

Code Modification Forum Meeting Minutes

16 September 2015

*Location: The Hilton, Kilmainham, Dublin*

<b>Attendees</b>		
	<b>Name</b>	<b>Representing</b>
1	Kevin Murray	Bord Gais Energy (phone)
2	Brian O' Shea	Bord Gais Energy (phone)
3	John Melvin	CER
4	Colm O' Gormain	CER
5	Richard Harper	Ceres Energy for Vermilion
6	Cathal Ahern	Eirpower
7	Martin Regan	Energy Broking Ireland
8	Dermot O' Kane	Energy Broking Ireland
9	Warren Deacon	ESB GWM
10	Aidan Hogan	Gas Networks Ireland
11	Kieran O'Sullivan	Gas Networks Ireland
12	Brian McGlinchey	Kinsale Energy
13	Alan Scott	SSE
14	Paul Dewhurst	Statoil
15	Terry Bourke	Statoil
16	Tracy O' Donoghue	Tynagh Energy
17	Henk Kreuze	Vermilion

## 1. Approval of Previous Minutes

- The minutes of the Code Modification Forum of the 19 August 2015 were agreed and approved.
- The open actions from the meeting of the 19 August 2015 were reviewed and discussed.
- For supporting information to be read in conjunction with these minutes, please see the slides presented at this meeting.

## 2. EU Network Code Implementation Project Update

### Code Modification Proposals update

- The Transporter presented an overview of the status of the EU network Code related Code Modification Proposals (see slides for details), with the main points as follows:
  - 6 of 6 Business Rules documents approved by CER
  - 3 of 4 Legal Drafting Consultations completed:
    - Part C ‘Capacity’ & Part F ‘Administration’ legal drafting approved by CER
    - Part D ‘Nominations & Allocations’ submitted to CER for approval
    - Part E ‘Balancing & Shrinkage’ submitted to CER for approval
    - Parts G, H & I to be issued for consultation 19 September
    - Financial Security Policy drafting to be issued for consultation in early October

### PRISMA Software Release

- The Transporter advised that PRISMA is planning a new software release on 1 December 2015. This means that GNI users will use the existing interface from 31 October to 30 November 2015 and will then move to the new interface. PRISMA has offered to provide webcast training on the new interface. Shippers are advised to contact PRISMA directly should they be interested in availing of this.

ID	Action	Responsibility	Date Raised	Delivery Date
C442	Shippers who wish to receive training from PRISMA on new interface to contact PRISMA at <a href="mailto:info@prisma-capacity.eu">info@prisma-capacity.eu</a>	Industry	16/09/15	23/10/15

### GTMS Shipper training and system testing

- The Transporter informed market participants that 7 Shippers have taken part in the one-to-one GTMS training sessions to date. The Transporter also noted that participation in these sessions is mandatory as part of the Market Assurance process and requested any Shippers who had not scheduled a session to contact [una.ogrady@gasnetworks.ie](mailto:una.ogrady@gasnetworks.ie) as soon as possible in order to do so.

ID	Action	Responsibility	Date Raised	Delivery Date
C443	Shippers who have not already completed GTMS training session to contact Transporter to schedule session.	Industry	16/09/15	?

### **Mitigation of potential errors in nominations matching process at IPs**

- The Transporter reiterated that the removal of the Moffat Agent and the ZIP process potentially exposed the Transporter and Shippers to increased risk of error / unexpected outcomes in relation to the nominations matching process at Moffat.
- The Transporter therefore stressed the importance of Shippers submitting nominations (at both Entry and Exit) in as accurate and timely a fashion as possible, as well as verifying that they receive the Confirmed Quantities (CQs) they would expect to receive following the submission of a nomination. Shippers are encouraged to notify the Transporter of any suspected error as soon as possible upon identification.

