

Transmission Workgroup Minutes
Thursday 01 September 2016
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Amrik Bal	(AB)	Shell
Andrew Malley	(AM)	Ofgem
Anna Shrigley	(AS)	Eni Trading & Shipping
Angharad Williams	(AW)	National Grid NTS
Andrew Pearce	(APe)	BP Gas
Anthony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE
Colin Hamilton	(CH)	National Grid NTS
Connor Long*	(CL)	GNI UK
David Cox	(DC)	London Energy Consulting
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*	(JCh)	SSE
Julie Cox	(JC)	Energy UK
Les Jenkins (Chair)	(LJ)	Joint Office
Lesley Ramsey	(LR)	National Grid NTS
Lorraine O'Shaughnessy	(LOS)	Xoserve
Lucy Manning	(LM)	Gazprom
Marshall Hall	(MHI)	Oil & Gas UK
Mike Berrisford (Secretary)	(MB)	Joint Office
Nick Wye	(NW)	Waters Wye Associates
Phillip Hayward	(PHa)	Opus
Phillip Hobbins*	(PH)	National Grid NTS
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme*	(RF)	Uniper UK
Sean Hayward	(SH)	Ofgem
Sean McGoldrick*	(SM)	National Grid NTS
Steve Pownall	(SP)	Xoserve
Steven Britton	(SB)	Cornwall Energy

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/010916>

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Approval of Minutes from the previous meeting (04 August 2016)

The minutes of the previous meeting were approved.

1.2 Ofgem Update

In providing a brief overview of the Ofgem update, AM initially focused attention on the first item (*RIIO-GT1*) and explained that this is now being handled within Ofgem by their dedicated RIIO team.

When asked, AM agreed to seek more clarity around the 'key' dates relating to the CMA remedies on code governance.

In considering the '2016 National Report to the European Commission' requirements, AM confirmed that this is something that the respective NRA's need to consider and participate in.

Post meeting note:

AM confirmed that the National Reports will be published on the CEER website but haven't been uploaded yet; it is anticipated that the same location will be used:

http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/NATIONAL_REPORTS/National_Reporting_2015

AM then advised that this would be his last Transmission Workgroup meeting for the foreseeable future as he is moving to another area within Ofgem and would be handing over to his colleagues S Hayward and D Reilly.

Concluding, LJ thanked AM for his contribution to the Transmission Workgroup.

1.3 Pre Modification Discussions

1.3.1. Amendment to the Nominations Matching Arrangements between National Grid NTS and GNI at the Moffat IP

PL introduced the draft modification before handing over to CL to provide a brief review of the supporting slides and draft modification proposal.

When asked, CL confirmed that 'CQ's' refers to Confirmed Quantity(ies).

When asked whether or not any 'other' (sub) agreements would need to be amended in light of the proposals, PL advised that so far there had been no indication from PTL that their requirements would be changing.

During an onscreen review of the draft modification proposal, PL explained that the aim is to raise and submit a formal modification in time for consideration at the 15 September 2016 Panel meeting.

When asked whether Shippers would be required to book their day-ahead capacity through PRISMA, FH and PL explained that there are no proposed process changes associated with the modification and Shippers would continue to book capacity as they currently do – for the avoidance of doubt, there are no (GB) capacity booking arrangement changes involved as the proposals only relate to the GNI perspective.

AM suggested that National Grid NTS (PL) should speak to Richard Miller and/or Bogdan Kowalewicz at Ofgem to discuss possible Entry Point implications (i.e. virtual reverse flow issues). FH explained that, whilst the wider industry impacts are currently being considered, there are no virtual reverse flow impacts envisaged. FH confirmed that there is a reverse flow service at BBL and that this IP was in the Licence as an interconnection point.

Moving on, LJ felt that the points / concerns voiced at the meeting suggested that the modification is not suitable for being issued direct to consultation and would benefit from discussion and development within an appropriate Workgroup.

LJ requested that AM invites his Ofgem colleagues to attend the next Workgroup meeting before suggesting that National Grid NTS should look to explain how the proposals comply with CAM requirements and to also consider whether Moffat should be defined as an Entry Point as a consequence of the modification. Responding, FH advised that he would look to provide a CAM update at the next meeting to assist parties' wider understanding.

