

## Transmission Workgroup Minutes

Thursday 03 September 2015

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

### Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont	(LD)	Joint Office
Amrik Bal	(AB)	Shell
Andrew Pearce	(AP)	BP Gas
Anna Shrigley	(AS)	Eni
Charles Ruffell	(CR)	RWEST
Chris Hewitt	(CHe)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
David Reilly	(DR)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Gareth Davies	(GD)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
John Costa	(JCo)	EDF Energy
John McNamara	(JMc)	National Grid NTS
Julie Cox	(JCx)	Energy UK
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Maggie Steven	(MS)	National Grid LNG Storage
Marshall Hall	(MH)	Oil & Gas UK
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez
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/030915>

### 1. Introduction and Status Review

LJ welcomed all to the meeting.

#### 1.1 Approval of Minutes from the previous meeting (06 August 2015)

The minutes of the previous meeting were approved.

#### 1.2 Ofgem Update

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

- Ofgem's approval of changes to the Code Administration Code of Practice (CACoP) and CACoP version 4; and

- Ofgem's decision to approve Uniform Network Code (UNC) 0525: Enabling EU Compliant Interconnection Agreements (IAs).

### 1.3 Pre Modification Discussions

No topics for discussion.

## 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 Interconnection Agreement (IA) Consultations

PH reported that the consultations have now closed and that no fundamental issues had been identified. The Reports are published at: <http://www2.nationalgrid.com/UK/Industry-information/Europe/Consultations/>. The TSOs will submit agreements to Ofgem for approval and it is anticipated that contracts will be signed mid to late September. Implementation will take effect on Gas Day 01 October 2015. Discussions have continued on other aspects of the Agreements.

### 2.2 Transitional Arrangements for Nominations at Interconnection Points (IPs)

JMc gave an overview of the arrangements post 01 October 2015. The new regime introduced by UNC Modification 0493 allows for a gas flow nomination at IPs to be sent to National Grid up to 30 days in advance of the gas day. No processing of this nomination submission takes place until 13:00 on D-1. If during the 30 day period a nomination is resubmitted prior to the nomination deadline, only the last such nomination submitted is processed with the associated nomination to the adjacent TSO at the IP, a "counterparty pair".

There were to be Transitional Arrangements during September 2015 only, whereby Gemini will accept nominations at IPs throughout the entire 30 day period prior to 01 October 2015, e.g. from 01 September 2015 for gas flow day 01 October 2015. However as part of National Grid's EU systems changes, nominations at IPs input prior to planned Gemini code releases as they will not comply with the information requirements of the new nominations process, and therefore they will not be processed and will not be retained by the system.

JMc then described the Nomination timescales for September 2015 only. For gas flow days from 01 October 2015 onwards (even if nominations have already been submitted) at IUK IP and BBL IP and at Moffat IP, users will need to ensure they submit nominations on or after D-9, or 22 September 2015. The maximum notice periods available will then increase incrementally from Gas Flow Day 01 October 2015 until the full 30 day notice period is available. After this point these transitional arrangements will cease.

A new web page is being created on the National Grid website; this will display any relevant communications - likely to be daily/weekly. Parties who require further information in advance of these arrangements should contact: [Box.GasOps.BusinessC@nationalgrid.com](mailto:Box.GasOps.BusinessC@nationalgrid.com). JMc confirmed this information would also be communicated at the Ops Forum next week.

JMc affirmed that it only affects the 4 new APIs (created for those IPs), all others carry on as normal. The Adjacent TSOs are all on track; it had been tested fully with IUK and BBL, and testing with Moffat will be completed next week. Contingencies are being developed and

JMc hoped to issue a first draft next week (high level explanation and Gemini contingency document).

### **2.3 Data Exchange**

PH reminded the meeting how National Grid NTS was planning to implement the Internet-based common solutions for EU Code related data exchange. The proposed technical solution (B2B) envisaged for the TSO-Shipper obligation had been presented at the August UK Link Committee, and was to be in the Phase 3 release. No comments on this had been received so it was proposed to proceed.

It was noted that the Interoperability Code also provides for existing IP nomination solutions to continue, subject to domestic user consultation and regulatory approval, which would enable GB Shippers to continue to submit nominations/receive confirmed quantities via the Gemini IX link after 01 May 2016.

PH indicated that National Grid NTS therefore proposed a 2 week window (04 - 18 September 2015) for Shippers to register any objections to this. If no objections are received then National Grid NTS will formally seek approval from Ofgem.

### **2.4 EU Tariffs Code (TAR NC) Update**

CH gave a brief update on the current position and the latest timeline. The ACER recommendation on TAR NC will be made on 16 September 2015. If a qualified recommendation (likely) is made with proposed text changes then ENTSOG may have to consider providing a response paper.

Between October and December translation of the text into the EU languages will take place.

