

**Transmission Workgroup Minutes**  
**Thursday 03 March 2016**  
**Elxon, 350 Euston Road, London NW1 3AW**

**Attendees**

Anna Shrigley	(AS)	Eni
Bethan Winter*	(BW)	Wales and West Utilities
Charles Ruffell	(CR)	RWE
Chris Aldridge	(CA)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
David Reilly	(DR)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower Energy Management
Graham Dickson	(GD)	IUK
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Jennifer Randall	(JR)	National Grid NTS
John Costa	(JC)	EDF Energy
Jon Dutton	(JD)	National Grid NTS
Julie Cox	(JCx)	Energy UK
Karen Visgarda (Secretary)	(KV)	Joint Office
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Les Jenkins (Chair)	(LJ)	Joint Office
Nigel Sisman*	(NS)	Sisman Energy Consultancy
Peter Bolitho	(PB)	Waters Wye Associates
Phillip Hobbins	(PH)	National Grid NTS
Richard Fairholme*	(RF)	Uniper
Richard Griffiths	(RH)	National Grid NTS
Roddy Munroe	(RM)	Centrica Storage
Steve Nunnington	(SN)	Xoserve
Sue Ellwood*	(SE)	TPA Solutions
Terry Burke	(TB)	Statoil

\*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/030316>

**1. Introduction and Status Review**

LJ welcomed all to the meeting.

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

The minutes of the previous meeting were approved.

**1.2 Ofgem Update**

Introducing this months update, DR drew attention to the recent 'Decision letter approving the designation of an Agreement as a CSEP Ancillary Agreement in accordance with Standard Special Condition A11(18)' and suggested that if any more information was required, participants were to approach National Grid NTS.

Ofgem had now confirmed its decision to appoint the Joint Office to take over the Designated Person role (for User representative's elections) that was previously carried out by The Gas Forum. LJ explained that it was the intention of the Joint Office to make

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this process more transparent, such as by publishing the single point of contact, once the overall process has been confirmed.

### 1.3 Pre Modification Discussions

No business for discussion.

## 2. European Codes

CH provided an overview of the 'European Update' presentation and explained there had been no changes from the previous month's position in relation to capacity.

### 2.1 EU Tariffs Code Updates

CH explained the overall update was correct at the time of it going to press, but the Code was not published in time and so the enclosed link below to the Comitology Register was not yet live, but it would be in due course.

<http://ec.europa.eu/transparency/regcomitology/index.cfm>

He explained the Code would be in the public domain as a draft version only for the informal Comitology meeting in March; the Commission were still hopeful of adhering to the original timeline.

CH then overviewed the 'ENTSO's Draft 23 Month Timeline' schematic and explained that this was still very much under discussion, specifically in relation to 2021 and the consultation timeline. He explained the areas being discussed were the rules governing when the consultation would formally commence and how this was linked to the regulatory period. General discussion took place regarding when the formal consultation was likely to commence and when the overall process would be completed, from a 23, 24 or 18 months implementation timeline viewpoint. DR reiterated that the 18 months timeline for implementation was very tight and CH again explained that this whole area was still under discussion from a Member States implementation perspective. GJ asked how would that work if other Member States were working towards different timelines for the implementation. CH said this would have to be taken into consideration, along with the restrictions within the text, from both a legal and transparency perspective. CH moved on the 'GB Implementation Indicative Timeline' and explained most of it was now out of date and was still being discussed.

CH then explained he had only just received an overview of the text and so had not been in a position to present it in the normal way, which would be addressed for the April meeting. He then provided a very high-level overview of the new definitions, including; the TSO's approach, the Charging Methodology against the Capacity Weighted Distance, the concerns of ENTSOG in connection to the role of ACER from a regulatory regime and scope perspective, fixed v floating price for IP's only and incremental capacity.

CH overviewed the 'GB Framework Model' and explained that work was being undertaken in relation to the GTCR policy and how this was being interpreted, with the details being discussed in the NTSCMF, with results for publishing in due course. JCx said she had concerns about the Capacity Weighted Distance model, especially the need for transparency. NS voiced a concern about 'valid pairings' of entry and exit points. CH said a different approach would be adopted to look at Open Meshed Networks and invalid pairings, together with potentially different routes for the gas to travel. NS said this aspect would need to be addressed carefully as it made it more complex and not transparent, CH disagreed and reiterated starting with the Open Networks was the correct next steps. CH also confirmed that the materiality aspect was being investigated, and that further in-depth discussions were ongoing with ENTSOG.