It was felt that one or possibly two Workgroup meetings would be required in order to develop the modification / Workgroup Report to a suitable level for subsequent issuing to consultation.

2. European Codes

2.1 EU Codes Update

CH gave a brief overview of the current position of the EU Codes, including timelines and the implementation dates.

2.1.1. EU Tariff Code & CAM Amendment Update

CH overviewed the CAM Amendments and Incremental update, explaining that two new UNC Modifications are being considered, one covering CAM amendments and the other covering CAM incremental changes.

During a brief discussion relating to the CAM amendment modification, LR explained that National Grid NTS is still considering whether the IP capacity would be in either direction, whilst it was also suggested that the CAM Code rule may well be challenged at some point – National Grid NTS representatives indicated that they expected that these matters would be considered during development of the modification. It is expected that a draft modification proposal would be presented at the next Workgroup meeting prior to being formally submitted to the Joint Office thereafter for consideration at the October 2016 Panel meeting.

Shifting focus to the CAM Incremental modification, CH explained that more details relating to the potential rules for this modification would be provided at the next Workgroup meeting, including clarity around the ‘socialised’ aspects. AM took an opportunity to point out that Ofgem has not yet been given a steer on new NRA responsibilities.

During discussion of the indicative timelines for the modifications, LJ suggested that whilst both modifications would be considered on the same days, CAM Amendments would take priority because of the earlier implementation requirement (April 2017 versus July 2017 for CAM Incremental). Up to six Workgroup meetings were expected in total.

When asked, LR indicated that both proposals would relate solely to interconnector points, whilst FH advised that other system impacts are being discussed and assessed with Xoserve. FH also confirmed that if the comitology vote is delayed, due in part to proposed changes to aspects of the interruptible service, this could impact the proposed modification timelines. It was noted that tensions exist surrounding Member States visibility of EU decisions and potential timeline implications – David Reilly (Ofgem) is expected to attend the 21 September meeting.

Closing, LJ asked parties to note that, given the timing of comitology (ending on 30 September), the draft modifications may well be available at short notice for the October workgroup meeting.

Attention then turned towards the EU Tariffs Code update during which CH explained that as far as the ENTSOG activity was concerned, only light (non material) changes have been undertaken recently and he expects that the actual release date for the final TAR NC would be Friday 16 September.

In considering the ‘ENTSOG “Recommendation Paper” slide and in particular bullet point two, it was noted that presently legacy contract related issues are the subject to a legal challenge.

Post meeting note:

The EU Glossary of Definitions has been published on the EU Codes section of the Joint Office website and will be updated from time to time:

<http://www.gasgovernance.co.uk/euronetcodes>

2.1.2. Interoperability Update

PH introduced the update during which discussions centered around the 'EU Data Exchange Harmonisation' slide.

When asked how this matter potentially impacts Shippers, PH explained the background to National Grid NTS's previous proposals (i.e. Gemini and Ofgem approval) relating to two possible solution routes – Gemini over the IX and the AS4 services option. In short, the proposals are all about future proofing the systems rather than looking to impose immediate system requirements on to users.

PH went on to explain that the main focus is on IX communications (i.e. how does data get from one party to another party). When asked, PH advised that this would be restricted to IP's only at this time.

AS indicated that Eni's view is that a solution based around provision of both Gemini and AS4 (i.e. using both) is potentially complex, and they prefer a single method (either Gemini or AS4) rather than a multiple solution. When asked, PH advised that his previous letter to Ofgem in relation to these matters did not specify an end date for the utilisation of the IX functionality.

2.1.3. EU Gas Quality Update

PH introduced the EU Gas Quality material, stating that his first slide was a reminder/confirmation of the response rate reported verbally last time. He confirmed that ENTSG has clarified that none of the responses would be published. When asked, PH indicated that he did not believe that the TSO's have sight of the responses either, believing that it is really up to ENTSG to feedback to the TSOs directly.

Moving on to consider the 'Implementation of the CEN Standard via INT Code' next steps, PH explained that as far as ENTSG's minded-to position was concerned, this stems from when the Commission wrote to ENTSG requesting an Impact Analysis and to then prepare an amendment draft for the INT Code – it was noted that ENTSG did challenge the original request.

