

Transmission Workgroup Minutes
Thursday 04 August 2016
Elxon, 350 Euston Road, London NW1 3AW

Attendees

Amrik Bal	(AB)	Shell
Andrew Malley	(AM)	Ofgem
Andrew Pearce	(APe)	BP Gas
Angus Paxton	(APx)	Poyry
Anthony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE
Chris Brown	(CB)	Ofgem
Colin Hamilton	(CH)	National Grid NTS
Dimitris Stefanou	(DS)	Poyry
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower Energy Management
Graham Dickson	(GD)	Interconnector
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JCh)	SSE
John Costa	(JCa)	EDF Energy
Karen Visgarda (Secretary)	(KV)	Joint Office
Les Jenkins (Chair)	(LJ)	Joint Office
Lucy Manning	(LM)	Gazprom
Marshall Hall	(MHI)	Oil & Gas UK
Michelle Toussaint-Bourne	(MTB)	Ofgem
Peter Bolitho	(PB)	Waters Wye Associates
Phillip Hobbins*	(PH)	National Grid NTS
Richard Fairholme*	(RF)	Uniper UK
Steve Pownall	(SP)	Xoserve
Steven Britton	(SB)	Cornwall Energy

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/040816>

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Approval of Minutes from the previous meeting (07 July 2016)

The minutes of the previous meeting were approved.

1.2 Ofgem Update

AM drew attention to the August Ofgem Industry update, making specific reference to the Open Code Modifications and the decision on regulatory aspects relating to National Grid's majority sale of its Gas Distribution Network business. He then introduced his colleague Chris Brown, and Chris explained he was a new member of the Ofgem team, and that he would be leading on Gas Systems Integration.

1.3 Pre Modification Discussions

No topics were presented for discussion

2. Workgroups

2.1 Modification 0592S - Separation of National Grid Transmission and Distribution owned networks - Transitional invoicing arrangements

The minutes of this meeting are available at: www.gasgovernance.co.uk/0592/040816

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

3. 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. He explained that the dates were looking 'stable' at this stage, and that Phase 4, was now being entered into from the Road Map perspective.

2.1.1 EU Tariff Code & CAM Amendment Update

CH overviewed the Tariff Code Update, explaining that it was now in the Translation Stage and that the text was still subject to change during this period. He explained that any further changes would be implemented at the second Comitology meeting in September and that, due to time constraints on the translation, this had been rescheduled. He explained that the translators had only just received the text on Tuesday 02 August 2016 and that they had lots of questions to discuss with ENTSOG, prior to the deadline of 10 September 2016. He then overviewed the timelines and key dates, explaining that National Grid would see a copy of the changes on 19 September 2016, which would then be followed by the second Comitology meeting on 29 – 30 September.

CH then drew attention to the CAM Amendment Consultation process and explained that the EC had started two public consultations on TAR and CAM NC, which had been published on 30 June and closed on 28 July 2016, regarding the new 'Better Regulation Portal'. He emphasised in relation to TAR NC and CAM NC, that the Network Code team of the Director General for Energy at the EC (DG ENER) did not expect this process to have an impact on the adoption schedule and that the launching of this consultation was not announced by the Network Code team of DG ENER to ENTSOG.

He explained that the 'Better Regulation Portal' was a new online platform that aimed at providing EU citizens with the opportunity to comment on new legislative initiatives and that, in the future, the platform would become the main hub for all consultations on new initiatives. He added that it was presently unclear from ENTSOG, if the 'Better Regulation Portal' would be an addition to, or in lieu of, the current Comitology Register, which did not foresee the possibility to comment on the uploaded proposals.

AB asked when the comments were submitted, how and when would these comments be viewed. APe said they could be viewed online and CH explained the comments could be categorised as Public or Non Public, in respect of the viewing function.

CH explained that there had been some very minor amendments to the following Articles in the EU CAM Code, and these amended articles are listed below:-

Article 6 (2) *In an Exceptional Event / Crisis then firm capacity at Interconnection Points has priority over firm capacity at exit points into storage facilities.*

Article 6 (8) *Re: competing capacity auctions – the NRA of any adjacent & affected MS may provide a position which shall be taken into account by the relevant NRA.*

Articles 22-25 *The economic test has been moved from Tariffs into CAM*

Article 31 *In flight incremental projects at IPs that have not yet reached the allocation stage at the time of Entry into Force, must adopt a CAM compliant allocation mechanism i.e. Articles 29 and 30 shall apply. Articles 26 – 28 shall only apply to new incremental projects initiated after Entry into Force.*

Article 32 *longer term interruptible capacity may only be offered if the respective firm product was sold at an auction premium, sold out, or was not available.*

Article 37 *arbitrage role for ACER where member states can not agree on a common booking platform to use.*

MH asked if there was an opportunity to add or amend the text prior to it being finalised and AM said he thought that was unlikely, however, that he would speak to David Reilly about this matter. MH also said he was interested to know the overview of the discussions regarding ACER and ENTSOG in relation to the recommendations to ENTSOG.

