

Transmission Workgroup Minutes

Thursday 03 December 2015

ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Andrew Blair	(AB)	Interconnector
Andrew Malley	(AM)	Ofgem
Anna Shrigley	(AS)	Eni
Charles Ruffell	(CR)	RWEST
Colin Hamilton	(CH)	National Grid NTS
David Reilly	(DR)	Ofgem
Gareth Davies	(GD)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower Energy Management
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Jennifer Randall*	(JR)	National Grid NTS
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Karen Visgarda (Secretary)	(KV)	Joint Office
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Les Jenkins (Chair)	(LJ)	Joint Office
Lucy Manning	(LM)	Gazprom
Nick Wye	(NW)	Waters Wye Associates
Phil Lucas	(PL)	National Grid NTS
Sarah Lloyd	(SL)	National Grid NTS
Steve Nunnington	(SN)	Xoserve

*via teleconference

Copies of papers are available at: www.gasgovernance.co.uk/tx/031215

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Approval of Minutes from the previous meeting (05 November 2015)

AS requested a minor word change with regards to the Capacity Auction wording, subsequently the minutes were then approved.

1.2 Ofgem Update

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

- The informal consultation on changes to Standard Special Condition A15 (Agency of the Gas Transporters Licence) and explained that any views on these proposed licence changes were requested before 14 December 2015.
- Code modification proposals with Ofgem for a decision – the indicative timetable previously had an incorrect date in the document for UNC0560 and DR confirmed this had now been amended.
- The Gas Transmission Charging Review (GTCR) policy letter had now been published.
- The Congestion Management Principles Code: LTUIOLI Monitoring Report was overviewed via a brief presentation and DR explained that Ofgem were not expecting any capacity withdrawal issues at this time.

1.3 Pre Modification Discussions

No business for discussion.

2. European Codes

CH provided an overview of the 'EU Tariff Code Update' presentation. He explained the EU Tariff Code Timeline with regards to the forthcoming meetings, and flagged that the ACER had decided not to do a qualified recommendation, as there was no requirement for ACER to do this, which now meant the Commission were able to freely adapt the text. Due to this, on the 15 December 2015 there would be an 'open informal information session' on the key changes to the Tariff Code, although it was unclear who the attendees were and where/when information would be made available.

2.1 EU Tariffs Code (TAR NC) Update

CH gave a brief update on the current position and the latest meeting timetable and explained there was no plan for a 3rd Comitology Meeting. He then highlighted the information contained in the Ofgem formal letter regarding the GTCR in relation to Floating prices and Dual Regimes, concerning the complexity of these two topics. Due to this, and following the NTSCMF meeting, National Grid had been asked to provide further detail on expected next steps, together with Terms of Reference for the next NTSCMF Workgroup.

GJ asked what was the Capacity Weighted Distance approach was and were there any definite timelines. He also asked what were the thoughts on the level of discounts at either side of the flange in respect of domestic versus IPs. CH confirmed this aspect was also being investigated as part of the discussions surrounding the GB regime and that there was no timeline at the present, as it would depend on the outcomes of the meeting on 15 December 2015.

2.2 EU – CAM Amendment – Incremental Capacity

SL provided an overview of the presentation, explaining the aim was to provide harmonised rules for triggering Incremental within the CAM framework. She confirmed that the CAM amended text had been adopted by ACER on 13 October 2015.

She explained the 3 stage process, from 1) Market Demand, 2) Design Phase and the 3) Allocation Procedure, together with the Binding Phase. SL then overviewed the TSO's Market Demand Assessment Report, high-lighting the 3 key criteria which included; Supply gaps identified in Ten Year Network Development Plan (TYNDP) or transport requirements identified in national NDP, Availability of Standard Capacity product in the annual yearly auction, Network User's requests for incremental capacity via non-binding demand indications. She provided a brief summary of the content of each specific phase, together with an explanation of the Parallel Bidding for Incremental Capacity process, and explained that the auctions would take place at the same time, which worked in a 'step process'.

CH then overviewed the Incremental Amendment issues and explained that, even though the latest text had been approved, ENTSOG still had some concerns over the workability of the proposal in terms of; the need to protect the option to offer the fixed price in order to have a meaningful incremental test, and in relation to needing to know what the revenues would be, in terms of a fixed price. This would subsequently allow a better forecast of revenues with a more exact incremental test. A general discussion ensued surrounding the lead times for providing incremental capacity and how a TSO would match the capacity in a different mechanism, and CH said that National Grid were presently investigating this matter.

2.3 Gas Quality Information – Stakeholder Engagement

PL provided a brief overview of the EU Interoperability and Data Exchange Code and Article 17, which is "Information provision on short-term gas quality variation" explaining that National Grid NTS has new obligations in relation to the 'Gas Quality Road Map'. He then provided a brief summary of Article 17, together with the specific required TSO obligations from a National Grid NTS Stakeholder engagement, communications and consultation perspective, which had to be actioned prior to 01 May 2016.