### **3. Code Modification Proposal A069 ‘Back-Up Capacity Arrangements Under New Tariffing Regime’**

- The Transporter reported that there were a total of eight responses to the consultation with 5 respondents expressing full support of the proposal, 2 respondents broadly in favour, and 1 respondent neutral.
- The Transporter listed the main issues highlighted in the consultation responses (see slides).
- A number of the issues raised during the consultation were discussed at the meeting as follows:
  - One Industry representative raised a number of potential areas of concern, stating that these would be worthy of further discussion and exploration:
    - Did the proposer intend there to be a distinction made between ‘interruptions’ at an Entry Point which were caused as a result of ‘offshore’ issues as opposed to ‘onshore network’ issues, i.e. whether the issue was a result of the transporter or of the producer?
    - Was there a risk that this proposal could unintentionally create a commercial incentive for Entry Point parties to deliberately trigger an ‘interruption’ at one Entry Point, with the potential knock-on effect of reducing the price of secondary capacity at other Entry Points? An example was requested by IOOA and was given.
  - The proposer (IOOA) reiterated the underlying driver behind the proposal i.e. that a Shipper should not be required to pay the ‘smeared’ element of the Entry tariff twice in the case of ‘interruption’ at an Entry Point
- All parties agreed that the issues raised in the consultation and those discussed at the meeting were worthy of further discussion, and to that end it was proposed to schedule a workshop in advance of the next Code Modification Forum. A tentative time venue and date of Dublin on 6 October was proposed, to be confirmed shortly.

<b>ID</b>	<b>Action</b>	<b>Responsibility</b>	<b>Date Raised</b>	<b>Delivery Date</b>
C444	Transporter to arrange a workshop to discuss the issues raised in the Consultation	Transporter	16/09/2015	29/09/15

#### **4. Code Modification A070 'Implementation of the Inch Storage Entry Point'**

- The Transporter presented the proposal in relation to this new modification (proposal forum issued 2 September 2015), which arises from CER Decision Paper 15/140 in relation to new transmission tariff arrangements. Specifically, the paper requires that there be two distinct Entry tariffs at Inch - one for production and one for storage. The CER directed that this change become effective from 1 October 2015.
- In order to facilitate this, a Code Modification is required. Additionally, certain IT changes are necessary to facilitate the capacity bookings, nominations, allocations and billing in respect of two entry points as opposed to one. While it is not feasible to introduce the Code and IT changes in advance of 1 October 2015, the Transporter has proposed 'interim' arrangements to give effect to the CER decision by that date.
- The Transporter presented a slide which outlined the 'interim' proposal and requested Industry to comment on the proposal by 25 September. The Transporter noted that while the interim arrangements included information in relation to tariffs, capacity, and billing, it was not clear in the slides as to the arrangements for nominations and overruns. The Transporter is to circulate an amended slide with the nomination and overrun information included.

<b>ID</b>	<b>Action</b>	<b>Responsibility</b>	<b>Date Raised</b>	<b>Delivery Date</b>
C445	Transporter to circulate Interim Inch Arrangements proposal slides, including nominations and overruns information	Transporter	16/09/2015	19/09/15
C446	Industry to comment on Interim Inch proposal by 25 September 2015	Industry	16/09/2015	25/09/15

#### **5. Corrib Update**

- The Transporter reported that the Corrib Partners have advised that first gas flows are expected on 15 October 2015.

- The Transporter outlined the estimated timeline of works involved in upgrading the ‘linkline’ from 70 barg to 85 barg, the technical capacity that can be expected (varies over time), and highlighted that there may be times where the flows at Corrib will be reduced (potentially to zero). Please see slides for further detail.
- The Transporter communicated its proposal that until such time as the linkline is upgraded to 85 barg, an annual capacity product may not be made available. Monthly and daily capacity products will be made available, with consideration currently being given to the pricing of these products.
- Industry representatives expressed dissatisfaction at the potential non-availability of the annual product and requested the Transporter to provide further information in relation to the basis for this proposal as well as requesting clarity on the pricing of the capacity products. Industry highlighted that there is considerable urgency in relation to achieving clarity on these matters, given that Shippers must decide on their unbundled capacity requirements at Moffat by 22 September. Industry representatives stated that clarity regarding volume, product availability, and price at Corrib are important inputs into the decision regarding capacity at Moffat as this capacity may subsequently be transferred to Corrib.
- The CER further sought the Transporter to clarify the rationale behind the variable technical capacity figures outlined in the proposal, in particular ‘the additional 16 GWh/d’ which can be made available during winter months. The CER queried why this could not be made available outside this time period.
- The Transporter, mindful of the urgency of the request, committed to issuing a clarification in relation to the above points to the CER and Industry by Friday 19 September 2015.