MTB then provided an overview of the ACER CMP implementation consultation, as detailed below:-

Call for Evidence CMP Congestion Indicators, 9 August 2016

ACER has published [a call for Evidence](#) inviting stakeholder views on the “congestion indicators” included in the European Commission Guidelines on Congestion Management Procedures.

According to this piece of EU legislation, National Regulatory Authorities (NRAs) shall require Transmission System Operators (TSOs) to apply the Firm Day-Ahead Use-It-Or-Lose-It mechanism (FDA UIOLI) at the interconnection points where ACER finds that gas capacity demand exceeded the offer. However, some stakeholders have expressed doubts on the appropriateness of the current “congestion indicators” to properly detect contractual congestion and on the FDA UIOLI to address such congestion. Thus, the Agency invites stakeholders to propose alternative or additional “congestion indicators” to be used by the Agency in its congestion analysis, and to comment on the FDA UIOLI mechanism.

The [call for Evidence](#) will be open until 15 September 2016. Find out more [here](#).

2.1.2 EU Gas Quality Update

PH introduced the Interoperability Code Amendment to Implement the CEN Gas Quality Standard section, and he explained following the ENTSOG Gas Quality meeting held on 26 July 2016 the following points were made:-

PH explained at the ENTSOG meeting the TSOs reviewed the outcomes from the CEN standard public consultation and the key messages that PH recorded were as follows:-

- High response rate; ENTSOG received 111 responses from organisations in 19 different Member States. 28 TSOs responded.
- The UK was arguably the most responsive Member State. Hungary came third with 14 responses. These Member State responses identified many problems with applying the standard as drafted.
- Scenarios: 53 respondents put voluntary adoption as their first choice, whole chain came next with 30. Transmission only was the least supported and so will probably be dropped by ENTSOG from the debate going forward.
- All UK respondents and all upstream community respondents said that gas quality is not a barrier currently.
- No respondent identified any financial benefit of implementing the CEN standard.
- A number of respondents identified concerns about potential conflict with the EU subsidiarity principle.

Next Steps

- The next stakeholder workshop on 13th September will be in Cologne, Germany (amended post-meeting by PH from Brussels as reported at the meeting)
- ENTSOG is considering using this event to launch a second, shorter consultation taking into account the feedback received with much fewer options.

A general discussion took place in relation to the contents of the ENTSOG meeting and both MH and APx wanted to know why the 28 TSO’s responses had been kept confidential. They both thought this was unacceptable as this was information that the GB market should be

aware of from an Upstream perspective. LJ proposed that PH should take this matter back to ENTSG to discuss further. PH agreed to raise the matter with ENTSG.

2.1.3 Future Topics

PH then briefly overviewed the forthcoming topics which were:-

Tariffs Code – monthly updates whilst progressing through comitology

CAM Amendment – Monthly updates whilst progressing through comitology

EU Gas Quality – Monthly updates

2.2 Matters Arising

None raised for discussion.

4. Issues

4.1 ISS066 – Implications of decommissioned Exit/Entry points (*transferred from NTSCMF*) – The next update will be provided at the 01 September 2016 Workgroup Meeting.

FH said an update would be supplied for the 01 September 2016 meeting as the decommissioning area was still being looked into. He said that Ofgem were aware of this issue and were looking at the sites that had never been connected and had a zero base line, together with clean licence sites.

5. Any Other Business

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

SMc apologised at being unable to dial in to present the provided slide on the current FGO status:

- Ofgem funding consultation closed out July 7th. Ofgem decision due September 2016
- “Page turner” legal text workshops begun
- Concern over level of parallel development work needed before October Panel
- Completion of Mod 0565 including Legal Text review
- Completion of Charging Methodology
- Completion of Data Services Contract
- Completion of governance arrangement development
- Plan challenge and review session held July 27th 2016

SMc said that Monthly FGO updates would continue to be provided and if anyone had any specific questions to forward them directly to him.

5.2 EPDQD Revisions after D+5 - update

FH explained the progress on resolution and said that it was hoped that a fuller update would be supplied at the September meeting.

6. Review of Actions Outstanding

TR0401: Implications of decommissioned Exit/Entry points - National Grid NTS (FH) to discuss with Ofgem if this matter should be discussed at the next Ofgem period review.

Update: See 4.1, above. FH said this action could now be closed as the matter was under discussion and Ofgem were investigating, and that he would provide an up date at the September meeting. **Closed.**

7. Diary Planning

LJ highlighted to the Workgroup that the October Panel would be likely to issue the FGO documentation (Code changes, Data Services Contract and a Charging Methodology) to

consultation and encouraged participants to set aside enough time to review them thoroughly.

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

Agenda items (and any associated papers) for the 01 September meeting should be submitted to the Joint Office by close of play on 22 August 2016.

Time/Date	Location
10:00, Thursday 01 September 2016	Elexon, 350 Euston Road, London NW1 3AW
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 (04 August 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
TR0401	07/04/16	4.1	<i>Implications of decommissioned Exit/Entry points - National Grid NTS (FH) to discuss with Ofgem if this matter should be discussed at the next Ofgem period review.</i>	National Grid NTS (FH)	Closed