PL then explained that Gas Quality Data was currently available in their reporting. He confirmed that there are presently 4 specific reports, which are:- Calorific Value Report, Actual Offtake Flows Report, NTS Commercial Entry End of Day Report and the NTS Physical Entry End of Day Report. A lengthy discussion then took place regarding the reports and if these showed 'real time' data. JCx believed that there must be data available to National Grid NTS in the course of running the network that it currently, for technical or legal (confidentiality) reasons, did not share with parties and that this as a minimum should be considered for usefulness to the market. It was suggested by LJ that PL further investigate the reporting content from an affected parties perspective.

New Action 1201: National Grid NTS (PL) to further investigate the reporting content; and to confirm back to the workgroup.

PL overviewed the next steps with regards to the Stakeholder Engagement and explained that the GB operators would be consulted during Quarter 1- 2 of 2016 to understand their needs. National Grid NTS would then consider what gas quality information it may be able to provide and in what timeframe. General discussion took place around what the timeframe might be and what information would become available.

PL explained the formal response process and the mediums that could be used and asked whether the participants were happy to be conduits within their companies for this process. General discussion ensued and participants agreed that a formal consultation document should be produced that should include a section covering the 'actual delivery' for post 2016. PL requested feedback prior to Christmas Eve, at the email address:
box.gas.market.devel@nationalgrid.com

2.2 EU Phase 3 Project Update

PL reminded the participants of the content of the presentation that was given by Bill Goode at the previous meeting and explained that the Phase 3 Project aimed to meet the obligations set out in the Interoperability Data Exchange Network Code and he reiterated the defined scope criteria and the timelines. General discussion took place surrounding the User Trials and the need for more detail and clarification, and PL agreed to provide more detail. .

New Action 1202: National Grid NTS (PL) to provide more detail regarding User Trials for EU Phase 3.

PL overviewed the B2B criteria and explained that National Grid NTS proposed to meet the data exchange obligation (Article 21, INT Code) by implementing a solution that covered both: "Integrated" solution (web services) and "Document based" solution (AS4 –via a B2B gateway). GJ asked if that was going to use the current functionality and PL said a systems request was being raised. PL said that a feedback window had been opened at the last meeting, which was due to close on 04 December 2015, (no responses had been received to date) however, if any new feedback were to be received within the month of December, it would still be considered

Workgroups

0567S – Amendment to reference temperature conditions within the National Grid NTS – UK Interconnection Agreement.

Minutes of this meeting are located at: www.gasgovernance.co.uk/0567/031215

0568 – Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer.

Minutes of this meeting are located at: www.gasgovernance.co.uk/0568/031215

3. Issues

3.1 ISSUE 0067 – Transparency of future SMP prices and artificial buy price.

GD provided an overview of this issue and explained there had been no feedback to date. He believed it was an operational matter and proposed this issue would now be considered via the Operational Forum. Participants agreed with this issue being closed and asked GD for a formal summary to close the issue on the Issues Log.

Post Meeting Note: (for inclusion in the Issues Log)

At the November Transmission Workgroup a number of shippers sought whether National Grid could provide additional information to the market upon acceptance of a multi-day trade. In principle, National Grid agrees that more transparency upon the acceptance of multi-day trades could be beneficial to the market. Further review would be required in regards to processes, cost and regulation. At the same time National Grid has received no feedback from shippers in regards to ISS067 and so it is unclear whether there is a clear driver to publish this change. It was agreed that the National Grid Operations Forum be used to continue to discuss this issue.

4. Any Other Business

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

LJ asked the Workgroup whether this monthly FGO Update from KPMG was still relevant as this matter was now being addressed within the Governance Workgroup. JCx suggested it was an area that was difficult to understand if you were not close to it and felt that more information could be helpful. SN explained that FGO was driven by external factors. General discussion took place and it was felt that having some overview slides each month giving a greater perspective for Transmission Users would be helpful. SN and PL both agreed to investigate this matter and to produce some information showing what it meant for the Transmission User, for the next meeting.

New Action 1203: Xoserve (SN) and National Grid NTS (PL) to produce a slide pack giving more detail on what the FGO means to the Transmission User.

5.2 Communication Channels – Stakeholder Events

GD overviewed the presentation; 'National Grid Gas Transmission (NGGT) – Clarity of Communication Routes' He explained that the Joint Office would cascade the following documentation:- NGGT Charging Statements and notices, UNC Modifications/Workgroup and Review Groups and Significant Code Review Communications.

The ENA would cascade other NGGT communications e.g. NGGT Capacity Auction invitations. A lengthy debate then ensued regarding the criteria of which documents were cascaded by the JO and ENA. LJ explained that the policy had been changed in April 2015 and that all parties had been communicated with via an email that explained that the JO would focus on Code administration matters due to the sheer volume of what could be considered as transporter 'normal business'. Several parties believed it was less work to have everything delivered via the JO; LJ disagreed, parties would still receive information and the additional granularity of using both JO and ENA routes enabled parties to see what was a genuine Code matter and what wasn't. GD closed by saying that National Grid NTS was looking at an enduring solution for communications and this would be advised in due course.

