 2015 for 01 November 2015)

3.4.3 Interruptible Rolling Day Ahead IP Capacity Auctions

1) Each Day, Interruptible NTS IP Capacity will be made available in an Interruptible Rolling Day Ahead IP Capacity auction on an unbundled basis on the JBP.

2) Bids from Users in Interruptible Rolling Day Ahead IP Capacity Auctions may be submitted to the JBP each day for the following day between 16:30 and 17:00 hours.

(First one will be held 31 October 2015 for 01 November 2015)."

2.5 Matters Arising

None.

3. Workgroups

No business to consider.

4. Issues

None raised.

5. Any Other Business

5.1 Funding, Governance and Ownership (FGO) of Xoserve - Update

Disappointment was expressed that despite requests an FGO update had not been provided to this meeting.

As an interim measure Shippers requested that a written update be provided as soon as possible for publication.

Action 0702: FGO - Provide a written update for publication as soon as possible.

Post Meeting Note: An update has been provided and published alongside these minutes.

6. Outstanding Action

TR0601: Confirm that NTS directly-connected sites are included in the communications and arrangements for 06 September go-live (PH).

Update: PH confirmed that NTS directly-connected sites are included in the communications and arrangements for 06 September go-live. A letter will be issued (in July) to affected sites detailing the changes needed, and this will also be covered in the National Grid seminar. The key point was that the day prior to 01 October is a 23 hour day, and for 01 October submission is for 05:00 - 05:00 instead of 06:00 - 06:00. **Closed**

7. Diary Planning

Agenda items (and any associated papers) for the August meeting should be submitted to the Joint Office by 28 July 2015.

Time/Date	Location
10:00, Thursday 06 August 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 September 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 October 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 05 November 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 December 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table (02 July 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
TR0601	04/06/15	2.3	Confirm that NTS directly-connected sites are included in the communications and arrangements for 06 September go-live.	National Grid NTS (PH)	Closed
TR0701	02/07/15	2.4	MH to clarify if Shippers can submit PRISMA based capacity bookings at D-7 for 01 November 2015.	National Grid NTS (MH)	Post meeting note included in these minutes
TR0702	02/07/15	5.1	FGO - Provide a written update for publication as soon as possible.	National Grid NTS (S McGoldrick)	Update published alongside these minutes