

Code Modification Forum Meeting Minutes

4 November 2015

Location: The Clarion Hotel, Cork

Attendees		
	Name	Representing
1	Colm Ó Gormáin	CER
2	John Melvin	CER
3	Sarah McCauley	CER
4	Warren Deacon	ESB
5	Lisa Fahy	SSE
6	Ken Galloway	GNI
7	Mike Ronan	Aughinish Alumina
8	Brian O'Shea	Bord Gais Energy
9	Marion McCarthy	GNI
10	Denis Twomey	GNI
11	Kieran O'Sullivan	GNI
12	Avian Egan	GNI
13	Aidan Hogan	GNI
14	Conor Long	GNI
15	Kieron Carroll	KEL
16	Danny Mills	Electric Ireland
17	Henk Kreuze	Vermilion (phone)

1. Approval of Previous Minutes

- The minutes of the Code Modification Forum of the 16 September were agreed and approved.
- For supporting information to be read in conjunction with these minutes, please see the [slides](#) presented at this meeting.

2. Review of Action Items

- The actions from the previous Code Modification Forum of 16 September were reviewed and discussed.
- The Transporter outlined a number of actions that have been open for a significant time but do not need to be discussed at each Code Modification Forum. It was agreed to remove two of these actions, namely C282 & C356.
- The Transporter stated that as per action C428 Gas/Electricity interactions would be added to the Code Modification Forum Agenda as a standing item.
- The Transporter stated that implementing new End User Agreements was a significant undertaking. However it recognised that this action has been a longstanding item and committed to developing a plan for progressing it for the next Code Modification Forum.
- An Industry representative suggested assigning a priority level to each action to provide an indication of the urgency involved in completing the action. The Transporter agreed to add a column to each action item to assign priority / urgency.

ID	Action	Responsibility	Date Raised	Delivery Date
C451	The Transporter committed to producing a plan for issuing new End User Agreements to Industry.	Transporter	4/11/2015	9/12/2015

3. EU Network Code Communications Update

- The Transporter delivered an update on the EU Network Code implementation project, highlighting the work that was completed to successfully go live with the Balancing NC and the CAM NC on 1 October and 1 November respectively. The Transporter thanked all involved for their cooperation and contributions.
- The Transporter advised that it would issue a consolidated version 5.0 of the Code of Operations in December, to include all EU Network Code related modifications approved to date.
- The Transporter highlighted some issues for Shippers to be aware of in relation to Adjacent TSO procedures and PRISMA updates, which are explained in detail on the slides.

ID	Action	Responsibility	Date Raised	Delivery Date
C452	The Transporter committed to producing a new consolidated version 5.0 of the Code of Operations	Transporter	4/11/2015	31/12/2015

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

- The TSO outlined the timeline of the proposed Modification to date and communicated a summary of the workshop held in the Croke Park Hotel on 6 October 2015.
- An industry representative requested that the fundamental principle of the proposal be emphasised, namely that under no circumstances should a Shipper have to pay the ‘secondary adjustment’ element of the tariff twice. The representative suggested that the two constituent parts of the tariff (i.e., the primary tariff and the secondary adjustment) should be split in order to facilitate this.
- Another industry representative stated that his understanding of the proposal did not include that a Shipper could utilise the proposed arrangements simply for commercial reasons. The industry participant stated that he did not believe that this commercial use of the arrangements should be allowed, and another industry participant agreed.
- The Transporter queried the exact type of product that was being proposed, such as how a shipper would access the product and whether it would be firm or interruptible. The Transporter also raised how the proposed product would fit in with the CAM range of products.
- An industry representative said that they are only trying to re-establish a product that was there before and that was removed. The Transporter noted that no Industry participant objected to the removal of the back-up capacity product during the consultation that took place for Code modification A062, and emphasised that the rationale for removing backup capacity included that short term capacity products were now accessible to Shippers. The Transporter also noted that the original back-up product had significant multipliers attached, which may mean that short-term products were more economical.
- An industry representative stated that while the Code previously provided for back-up arrangements in instances of planned or unplanned upstream outages, there were no such arrangements for downstream issues on the GNI network. The Transporter commented that it believed that downstream issues on the GNI network were indeed catered for in the Code previously. In either case, the industry representative suggested that such arrangements should be included as part of the current modification proposal.
- An industry representative reiterated its belief that the Inch Entry Tariff is subsidising other Entry Points. The representative also pointed out that this had been raised by that representative during the Network Tariffs Liaison Group.