ID	Action	Responsibility	Date Raised	Delivery Date
C447	Transporter to clarify the rationale for: <ul style="list-style-type: none"> <li>• the proposed non-availability of the annual capacity product</li> <li>• the pricing of the capacity products; and</li> <li>• the rationale for the ‘additional 16GWh’ during winter</li> </ul>	Transporter	16/09/2015	19/09/15

## 6. Virtual Reverse Flow

- The Transporter noted that Code Modification A064 ‘*Enhanced Virtual Reverse Flow*’ was no longer a standing agenda item, that the business rules had been approved by the CER in August, and that legal drafting would be developed in Q1 2015. Further discussions regarding VRF in the future are to be progressed outside of the Code Modification Forum meetings, with updates provided to the form as appropriate.
- The CER restated (following a ‘prioritisation’ consultation in July, and as minuted at the 19 August Code Modification Forum) that it has directed an implementation of 1 April 2016 for

this product. The Transporter confirmed that this is the date it is working towards and took an action to confirm this formally in the coming days.

- The Transporter advised the forum that an ‘offline’ workshop had been held on 28 August arising from an agreement at the August forum to do so. The original reason for the workshop was to discuss the Transporter’s rationale for the 5 - 20GWh seasonal limits of available VRF as set in 2011. However, the following was also discussed:
  - Determine the feasibility of an interim VRF Product from October 2015 to April 2016 with the following possible features:
    - Increase Available VRF amount to be equal to Forward Flow Nominations
    - Interruption to a number other than zero (deemed flow on 1/24 basis)
    - ‘Aggregator’ or ‘agent’ to act on behalf of VRF Shippers and act as single point of contact for TSO.
- The forum was briefed as to the content of the meeting today and it was agreed to schedule a follow up workshop in advance of the next forum meeting, with a tentative venue and date proposed for Dublin on 6 October 2015.

ID	Action	Responsibility	Date Raised	Delivery Date
C448	Transporter to arrange a workshop to discuss VRF	Transporter	16/09/2015	29/09/15

## 7. Any Other Business

### 1 October Go / No-Go Decision

- The CER and Transporter clarified that the 6 TSOs and NRAs (RoI, NI & GB) were meeting on 17<sup>th</sup> September to make a Go / No-go decision regarding the 1 October go-live date.
- Industry requested that they be advised of the decision made by the TSOs and NRAs at the earliest possible time.

ID	Action	Responsibility	Date Raised	Delivery Date
C449	Transporter to notify Industry about Go/No-go decision as taken by the 6 TSOs and NRAs regarding the 1 October go-live date.	Transporter	16/09/2015	25/09/15

### Tariff Model ‘Licence’

- Industry representatives expressed their dissatisfaction with clause 3.1.2. of the transmission tariff user licence which the Transporter requires Shippers to agree to before a copy of the GNI tariff model can be sent to the requesting party. The clause prohibits ‘reverse

engineering' of the model. Industry representatives stated that they object to the inclusion of this clause and noted that the Transporter and CER had been notified of their objection via correspondence. Industry representatives reiterated the request to have this clause removed. One other party queried whether those who had already agreed to the licence and had obtained a copy of the licence would be issued with a revised licence if the clause was removed.

- The CER advised that it would be discussing this with the Transporter with a view to resolving the issue as a matter of urgency.

