

# Transmission Workgroup Minutes

## Thursday 07 January 2016

### Elxon, 350 Euston Road, London NW1 3AW

#### Attendees

Amrik Bal	(AB)	Shell
Andrew Malley	(AM)	Ofgem
Andrew Pearce	(AP)	BP
Angharad Williams	(AW)	National Grid NTS
Anna Shrigley	(AS)	Eni
Charles Ruffell	(CR)	RWEST
Chris Hill	(CHi)	Locus Energy
Chris Logue	(CL)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
David Eastlake	(DE)	CVSL
David Reilly	(DR)	Ofgem
Egbert-Jan Schutte-Hiemstra	(EJ)	ICE Endex
Fergus Healy	(FH)	National Grid NTS
Gareth Davies	(GD)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower Energy Management
Graham Dickson	(GD)	Interconnector
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Jennifer Randall	(JR)	National Grid NTS
Jessica Harris	(JH)	National Grid NTS
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Justin Goonesinghe*	(JG)	National Grid NTS
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Les Jenkins (Chair)	(LJ)	Joint Office
Mark Cockayne	(MC)	Xoserve
Mike Berrisford	(MB)	Joint Office
Nazareen Noor Mahomed	(NNM)	ICE Clear Europe
Nick Wye	(NW)	Waters Wye Associates
Richard Fairholme*	(RF)	Uniper
Rob Hill	(RH)	Locus Energy
Steve Nunnington	(SN)	Xoserve
Sue Ellwood*	(SE)	TPA Solutions
Terry Burke	(TB)	Statoil
Thomas Farmer	(TF)	Ofgem

\*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/Tx/070116>

## 1. Introduction and Status Review

LJ welcomed all to the meeting.

### 1.1 Approval of Minutes from the previous meeting (03 December 2015)

The minutes of the previous meeting were approved.

### 1.2 Ofgem Update

Introducing this months update, DR drew attention to the recent decision on Urgent UNC Modification 0560 'Addressing under-allocation of flows from BBL arising from misalignment of reference conditions'.

### 1.3 Pre Modification Discussions

No business for discussion.

## 2. European Codes

CH provided an overview of the 'European Update' presentation.

### 2.1 General Update

There were no adverse comments raised relating to this matter by those in attendance.

### 2.2 EU Code Updates - EU Tariffs Code (TAR NC) Update

When asked whether or not any ACER assessment on the reference price methodology would be binding, CH advised that this would not be the case.

CH went on to explain that as far as the fixed prices at IPs is concerned and specifically the 'EC has ENTSOG asked to define Big' statement, this is due to be discussed in more detail at the following day's ENTSOG meeting. When asked, CH confirmed that any legacy capacity would be fixed capacity.

In considering the 'Storage' slide, one party enquired as to whether or not the discount would apply to Entry and Exit separately or in combination to which CH responded by advising that whilst this had not been discussed specifically, the approach being followed so far has sought to be as flexible as possible.

Moving on to consider the 'Interruptible capacity at IPs' slide, DR explained that as far as the first bullet point is concerned, CAM refers more to daily interruptible aspects and that currently the GB market does not have longer term interruptible. Whilst CH explained that some of the TSOs do not believe that this is the best way forward, some parties voiced concerns relating to a potential undermining of the 'buy back' regime. As far as the final bullet point relating to Ex-ante discount is concerned, it is expected that more detail would be flushed out at the following day's ENTSOG meeting.

Looking finally at the 'On the horizon.....' slide, CH advised that one possible route for looking to possibly establish a model to look at counterfactuals could be via the NTSCMF in due course, rather than the Transmission Workgroup per se.

### **Information Provision – *Interoperability / Balancing codes***

JR provided an overview of the presentation, and explained that as far as the 'Actions' slide is concerned, the background information has been provided by her colleague Phil Lucas in response to his two previous actions.

JR went on to advise that an update on the MIPI system upgrade / replacement project had been given at a recent Operational Forum meeting. Phase one of the project is looking at extracting parts of the MIPI functionality and moving this to an iCloud based solution. It was suggested that it might be prudent to engage with Shippers earlier rather than later on these matters, to which JR made reference to the 'Proposed approach' slide at the end of the presentation – in short, National Grid NTS is keen to obtain (consultation response) feedback as soon as possible.

### **Balancing Code Article 38: Cost benefit analysis**

JR explained that National Grid NTS is looking to combine interoperability code and other changes into one piece of work.

As far as the proposed approach is concerned, any information that National Grid NTS can provide is subject to constraints around confidentiality etc.

### **EU Gas Quality**

In providing a brief overview of this part of the presentation, CL explained that whilst the CEN gas quality standard is initially based around non Wobbe elements, it would not be too difficult to include these at a later date. As far as the question of how changes would be governed in future, this is being considered in order to avoid situations such as 'back door' changes to the Wobbe number etc.