The Comitology phase has slipped a little. Three Comitology meetings are likely, with the first happening in early 2016 (February). Indicative implementation timescales (across Gas Year 0 - 4) were illustrated. CH reported that in Comitology discussions might be held to see if the implementation period can be shortened, and what can be done earlier if anything (challenges were likely); regimes will still be under their own national rules until the implementation date applies.

CH then summarised the outcome of the refinement discussions, providing more details on the allocation of costs methodologies, the position on fixed versus floating tariffs, interruptible pricing at Interconnection Points (IPs) (it was noted this could impact GTCR considerations - any changes at IPs will also have to consider whether it applies to all points), multiplier ranges at IPs (the concept of discounts has disappeared; and again it was noted this could impact GTCR considerations - any changes at IPs will also have to consider whether it applies to all points in the GB regime), alternative Transmission tariffs, and Storage (back in the TAR NC, but also under wider consideration elsewhere).

### **2.5 EU Incremental Amendment Update**

This will follow the same timeline as the TAR NC. ACER has to consider whether any qualification should be made in the TAR NC. An Impact Assessment was ongoing; the EC will then have to submit its report to assist the Comitology process.

### **2.6 Phase 2 UNC Modifications - Potential Timescales**

It was noted that the majority of the UNC modifications had now been approved, with Modification 0510V the only outstanding decision awaited from Ofgem. Modifications 0546S and 0547S were currently in the consultation phase.

FH thanked all parties for submitting information to enable National Grid NTS to complete the process for Bacton allocation. FH commented that the UKCS Entry Point at Bacton had been oversubscribed following the Bacton split process.

DR reminded participants that in the decision to approve UNC Modification 0501V, Ofgem encouraged industry to raise a further modification to introduce a flexibility mechanism.

## **2.7 General Update on Phase 2**

### *EIC Codes*

An EIC is required (for IPs) when using PRISMA and will be required for nominations. JMc reported that as from 07 September 2015 Xoserve will take on the role of Local Issuing Office (LIO) for Great Britain and is authorised to issue International and Local EIC codes.

If a market participant wishes to apply for one further detail can be found at:  
<http://www.xoserve.com/index.php/our-services/customer-life-cycle/local-issuing-office/>

National Grid NTS will deal with any applications made to it before 06 September 2015; any received after this will be sent to Xoserve to action. All existing EIC Codes will remain valid and this change will have no impact on those. All parties had been written to, and National Grid NTS was continuing to monitor which parties had/had not signed up.

JMc explained that in Gemini the EIC Code will populate for an individual company, but each TSO has different rules on the counter side of the nomination - this could be EIC Codes, Shipper Short Codes or Type of nomination code. It was important to know and be clear on which was to be used and JMc strongly encouraged parties to individually contact the adjacent TSO to confirm what they are using. National Grid NTS will only validate what is on its side.

### *System Delivery*

National Grid NTS was now in the last phases of testing. JMc indicated that it would be able to start nominations from next week (but not through the four specific APIs yet).

User Trials had been extended until 11 September 2015 as requested. There had been issues with the APIs but these were being addressed and resolved.

## **3. Workgroups**

### **3.1 0553 - Removal of National Grid LNG Storage UNC TPD Section Z obligations and associated references**

Minutes of this meeting are located at: [www.gasgovernance.co.uk/0553/030915](http://www.gasgovernance.co.uk/0553/030915).

## **4. Issues**

None raised.

## **5. Any Other Business**

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

LJ drew attention to the update provided and published alongside these minutes.

LJ indicated there were likely to be three modifications raised in October relating to this area. JCx commented that Energy UK members had expressed concerns regarding the short

timescales for getting these modifications into place by April 2016, especially since there had been no prior sight. Were these going to be issued at the FGO stakeholder event on 25 September 2015?

JCx also observed that the KPMG Sharepoint site was not good and added, that with papers being uploaded very shortly before a meeting, it was impossible for parties to make an informed decision on whether to attend an FGO meeting or not.

LJ noted these concerns and will relay them to KPMG. **Post Meeting Note:** *It has been confirmed that the modifications need only to be raised by April 2016. A representative from the programme will dial in to the next meeting to answer questions.*

## 5.2 Emergency Preparedness and Significant Code Review (SCR) Interactions

### *Emergency Preparedness*

In a presentation CHe explained what a Network Gas Supply Emergency was, the different classifications of Network Gas Supply Emergencies, Gas Emergency legislation and Procedures, the role of the Network Emergency Coordinator (NEC) and Constraint Management (Pre-emergency).

It was noted that all parties have a duty to co-operate with the NEC. CHe explained how sites were contacted and Shippers informed. National Grid NTS contact power stations on a frequent basis to check/confirm site contact details. National Grid NTS can remotely interrupt a Direct Connect, but would prefer not to do this because of unknown consequences downstream; the preference is for sites to safely self-interrupt to come off the system. A number of factors (including consequences for electricity side) are taken into account before instructing interruption and it is not necessarily/automatically the largest site off first.

CHe outlined the tools available for use/consideration in Constraint Management (Pre-emergency) phase, depending on the speed of the emergency events and time constraints.