### **CAM Amendment (Incremental) Update**

CH provided an overview of the presentation explaining that he wanted to focus on the 'CAM Amendment Update: EU-Russia Study'. He explained that CAM was also being amended and that there were questions surrounding the planning and testing,

specifically how the 10% of incremental would work. GJ asked in real terms, how would the setting aside of 10% actually work? This surely would not have to be funded by the Shipper making the bid? CH explained at the moment it was not known how this would work and that it needed questioning and addressing, he stated that National Grid did not support this idea at all. CH explained that the Shipper would have to trigger this, rather than the developer, which could create issues in relation to timelines and PARCA. GJ asked what if the adjacent TSO's were working to a different timeline, concerning the prices for bundled incremental capacity? CH said that all questions had to be asked and scenarios explored, and that other work was going on in relation to the EU and Russia incremental area. He explained that ENTSOG had set up a Working Group to do a pretend investment scenario to test this process, with the Commission overseeing the whole process to see what the scenario end results were.

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

PH provided an overview of the Phase 3 Gemini Release and the detail was well received by participants. GJ asked if the nomination restriction window applied to Moffat IP as well as Bacton IP, since the reference conditions hadn't changed at Moffat? PH confirmed no, Moffat nominations were not restricted. AS asked whether updates would be given to the Operational Forum as well, and PH said this was correct. AS also said it was difficult to find and digest all information related to National Grid systems changes and it would be helpful if National Grid could produce one slide for the next Operational Forum, covering key dates (testing, code drop, outage date, implement date etc) for iGT (scada system changes), EU Phase 3 and Gemini Consequential Change (new APIs). PH explained that IGT was not a National Grid NTS driven project, so the communication circulation was not National Grid NTS's responsibility, however, PH said he would look into this area.

### **EU Gas Quality Update**

PH explained that ENTSOG had written back to the Commission confirming it would discharge the EC's requests to produce an impact analysis and draft amendment and had issued an invitation to Brussels for a meeting on 22 March 2016. He said there were likely to be presentations from the Commission and other Trade Associations at this meeting.

PH said that ENTSOG were aware of the impacts on the TSOs, but that it was up to other Stakeholders to flag the potential impacts in other areas, as there were many unanswered questions from a Policy Holder perspective. A general discussion took place regarding the application to all system points vs just the IPs. PH said if the CEN standard was mandated, then the National Grid preference would be for all points, because just IPs would be un-workable. JCx said she was concerned that if all TSOs took this view, it would become a TSO led process (via ENTSOG), and the recommended amendment to the Code would be weighted towards TSO interests, which might conflict with other views. PH acknowledged ENTSOG was not independent. DR said David McCrone would be attending the meeting at which ENTSOG is seeking to obtain the Upstream and Downstream views, with a view to a proper impact assessment.

PH offered to arrange a Teleconference ahead of the ENTSOG Stakeholder session on 22 March 2016 with Ofgem and DECC. This was appreciated by the participants and agreed this would be useful and informative. PH also agreed to publish the agenda when that was available, which he believed would be week ending 14 March 2016.

### **New Action 0301: National Grid NTS (PH) to arrange a Teleconference prior to the ENTSOG Stakeholder session on 22 March 2016.**

PH moved on to explain the CEN had produced a draft scoping document to progress the Wobbe Index Harmonisation for Stakeholder comments, from a Pre-normative phase (3 years duration) and Normative (i.e. standardization) phase (duration undefined). He explained there was a view why ENTSOG had been asked to make it

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legally binding; due to the previous failure. Both JCx and JCh requested that they be added to specific circulation list, to be kept up to date regarding developments.

### 3. Workgroups

There were no Workgroups for discussion.

### 4. Issues

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

FH explained he had discussed this issue with JCx and he now had a clearer picture of what was required for the April meeting, in particular looking at decommissioning of a site from a Licence and charging perspective. JCx said she wanted more transparency and an understanding of what could be done. FH said he would be reporting back at the April meeting.

### 5. Any Other Business

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

FH provided an update and explained it had not moved on significantly from the update in the February meeting. He said there was a period of waiting for nominations from Shippers for contract and Board roles, and work was ongoing in the CDS contract development. He suggested it was in the Shippers interests to actively participate and LJ added that contract development was being carried out under Modification 0565 currently with only 4 Shippers registered to attend the most recent meeting.