- An industry representative pointed out that without a back-up product in the Code the Transporter would be forced to declare an Emergency/Difficult day in the event of an outage, and would charge shippers twice for the ‘secondary adjustment’ element of the tariff.
- A Transporter representative mentioned that there is no such product available in the UK, to which an industry representative replied that the price differential for Entry Capacity between Ireland and the UK is such that it is not a fair comparison.
- The next steps in relation to the modification were agreed by the Forum as follows:
 - Transporter to produce an Initial Modification Report by the end of November (2 week consultation), including a summary of discussions and consultations to date and the Transporter’s view regarding compliance of the proposal with the CAM and Draft Tariff Network Codes.
 - CER to issue a decision in January 2016 as to whether or not to proceed further with the proposal. In advance of making this decision, the CER may discuss the modification directly with members of Industry who have expressed strong views on the proposal.

ID	Action	Responsibility	Date Raised	Delivery Date
C453	The Transporter will issue an A069 IMR to the CER and industry for consultation.	Transporter	4/11/2015	30/11/2015

5. Code Modification A070 *‘Implementation of the Inch Storage Entry Point’*

- The Transporter outlined the current status of this Modification as per the slides, and summarised the business rules that had been published for consultation, as well as the consultation responses received.
- An industry representative communicated an update to the projected cessation of Storage activities at Inch. It is currently anticipated that storage activities are due to be reduced from April 2016, with a view to ceasing activities in 2017.
- In light of the previous point it was agreed that an assessment of the benefits and costs of systemising this modification is required and the Transporter confirmed that it will submit an estimate of the systemisation costs to the CER in the coming weeks. Another industry participant requested that this be shared with industry following its submission to the CER.
- The Forum agreed that, regardless of the outcome of the assessment referred to above, modification of the Code of Operations should be progressed, given that a manual workaround is already giving effect to this modification since 1 October.
- An industry representative commented that no shrinkage charge should be applicable for the Inch Storage Exit Point. This was confirmed by the Transporter and CER.

ID	Action	Responsibility	Date Raised	Delivery Date
C454	The Transporter is to submit the cost of systemisation of A070 to the CER.	Transporter	4/11/2015	30/11/2015

6. Corrib Update

- The Transporter outlined the GNI's original proposal (circulated 22 September) regarding capacity and tariff arrangements it proposed should apply during the uprating of the Corrib Linkline to 85 barg. Bord Gais Energy summarised their counter proposal which they circulated on 12 October, and the Transporter outlined the responses received in respect of that counter-proposal. See slides for further information.
- An industry representative expressed concern that these discussions were occurring at such short notice before the projected commencement of the new Entry Point, noting that at least one respondent to the consultation also referenced insufficient time to consider the full impacts of the proposals.
- An industry representative communicated that Entry Point Transfers should be available from the first date that gas is shipped from Corrib.
- The Transporter clarified that while a Shipper may not affect an Entry Point Transfer later than 12 months after the declaration of 'First Commercial Gas' (which the Transporter noted will take place when uprating works are complete), there is nothing to preclude an Entry Point Transfer from taking place before the First Commercial Gas date. The Transporter stated that the reason for this is so that a Shipper would not transfer a firm annual product to the Bellanaboy Entry Point during the commissioning period which could subsequently be interrupted by the Transporter.
- An industry representative stated their view that an annual product should be available at Bellanaboy regardless of the commissioning period.
- The Transporter outlined its view that it could not knowingly sell a Firm annual product at Bellanaboy which they could not deliver due to the commissioning works that are scheduled to take place which would cause such an annual product to be interrupted.
- An industry representative requested a response to a communications protocol which it submitted to the Transporter in March 2015. The Transporter queried to which part of the organisation the protocol had been submitted, and requested that it be reissued so that it could respond to same.
- An industry representative reiterated that if commissioning is still continuing during the summer period the short term multipliers for that period would be lower than the 1/365 short term tariffing approach proposed by GNI.
- The CER committed to reverting with a decision regarding the proposed capacity and tariff arrangements at Bellanaboy during week ending 13 November 2015.

ID	Action	Responsibility	Date Raised	Delivery Date
C455	The CER is to revert to the Transporter and industry with a decision on the BET during commissioning.	CER	4/11/2015	11/12/2015