Whilst the initial timeline suggests a period of circa 18 months, it could well turn out to be longer than this in reality and the roadmap would be adjusted in due course.

### **Mod 560 - Update**

There were no comments raised relating to this matter by those in attendance.

### **EU Phase 3 Project Update**

When asked, CL suggested that any proposed solution should consider various data exchange options before settling on a preferred option (i.e. either all via IX, or not in the case of Gemini).

As far as the National Grid NTS letter to Ofgem is concerned, CL remains hopeful that a reply (from R Mills / D McCrone) will be provided in early February 2016.

### **Future Topics**

CL advised that he would look to add a new area to cover 'Gas Quality'.

## **2.3 Matters arising**

There were no matters for consideration at this meeting.

## **3. Workgroups**

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

Minutes of this meeting are located at: <http://www.gasgovernance.co.uk/0568/070116>

### **0569S - Removal of the minimum security requirement from the Energy Balancing Credit Rules.**

Minutes of this meeting are located at: <http://www.gasgovernance.co.uk/0569/070116>

## **4. Issues**

### **4.1 ISS066 – Implications of decommissioned Exit / Entry points (*transferred from NTSCMF*)**

FH explained that whilst work remains ongoing on this matter, clarification around what parties expect from this piece of work would be helpful (i.e. what are we actually looking for). Responding, JC suggested that a better approach would be for FH to put into words what the possible requirements might be and in what format, possibly split by Entry / Exit points, in order that parties can better understand any charging model impacts (i.e. baseline capacity and licence aspects). Other parties suggested that charging is a key issue, especially potential energy point decommissioning related impacts.

In acknowledging the points raised, FH remained of the view that whilst parts of this matter bridge both the Transmission and NTSCMF Workgroup arenas, any charging related aspects should remain under the auspices of the NTSCMF.

## **5. Any Other Business**

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

Opening, LJ provided a brief reminder of the previous discussions around this matter.

CL then went on to provide a brief overview of the 'Ofgem's review of Xoserve's Funding, Governance and Ownership (FGO) presentation during which he explained that the Transporters are happy to fund the process supporting the appointment of the four Shipper members to the Xoserve board. JC advised that EUK is also involved in the appointment process and that work towards this goal remains ongoing.

When asked whether or not UNC Modification 0565 'Central Data Service Provider: General framework and obligations', would potentially compel parties to sign the

new contracts, CL indicated that at this time he is unsure, but thinks that perhaps it should. It was noted that industry engagement and participation remains a key issue.

When LJ explained that work remains ongoing around improving the granularity of funding related information, CL also advised that he would look to get someone to attend, or provide information for, consideration at the next Workgroup meeting.

JC was asked to provide a view on her questions / concerns to National Grid NTS / Xoserve so that they can ensure these are considered and addressed. LJ suggested that perhaps the first question relates to what is deemed to be 'in scope' (excluding the retail sphere).

Whilst noting JC's concerns in relation to this matter, LJ suggested that the 0565 Workgroup maybe a better placed forum, in which to raise her concerns – the next meeting is scheduled to take place on 03 February 2016. Furthermore, KPMG is also arranging a meeting on 18 January 2016 to discuss the outcomes from the 06 January 2016 0565 Workgroup.

## **5.2 Gas Quality Information – Reporting update (*Action TR1201*)**

It was agreed that this matter had already been covered under discussion of item 2. above.

## **5.3 Gas Day Definition in Gemini – Resolution and timeline update (*Action TR1204*)**

In providing a brief overview of the presentation, GD advised that these matters would also be discussed in more detail at the following 'Lessons Learnt' discussion. FH also provided a short explanation behind the EU Phase 2 timings.

In considering the 'Stakeholder feedback' slide, GD advised that currently National Grid NTS are NOT minded to make any changes going forwards.

## **5.4 Entry Point Daily Quantity Delivered (EPDQD) revisions after D+5 (*New, for discussion – National Grid NTS*)**

During a brief presentation DE voiced his concerns around the potentially significant impacts behind options 1 and 2 (i.e. changing all process dates in option 1; DQ validation and gas flow day customer practice issues / concerns (05:00 v's 06:00 offshore processes etc.) in option 2). Option 3 remains the CVSL's preferred option.

In considering Option 3, some parties believe that whilst this option looks to simply formalise a previously informal process, it could be at the cost of (process) flexibility. – the real challenge being how to best draft the proposal.

When asked whether or not there is a fourth 'do nothing' option, parties felt that this was not necessarily the case as this matter relates to a UNC obligation and observed that the issue had previously been considered at a DECC meeting – in essence, some believe the matter is a product of an Ofgem driver for change.

Whilst debating some of the intricacies, LJ suggested that care would be needed around how the industry looks to formalise an informal process. One alternative option suggested was to carry on with the current processes but support these with the addition of a regular 'exceptional amendments' style report.