General discussion took place in relation to the letter from ICoSS to Ofgem (Paul Branston) regarding the FGO process. LJ summarised that ICoSS had questioned whether the amount of effort beyond Board representation was warranted. DR said that Ofgem were keen to hear views on the content of the ICoSS letter from the Shippers and they should respond to Paul Branston direct. Email: [Paul.branston@ofgem.gov.uk](mailto:Paul.branston@ofgem.gov.uk)

#### 5.2 Network Flexibility Update

JD provided an update on the 'System Flexibility Update' and explained it was an evolving process. He explained that National Grid NTS had been developing a Gas Flex Tool, building and modelling capability scenarios, to show how they impacted on the network. The analysis was now being undertaken based on certain assumptions and would be shared with the industry in due course.

RM asked if this analysis looked at Demand and Supply flex and JD confirmed yes it did, and the information regarding flex would be shared once the details were published. RM, JCx and JC all said they had been working with DECC on some modeling analysis and asked whether the scenarios were the same, and that they should be, from a consistency perspective. JD said he would speak with DECC as he was not aware of the modeling that they had been undertaking.

General discussion took place surrounding the whole flex product area and if there was a definite need for it. JD explained that National Grid NTS were at the stage of trying to understand whether there was a potential issue going forward, by investigating the potential constraints with the Network and what impacts that may have. DM proposed this be further discussed in a Workshop to potentially be held after the Transmission Workgroup meeting in June. He also said the next industry engagement would probably take place after the June workshop.

**New Action 0302: National Grid NTS (JD) to organise and confirm a System Flex Workshop meeting on 02 June 2016 following the Transmission Workgroup meeting.**

#### 5.3 Shrinkage Methodology Update

CA overviewed the 'Shrinkage Methodology Review Consultation' and explained the key issues that National Grid NTS want to examine with the Industry regarding Unallocated Gas (UAG), CV (Calorific Value) Shrinkage and Compressor Fuel use. He explained the consultation document would hopefully be published on 04 March 2016.

JC asked whether National Grid could provide any further information on what is included in the Unaccounted-for Gas figures.

*Post-meeting note – Consultation published on 07 March here:*

*<http://www2.nationalgrid.com/uk/industry-information/gas-system-operator-incentives/nts-shrinkage/>*

**New Action 0303: National Grid NTS (PH/FH) to confirm whether National Grid NTS can provide any greater granularity of UAG.**

#### **5.4 Information Provision Consultation (inc. Gas Quality information)**

JR provided a brief overview regarding 'Information Provision' and explained that, continuing on from the presentations in the January and February meetings, all the information had now been combined into one consultation document. JF requested feedback from the participants, prior 07 April 2016. She explained that following the Transmission Workgroup meeting on 07 April 2016, there would be an NTS stakeholder meeting directly afterwards to discuss the Information Provision consultation. She then overviewed the timeline and expected outputs. LJ asked if a potential Modification would be needed to define the GB obligations and JR said this would not be necessary. JR explained that an invitation would be included within the Transmission Workgroup agenda for this afternoon session on 07 April 2016.

#### **5.5 National Grid NTS Events Calendar**

PH thanked all participants for the input into the Events Calendar from the last meeting and that a request had been received to include PARCA dates. He confirmed that a calendar was still being worked upon and as yet, he did not have an implementation date.

#### **5.6 Negative Implied Flow Rates**

PH explained that National Grid NTS were no longer accepting faxed requests following the end date of 01 October 2015, to breach this UNC Rule at IP's, which was now causing some Shippers issues. He explained investigations were currently taking place with regards to which Shippers were regularly requesting to breach this rule and why.

He moved on to explain and highlight the current process; the UNC assumed that a Shipper's end of day nomination physically flowed at a one-twenty-fourth rate (ie constant flat rate). Therefore, if a Shipper renominated downwards within day, the commercial regime assumed that some of the original nomination had already flowed and the Shipper was not allowed to renominate below this level. Otherwise the implied flow rate would be negative. If this occurred, Gemini rejected the Shipper's re-nomination.

PH explained National Grid NTS had for a number of years had a process in place to allow Shippers to circumvent this rule where operational conditions allowed a faxed request to GNCC and if accepted, GNCC staff overrode Gemini. He explained the EU Phase 2 implemented a nominations matching process at the IPs, which meant that National Grid NTS no longer operated the fax process for those points. This had caused IP Shippers some difficulties in their balancing activities. He explained where Shippers persistently submitted renominations that did not meet this rule, the UNC required National Grid NTS to gather evidence as to the reasons why and report back to Ofgem.