7. Virtual Reverse Flow

- The Transporter advised that the scope of the interim VRF product had been agreed at the offline workshop of 6 October, and that the Transporter had assessed the feasibility of implementing this proposal in the aftermath of the workshop.
- Having considered the proposed scope, the Transporter advised that it does not consider it appropriate to implement the product on a ‘manual’ basis, due to concerns regarding the potential impact of errors on the newly established and systemised nominations matching process at Moffat, which includes significant interaction with IT systems of adjacent TSOs.
- Accordingly, the Transporter asserted that the product required systemisation and advised the forum that this could be implemented by the end of Q1 2016, provided that work commenced immediately in terms of detailed IT design, but that this would require some of the features to be removed from the product. The Transporter indicated that the window for internal IT resources would be missed if the enduring product was still favoured by industry.
- An industry participant queried whether the target date of 1 April 2016 for the implementation of the enhanced product was still feasible. The Transporter stated that it did not consider that date to be achievable given the considerable additional time requirement to develop the additional functionality included in the enhanced product. Instead, the Transporter requested that consideration be given to progressing the interim product for implementation by the end of Q1 2015. This would ensure that a functioning product (delivering substantially improved functionality relative to the existing product) is available at the earliest possible date. Elements of the enduring product could then be considered for subsequent development.
- Industry representatives expressed concern that the enduring product may be delayed and stressed the importance of within-day functionality as part of the enduring product (note that the interim product does not facilitate within-day renominations). The Transporter acknowledged the importance of within-day renominations to VRF Shippers, however it requested Industry to consider whether the ‘overnominations’ functionality (and associated interruption hierarchy) was equally essential, given that it represents significant incremental complexity and cost.
- The CER queried whether adding within-day nominations to the scope of the interim product would add significantly to the cost, which the Transporter agreed to investigate. The CER also queried whether offering infinite day-ahead VRF capacity or facilitating trading of VRF capacity would remove the need for overnominations.
- An industry participant queried the application of shrinkage charges in relation to VRF, to which the Transporter clarified that shrinkage charges are applied to VRF.

- The industry participant argued that shrinkage charges should not be applied, as they are not applicable for Storage related allocations as well, as confirmed earlier today.
- The CER requested that the Transporter investigate whether adding within-day nominations and infinite capacity to the scope of the within day product is feasible.
- An industry participant queried whether the registration tariff would change for the Interim product, to which the CER replied that the registration fee would likely go up to reflect the cost of developing/systemising the product and the capacity tariff would remain at zero.
- An industry participant stated that an estimate of systemisation costs should be furnished to industry in order to adequately assess the proposal. The Transporter stated that it would forward the cost estimate to the CER as soon as possible.

ID	Action	Responsibility	Date Raised	Delivery Date
C456	The Transporter will issue the CER with a cost estimate for the interim product as soon as it receives a definitive estimate from its IT provider.	Transporter	4/11/2015	11/12/2015
C457	The Transporter will investigate the feasibility of adding within-day nominations and infinite capacity to the scope of the within day product.	Transporter	4/11/2015	13/11/2015

8. Any Other Business

- The Transporter stated that any Shipper that wishes to register at the Bellanaboy Entry Point would need to contact their KAM to request registration, if they had not already done so.
- The Transporter also reiterated that any shipper who had not received PRISMA training, and who wished to avail of same should contact PRISMA directly to arrange.

ID	Action	Responsibility	Date Raised	Delivery Date
C458	Industry are to contact their KAM's if they wish to register at the Bellanaboy Entry Point.	Industry	4/11/2015	30/11/2015

9. Administration

- The Transporter confirmed that the next Code Modification Forum will be held on Wednesday 9 December at the Ashling Hotel in Dublin.

Action Log

Action Ref	Action	Responsible	Date Raised	Status	Response Date	Expected Delivery Date	Priority
C259	The Transporter is to issue letters to all End Users requesting that they sign End User Agreements.	Transporter	29/11/12	Transporter to issue update at Dec 2015 Code Modification Forum.	9/12/2015	Q4 2015	Low
C383	The Transporter is to consider issuing an NDM accuracy of forecasting report before Oct 2015.	Transporter	22/10/14	The Transporter will publish this report by 30 November 2015.	30/11/2015	November 2015	Medium
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	The Transporter will issue an update on this at the Dec 2015 Code Modification Forum.		November 2015	Medium
C428	Add Gas/Electricity Interactions as a standing item to the Code Modification Forum Agenda.	Transporter	22/07/2015	Will be added to 9 December Forum Agenda		Next Code Mod Forum	Low
C451	The Transporter committed to producing a plan for issuing new End User Agreements to Industry.	Transporter	4/11/2015	Open		9/12/2015	Low
C452	The Transporter committed to producing a new version 5.0 of the Code of Operations	Transporter	4/11/2015	Open		31/12/2015	Medium
C453	The Transporter will issue an A069 IMR to the CER and industry for consultation.	Transporter	4/11/2015	Open		30/11/2015	High

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C454	The Transporter is to issue the cost of systemisation of A070 to the CER.	Transporter	4/11/2015	Open		30/11/2015	Medium
C455	The CER is to revert to the Transporter and industry with a decision on the Bellanaboy Entry Tariff during commissioning.	CER	4/11/2015	Open		11/12/2015	High
C456	The Transporter will issue the CER with a cost estimate for the interim VRF product as soon as it receives a definitive estimate from its IT provider.	Transporter	4/11/2015	Open		11/12/2015	High
C457	The Transporter will investigate whether adding within-day nominations and infinite capacity to the scope of the within day product.	Transporter	4/11/2015	Open		13/11/2015	High
C458	Industry are to contact their KAM's if they wish to register at the Bellanaboy Entry Point.	Industry	4/11/2015	Open		30/11/2015	Low