AW pointed out that Xoserve has previously confirmed that as long as any information is finalized by M+15, there should be little or no system related impacts. A request was made for provision of additional context based information (i.e. flows involved etc.) so that the industry is able to make a more informed decision on a preferred option. It was briefly suggested that National Grid could consider using Nominations information allied to possible 'window' extensions, however DE discounted this option because the problem is not related to the absence of data, but rather that the data provided is then revised beyond the D+5 deadline.

A fifth option was then suggested by JC to write to Ofgem to request whether this particular UNC requirement could be waived when required by CVSL and National Grid. This option was met with general approval by attendees because the industry is eager for the current practice to endure. However it is not clear whether Ofgem would be willing to approve this option.

Due to the number of options for consideration, a new action was placed on National Grid NTS (AW) to consider the various options available and to attend a future Transmission workgroup with a proposed solution based on the feedback from the workgroup.

**New Action: TR0101: *Reference EPDQD revisions after D+5 - National Grid NTS (AW) to consider the various options raised at the workgroup and to attend a future Transmission workgroup with a proposed solution.***

## 5.5 REMIT Requirements Update

FH provided a brief overview of the presentation during which discussions centred on concerns that National Grid NTS is unable to deliver what parties are seeking. Responding, FH explained that whilst sympathetic to parties views, National Grid Gas (NGG) needs to focus first and foremost on their (RRM) licence obligations. He went on to suggest that the complexity remains in the detail and asked parties to not forget that the previous 'industry view' was that they did not want NGG involved in alternative information provisions. He also pointed out that there are major issues associated with granting access to data / information. FH went on to explain that NGG would not be providing Storage / LNG provisions going forwards.

When asked whether or not NGG could reconsider providing the RRM related services, FH pointed out that not all of the current RRM's are set up the same and NGG remains concerned about taking on additional obligations / liabilities in this area, especially when baring in mind NGG do not have access to all market data. CL advised that whilst not completely ruling out the possibility, any future NGG provision would have to be on a chargeable basis. He also pointed out that there is a potential 18 month lead time, over and above NGG meeting their current licence obligations.

When asked if there are other potential RRM's who could provide a more timely data provision, FH steered parties towards the published RRM listing on the internet. A new action was placed on National Grid Gas (CL/FH) to look to provide a list of alternative RRM service provider contacts.

**New Action: TR0102: *Reference REMIT Requirements Update - National Grid Gas (CL/FH) to look to provide a list of alternative RRM service provider contacts.***

## 6. Outstanding Action(s)

**TR1201:** National Grid NTS (PL) to further investigate the reporting content; and to confirm back to the workgroup.

**Update:** It was agreed that this action had been completed. **Closed**

**TR1202:** National Grid NTS (PL) to provide more detail regarding User Trials for EU Phase 3.

**Update:** In providing a verbal update on behalf of P Lucas, SN advised that he would provide a copy of a related presentation for publication alongside these minutes.<sup>1</sup>

When asked, SN explained that the Shipper testing is restricted to screen related changes, and how much data is going to be involved is also being considered – more information

<sup>1</sup> Post meeting note: a copy of the update for action TR1202 is available to view and/or download from the Joint Office web site at: <http://www.gasgovernance.co.uk/Tx/070116>.

relating to this matter would be provided in a forthcoming UK Link Change Pack communication. **Closed**

**TR1203:** Xoserve (SN) and National Grid NTS (PL) to produce a slide pack giving more detail on what the FGO means to the Transmission User.

**Update:** It was agreed that this action had been completed. **Closed**

**TR1204:** National Grid NTS (GD) to feedback 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.

**Update:** It was agreed that this action had been completed. **Closed**

## 7. Diary Planning

Further details of planned meeting are available at: <http://www.gasgovernance.co.uk/Diary>

Agenda items (and any associated papers) for the February meeting should be submitted to the Joint Office by Tuesday 26 January 2016.

Time/Date	Location
10:00, Thursday 04 February 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 03 March 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 07 April 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 05 May 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 02 June 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 07 July 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 04 August 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 01 September 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 06 October 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 03 November 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK
10:00, Thursday 01 December 2016	Ellexon, 350 Euston Road, London Lon NW1 3AW UK

### Action Table (07 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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)	Update provided. <b>Closed</b>
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)	Update provided. <b>Closed</b>

**Action Table (07 January 2016)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
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 to the Transmission User.	Xoserve (SN) and National Grid NTS (PL)	Update provided. <b>Closed</b>
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)	Update provided. <b>Closed</b>
TR0101	07/01/16	5.4	<i>Reference EPDQD revisions after D+5</i> - National Grid NTS (AW) to consider the various options raised at the workgroup and to attend a future Transmission workgroup with a proposed solution.	National Grid NTS (AW)	<b>Pending</b>
TR0102	07/01/16	5.5	<i>Reference REMIT Requirements Update</i> - National Grid Gas (CL/FH) to look to provide a list of alternative RRM service provider contacts.	National Grid Gas (CL/FH)	<b>Pending</b>