When asked whether or not someone would be able to provide an overall holistic view relating to the 111 responses (and 59 outstanding questions these generated), PH suggested that in his opinion, both this presentation and the post 13 September 2016 Cologne meeting materials (providing additional clarity and transparency around the high-level key messages), would provide the high-level information necessary. It was again suggested that there would / could be value in having a summary provided as this forms a valuable mechanism for feeding back GB industry views and concerns.

The general message to ENTSG being more transparency is urgently needed.

Post meeting note:

PH confirmed that ENTSG intend to publish the results of their consultation on 06 September here:

<http://www.entsog.eu/publications/interoperability#GAS-QUALITY-STANDARD-IMPACT-ANALYSIS>

2.1.4. Matters Arising

None raised for discussion.

3. Workgroups

3.1 Modification 0587 – Seasonal Energy Balancing Credit Cover

The minutes of this meeting are available at:

<http://www.gasgovernance.co.uk/0587/010916>

The Workgroup's Report is due to be made to the September UNC Modification Panel.

4. Issues

4.1 ISS066 – Implications of decommissioned Exit/Entry points

FH provided an overview of the presentation during which he explained that as far as the proposed process a) was concerned, National Grid NTS had not yet formally discussed any of the details with Ofgem. He went on to confirm that the current criteria was based around a zero baseline for sites not connected to the NTS.

During a quick discussion on the proposed process b) slide, it was suggested by some parties that should the requirement be removed from the licence, National Grid NTS would not need to undertake this.

Concluding, it was agreed to keep the issue open and on the agenda to enable more information to be provided as available following discussions with Ofgem.

5. Any Other Business

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

SMc provided a brief update, explaining that the key message from today's presentation is that the FGO Workgroup are closing in on a potential solution, although a few outstanding questions remain at this time. LJ added that, as far as the charging basis is concerned, there are some fundamental differences in industry opinion that need to be resolved before moving forward. The forthcoming meeting, on Monday 05 September, would be pivotal.

LJ indicated that the UNC modification, Central Data Service (CDS) agreement and Cost & Charging arrangements would be consulted upon simultaneously, under UNC consultation rules, and currently expected to be issued immediately following the November Panel meeting.

There is currently much consideration being given to implementation dates; either post-Nexus as presently being assessed, or pre-Nexus (01 April 2017 as per the Licence) that would require a change in approach to introduce some transitional arrangements ahead of Nexus. LJ noted that this has potentially huge implications for the production of legal text, allied to a potential knock on effect on the Project Nexus (PN) legal text as well.

5.2 EPDQD Revisions after D+5 - Update

During a brief update from AW, attention initially focused on the 'Modification' slide during which AW advised that the draft is currently being developed with the view to formally submitting at the October 2016 Panel meeting.

AW sought views on whether anonymised reporting was appropriate; participants believed generally that any reporting would be ineffective if instances of late revisions weren't attributable to the source. It could be expected that persistent offenders would be held to account by their customers, as there were likely to be impacts to commercial positions.

Moving on to consider the 'Network Entry Agreements (NEAs)' slide, AW confirmed that National Grid NTS is not proposing to raise an 'enabling' modification at this point in time because all NEAs would be impacted. Instead, changes would be included at the first available opportunity.

When asked, AW confirmed that the modification would also include consideration of storage site requirements / impacts.

5.3 Negative Implied Flow Rate - Update

In providing the update, PH agreed to include all IPs and provide a fuller update at the October meeting.

5.4 Gas Demand Side Response (DSR) - Update

GD explained that the full service would be available from 01 October 2016.

5.5 LDZ Allocation Data Errors

In providing a brief background to the issues, which were subsequent to a recent NTS system-control IT implementation, FH advised that National Grid NTS and Xoserve are currently considering the matter with the aim of providing further details at the next Operational Forum.

At this time there are no UNC impacts envisaged and a further update would be provided in due course.

6. Review of Actions Outstanding

No outstanding actions to consider.

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 06 October 2016 meeting should be submitted to the Joint Office by close of play on 26 September 2016.

Time/Date	Location
10:00, Thursday 06 October 2016	Elexon, 350 Euston Road, London NW1 3AW
10:00, Thursday 03 November 2016	Elexon, 350 Euston Road, London NW1 3AW
10:00, Thursday 01 December 2016	Elexon, 350 Euston Road, London NW1 3AW

Action Table (01 September 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			None		