<b>ID</b>	<b>Action</b>	<b>Responsibility</b>	<b>Date Raised</b>	<b>Delivery Date</b>
C450	The Transporter and the CER to discuss Tariff Model 'Licence'.	Transporter	16/09/2015	25/09/15

## **8. Administration**

- The Transporter confirmed that the next Code Modification Forum will be held on Wednesday 14th October in Cork

## Action Log

Action Ref	Action	Responsible	Date Raised	Title	Response Date	Expected Delivery Date
C259	The Transporter is to issue letters to all End Users requesting that they sign End User Agreements.	Transporter	29/11/12	End User Agreements		Q4 2015
C282	The CER is to provide the Forum with a high level update of CAG at the next forum meeting.	CER	14/03/13	CAG		24/09/2014
C383	The Transporter is to consider issuing an NDM accuracy of forecasting report before Oct 2015.	Transporter	22/10/14	Code Mod A063 'Noms, Imbalances & Allocations'		October 2015
C404	The Transporter is to carry out a Trading platform Feasibility Study and submit its report to the CER following Industry consultation in September 2015.	Transporter	22/04/2015	Code Mod A063 'Noms, Imbalances & Allocations'		September 2015
C419	The Transporter is to reply to IOOA's letter and to the spreadsheet IOOA submitted proposing a methodology to implement Enhanced VRF by October 2015.	Transporter	03/06/2015	Code Mod A064 VRF		Next Code Mod Forum
C428	Add Gas/Electricity Interactions as a standing item to the Code Modification Forum Agenda.	Transporter	22/07/2015	General		Next Code Mod Forum
C429	The Transporter is to determine whether a shipper would receive a Confirmed Quantity (CQ) of 0 if one of the parties in a Double Sided Nomination (DSN) renominated and its counterparty did not.	Transporter	22/07/2015	Code Mod A063 'Noms, Imbalances & Allocations'		July 2015
C434	The Transporter is to:	Transporter	22/07/2015	Code Mod A064 VRF	06/10/2015	Next Code Mod Forum

Action Ref	Action	Responsible	Date Raised	Title	Response Date	Expected Delivery Date
	<p>Assess the feasibility of an interim increase in the amount of VRF currently available.</p> <p>Look at the existing VRF product to identify if more VRF capacity could be provided in the interim period before systemisation of the Enhanced VRF product is complete and whether or not a change could be made to the current situation where the Transporter interrupts to zero.</p>					
C435	The Transporter is to respond to the IOOA request seeking clarification on VRF costs.	Transporter	22/07/2015	Code Mod A064 VRF		Next Code Mod Forum
C437	The Transporter is to proceed with the Code Legal Drafting to implement the changes to the Congestion Management Procedures.	Transporter	22/07/2015	Code Mod A067 'CMP'		September 2015
C442	Shippers who wish to receive training from PRISMA on new interface to contact PRISMA at <a href="mailto:info@prisma-capacity.eu">info@prisma-capacity.eu</a>	Industry	16/09/2015	PRISMA	23/10/2015	November 2015
C443	Shippers who have not already completed GTMS training session to contact Transporter to schedule session.	Industry	16/09/2015	GTMS Shipper Training		September 2015
C444	Transporter to arrange a workshop to discuss the issues raised in the Consultation.	Transporter	16/09/2015	Tariff Regime	06/10/2015	October 2015
C445	Transporter to circulate Interim Inch Arrangements proposal slides, including nominations and overruns information.	Transporter	16/09/2015	Inch Storage Tariff		September 2015

Action Ref	Action	Responsible	Date Raised	Title	Response Date	Expected Delivery Date
C446	Industry to comment on Interim Inch proposal by 25 September 2015.	Industry	16/09/2015	Inch Storage Tariff	25/09/2015	September 2015
C447	Transporter to clarify the rationale for: <ul style="list-style-type: none"> <li>the proposed non-availability of the annual capacity product</li> <li>the pricing of the capacity products; and</li> <li>the rationale for the 'additional 16GWh' during winter</li> </ul>	Transporter	16/09/2015	Corrib Update	22/09/2015	October 2015
C448	Transporter to arrange a workshop to discuss VRF.	Transporter	16/09/2015	VRF	06/10/2015	October 2015
C449	Transporter to notify Industry about Go/No-go decision as taken by the 6 TSOs and NRAs regarding the 1 October go-live date.	Transporter	16/09/2015	EU Network Code Project	24/09/2015	September 2015
C450	The Transporter and the CER to discuss Tariff Model 'Licence'.	Transporter	16/09/2015	Tariff Model		October 2015