5.3 Gas Day Definition in Gemini – raised by Gazprom

LM provided the background of this matter; that National Grid had defined the gas day in their EU code testing and FAQ documentation issued in September as starting at 5am on a calendar day and finishing at 4.59am on the following calendar day, however when it was implemented it defined the day as ending at 4.59 on the same calendar day – i.e. the day was minus one minute long instead of 24 hours long. She also explained that the 'go live'

version differed from the test version in this respect.

LM confirmed that many companies have had to implement a workaround solution to manage this, but were very concerned that it remained incorrect. Without the workaround, it means Shippers cannot nominate within-day (since the within-day window is non-existent) and day-ahead nominations are processed for two days instead of one.

LM said that she had repeatedly had conversations with Xoserve concerning this matter and that they had admitted that it was 'misleading'. However, that they would only consider correcting it with the support of the shipper community – on the basis that other shippers had obviously all put workaround solutions in place too, so that it was not causing issues, and to correct it now might actually lead them to have issues that they wouldn't otherwise have.

LM went on to explain that most shippers use GMSL systems rather than their own bespoke system, so they may not even be aware that there is an issue to be fixed, but that it would affect those shippers who have their own systems and may also have a knock-on impact if any IT changes were made in future via the Phase 3 EU Codes. She also suggested that the Phase 3 implementation potentially presented a good opportunity for an orderly resolution.

LM stated that she had had various conversations with Chris Gumbley at National Grid and she was advised to raise this matter within the Transmission Workgroup, she also expressed her disappointment that no relevant representative was present to move this matter forward. General discussion took place and a large proportion of the participants agreed that this was an issue that should simply be fixed; all National Grid NTS had to do was to tell the industry how and when.

GD apologized at the lack of any specific representative to address this matter from National Grid and said he would make investigations as to how to get this matter resolved. LJ asked GD to contact the required individuals and for them to present the timeline and resolution for this matter at the next meeting on 07 January 2016.

New Action 1204: National Grid NTS (GD) to feed back the workgroup's view on the Gas Day Definition problem and to arrange for the resolution and timeline to be presented at the next meeting

6. Outstanding Actions

TR1101: GD to provide more detail and clarity in relation to the indicative price for Day 2 and for the Workgroup to consider this issue, discuss internally and provide feedback to GD.

Update: GD and the Workgroup agreed that this action could now be closed, see 3.1 above. **Closed.**

TR1102: All to consider this issue and provide feedback to GD.

Update: It was agreed this action was now closed, see 3.1 above. **Closed.**

7. Diary Planning

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

2016

Time/Date	Location
10:00, Thursday 07 January 2016	Elexon, 350 Euston Road, London Lon NW1 3AW UK

10:00, Thursday 04 February 2016	Elexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 03 March 2016	<i>Venue to be confirmed</i>
10:00, Thursday 07 April 2016	<i>Venue to be confirmed</i>
10:00, Thursday 05 May 2016	<i>Venue to be confirmed</i>
10:00, Thursday 02 June 2016	<i>Venue to be confirmed</i>
10:00, Thursday 07 July 2016	<i>Venue to be confirmed</i>
10:00, Thursday 04 August 2016	<i>Venue to be confirmed</i>
10:00, Thursday 01 September 2016	<i>Venue to be confirmed</i>
10:00, Thursday 06 October 2016	<i>Venue to be confirmed</i>
10:00, Thursday 03 November 2016	<i>Venue to be confirmed</i>
10:00, Thursday 01 December 2016	<i>Venue to be confirmed</i>

Action Table (03 December 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
TR1101	05/11/15	4.1	GD to provide more detail and clarity in relation to the indicative price for Day 2 and for the Workgroup to consider this issue, discuss internally and provide feedback to GD.	National Grid NTS (GD) Shippers	Closed
TR1102	05/11/15	4.1	All to consider this issue and provide feedback to GD.	All	Closed
TR1201	03/12/15	2.3	National Grid NTS (PL) to further investigate the reporting content and to report back to the workgroup	National Grid NTS (PL)	Pending
TR1202	03/12/15	2.3	National Grid NTS (PL) to provide more detail regarding the User Trials for EU Phase 3.	National Grid NTS (PL)	Pending
TR1203	03/12/15	5.1	Xoserve (SN) and National Grid NTS (PL) to produce a slide pack giving more detail on what the FGO means	Xoserve (SN) and National Grid NTS	Pending

Action Table (03 December 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			to the Transmission User.	(PL)	
TR1204	03/12/15	5.3	National Grid NTS (GD) to feed back the workgroup's view on the Gas Day Definition problem and to arrange for the resolution and timeline to be presented at the next meeting.	National Grid NTS (GD)	Pending