The four stages of an emergency were described along with the actions that may be taken. JCx asked how this mapped onto the EU Security Supply Alert, did it mesh together, i.e. early warnings and alerts mapping to GB stages. There was a brief discussion, and CHe would check and confirm this.

### **Action 0901: EU Security Supply Alert - Establish and confirm how GB Network Gas Supply Emergency Stages/actions map to/interact with the EU Security Supply Alert.**

The annual exercise to confirm the emergency preparedness arrangements - this year called "Exercise Wolf" - was then described, and the expectations on various parties were explained. CHe would be happy to discuss individually in more detail. Shippers were encouraged to look at and consider how quickly they might be able to isolate/remove a load from the system should the need ever arise.

### *Gas Security of Supply Significant Code Review (SCR)*

Continuing the presentation, GD outlined the background and aims of the SCR, one of the most important of which was to make payments to firm customers in the event of curtailment. This is now being implemented from 01 October 2015, and will apply from the Emergency Stage 2 onwards.

The current Emergency Cash out arrangements were illustrated, followed by an illustration of the changes to be made. The key message is that cash out prices are changed - it is a 'moving picture' and Shippers will need to make sure that they can manage the risk going forward.

### *Demand Side Response (DSR)*

LJ reminded that the DSR Workgroup reconvenes on 22 September 2015, with a meeting at 31 Homer Road, Solihull B91 3LT, starting at 10:30.

### 5.3 Review of the Market Operator (OCM) Provision

GD gave a brief presentation outlining the background and illustrating the timeline to be followed.

Following initial bilateral discussions National Grid NTS is intending to submit a Request Proposal to the UNC Panel for its consideration. It is anticipated that a Workgroup will be set up to establish industry requirements and suggest any Code modifications that may be appropriate. **Post Meeting Note:** *This has been raised as Request 0555 - Review of the Market Operator (OCM) Provision, for consideration at the September UNC Modification Panel.*

### 5.4 Ofgem Gas Transmission Charging Review (GTCR)

JCx asked for an update on the position; DR confirmed that the analytical stage was being completed and aspects of the TAR NC were being considered.

## 6 Outstanding Actions

**TR0801:** *Interoperability Code and potential amendment to add CEN Gas Quality standard* - Confirm the status of this proposal and clarify what is meant by gas quality reporting.

**Update:** The response provided by National Grid NTS is published at: [www.gasgovernance.co.uk/tx/030915](http://www.gasgovernance.co.uk/tx/030915). PH added that it was envisaged by the end of the year. MH asked about National Grid NTS' review of the wording of Article 17; PH responded that National Grid NTS was discussing what it needed to do to comply and was engaging with NTS Direct Connects to see what further information may be helpful/appropriate to publish. MH suggested that PH look at the information provided for Modifications 0498/0502 as this would give a good indication as to where there were gaps in the information and what National Grid NTS ought to consider/provide.

Responding to a question from JCx, PH affirmed that the actual requirement is to engage/establish what is required, rather than provide, from 01 May 2016.

PH added that the BSI had indicated that the UK would submit a 'no' vote regarding the adoption of CEN standards, as the legal framework is still unclear. The Commission's recommendations for the Interoperability Code will be published in early 2016. The expectation is that the Member States will revisit the Wobbe issue and carry out their own studies. PH will keep the Workgroup informed of any further developments. **Closed**

**TR0802:** *UNC Data Dictionary* – Arrange for publication on the JO website.

**Update:** LJ reported this would go live on 01 October 2015. The documents can be accessed on the Joint Office website at: <http://www.gasgovernance.co.uk/tpddocs>. **Closed**

## 7. Diary Planning

Agenda items (and any associated papers) for the October meeting should be submitted to the Joint Office by Tuesday 22 September 2015.

The 2016 meeting dates have now been confirmed (please see below) and entered on the Joint Office Events Calendar ([www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)).

**2015**

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

**2016**

<b>Time/Date</b>	<b>Location</b>
10:00, Thursday 07 January 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 04 February 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 March 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 07 April 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 05 May 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 02 June 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 07 July 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 04 August 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 September 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 06 October 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 November 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 December 2016	ENA, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

**Action Table (03 September 2015)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>TR0801</b>	06/08/15	2.0	<i>Interoperability Code and potential amendment to add CEN Gas Quality standard</i> - Confirm the status of this proposal and clarify what is meant by gas quality reporting.	National Grid NTS (MH/PH)	<b>Closed</b>
<b>TR0802</b>	06.08/15	2.1	<i>UNC Data Dictionary</i> – Arrange for publication on the JO website.	National Grid NTS (JG)	<b>Closed</b>
<b>TR0901</b>	03/09/15	5.2	<i>EU Security Supply Alert</i> - Establish and confirm how GB Network Gas Supply Emergency Stages/actions map to/interact with the EU Security Supply Alert.	National Grid NTS (CHe)	<b>Pending</b>