As part of its investigations into this issue, PH said National Grid NTS would be doing this by writing to the relevant Shippers in the near future and this information would then be fed back to Ofgem, in due course

## 5.7 System Management Principles Statement (SMPS) Consultation

JR overviewed the Consultation timelines and explained the consultation period was from 24 February – 23 March 2016 and an updated report would be produced. She explained all the documentation was published on the National Grid NTS Website.

## 5.8 BAL and CAP Codes – Guides

JR explained this information would be published shortly, with a two months window for feedback, which would be communicated via ENA.

## 5.9 New Modification following changes to the Trading System Clearer (TSC)

JR explained that National Grid NTS would be raising a new Modification to tidy up Code as a result of the recent changes to the TSC - ICE Endex – arrangements. This was completely independent of Modification 0568. LJ understood it was expected to go straight to consultation.

## 6. Outstanding Action(s)

**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.

**Update:** JR advised that the System Compliance Team was currently working with the Terminals. An update would be supplied at the next meeting. It was agreed this action should be carried forward. **Carried forward**

**Action TR0201:** *Reference EU Gas Quality Update* - National Grid NTS (PH/FH) to consider producing analysis that would show what volume of gas would have been locked out of GB in the last 12 months if the CEN standard had been applied at all NTS entry points, assuming base levels of O2 and CO2.

**Update:** PH explained this was currently being considered, and analysis was being undertaken. An update would be available for the next meeting. **Carried forward**

**Action TR0202:** *Reference EU Gas Quality Update* - National Grid NTS (PH/FH), in conjunction with action TR0201, to consider the potential implications for transportation charges if supply patterns changed due to gas with higher levels of CO2 and O2 being locked out.

**Update:** FH explained once the analysis for the Reference EU Gas Quality Update, as per Action TR0201 was completed, only then, could this action be investigated and addressed. **Carried forward**

**Action TR0203:** *Reference National Grid NTS Events Calendar (potential)* – National Grid NTS (PH/FH) to provide an update on implementation plans.

**Update:** It was agreed this information had subsequently been supplied. **Closed.**

## 7. Diary Planning

LJ sought views from the participants in relation to the current Transmission Workgroup Meeting format, if it was appropriate and addressed the areas of discussion adequately. All agreed they were satisfied with the present format and style of the how the meeting was conducted.

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

Agenda items (and any associated papers) for the April meeting should be submitted to the Joint Office by close of play on 29 March 2016.

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

### Action Table (03 March 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
TR0101	07/01/16	5.4	<i>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.</i>	National Grid NTS (AW)	<b>Carried Forward</b>
TR0201	04/02/16	2.2	<i>Reference EU Gas Quality Update - National Grid NTS (PH/FH) to consider producing analysis that would show what volume of gas would have been locked out of GB in the last 12 months if the CEN standard had been applied at all NTS entry points, assuming base levels of O2 and CO2.</i>	National Grid NTS (PH/FH)	<b>Carried forward</b>
TR0202	04/02/16	2.2	<i>Reference EU Gas Quality Update - National Grid NTS (PH/FH), in conjunction with action TR0201, to consider the potential implications for transportation charges if supply patterns changed due to gas with higher levels of CO2 and O2 being locked out.</i>	National Grid NTS (PH/FH)	<b>Carried forward</b>
TR0203	04/02/16	5.3	<i>Reference National Grid NTS Events Calendar (potential) – National Grid NTS (PH/FH) to provide an update on implementation plans.</i>	National Grid NTS (PH/FH)	<b>Closed</b>

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**Action Table (03 March 2016)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
TR0301	03/03/16	2.1	National Grid NTS (PH) to arrange a Teleconference prior to the ENTSOG Stakeholder session on 22 March 2016.	National Grid NTS (PH)	<b>Pending</b>
TR0302	03/03/16	5.2	National Grid NTS (JD) to organise and confirm the System Flex Workshop meeting on 02 June 2016 following the Transmission Workgroup meeting.	National Grid NTS (JD)	<b>Pending</b>
TR0303	03/03/16	5.3	National Grid NTS (PH/FH) to confirm whether National Grid NTS can provide any greater granularity of UAG.	National Grid NTS (PH/FH)	<b>Pending</b>