

## Code Modification Forum Meeting Minutes

01 June 2016

*Location: The Hilton Hotel, Kilmainham*

Attendees		
	Name	Representing
1	Amrik Bal	Shell
2	Mike Ronan	Aughinish Alumina
3	Martin Regan	EBI
4	Kevin Murray	Bord Gais Energy
5	Danny Mills	Electric Ireland
6	Anthony Foody	Electric Ireland
7	Justin Maguire	Bord na Móna
8	Sarah McCauley	CER
9	Colm Ó Gormáin	CER
10	Kieron Carroll	IOOA and KEL
11	Henk Kreuze	Vermilion
12	Lisa Fahy	SSE
13	Keith Deacon	Tynagh
14	Karol O’Kane	ESB GWM
15	Conor Long	GNI
16	Andrew Kelly	GNI
17	Kieran Quill	GNI
18	Gráinne Greehy	GNI
19	John Hickey	ESB

## 1. I-SEM Overview delivered by ESB

- John Hickey, from the ESB, delivered an overview on I-SEM (relevant slides included in Slide Pack circulated).
  - Presentation included fundamental changes underway in the electricity market.
  - Changes to new start time of electricity day (11pm) may have implications on gas day.
  - Industry participants stated that power generation shippers may require more flexible capacity products in the future.
  - Industry participants agreed that the Gas-Electricity Interaction Forum should meet more regularly and that updates from these Forum meetings should be provided at Code Modification Forum meetings.
  - The Transporter will liaise with members of the Gas-Electricity Interaction Forum to arrange a meeting prior to the next Code Modification Forum.

ID	Action	Responsibility	Date Raised	Delivery Date
C484	The Transporter to notify participants when Gas-Electricity Interaction Forum meetings are scheduled to take place and provide updates from these Forums at Code Modification Forum meetings.	Transporter	01/06/2016	Ongoing

## 2. Approval of Previous Minutes

- The minutes of the Code Modification Forum of the 20 April were agreed and approved with some minor modifications.
- For supporting information to be read in conjunction with these minutes, please see the slides presented at this meeting.

## 3. Review of Action Items

- The actions from the previous Code Modification Forum of 20 April were reviewed and discussed.
- The Transporter gave an update on the open actions and those actions which have been completed as per the accompanying slides.

## 4. General Items Update

- The Transporter delivered updates on the following to the Forum:
  - Version 5.0 of the Code of Operations is awaiting final approval from CER and will be published once approved.

- Public Consultation on issues and impacts related to the CEN Gas Quality Standard EN16726:2015, as per slide.
  - An industry participant questioned why this consultation is being undertaken. The CER stated that this consultation is driven by the European Commission rather than the Regulator.
  - An industry participant questioned whether TSOs across Europe are receptive to this consultation. The Transporter indicated that the majority of TSOs do not advocate this consultation.
- Questionnaire/ public consultation issued by ENTSOG on EN16726, as per the slides.
- The South North Interconnection Agreement was approved, as per the slide.
- ENTSOG deferred functions:
  - GNI plans to release deferred functionality to GTMS on Tuesday 7<sup>th</sup> June 2016.
  - Shipper facing Balancing and Nominations related changes, as per the slide.
  - Changes to Web Service, as outlined in the relevant slide.
- Emergency Management: Version 4 of the National Gas Emergency Plan (NGEP) is now available.
- Emergency Contacts Exercises will take place in June, as per the slide.

## 5. Corrib Update

- An update was delivered regarding:
  - Capacity at the entry point, as per the slide.
  - Verification Programme: Expected increase in pressure from 70bar to 77bar in June and subsequent increase in flow rate, as per the slide.
  - The Transporter stated that regular updates would continue to be delivered to the industry.

## 6. GNI Scheduled Maintenance

- The Transporter delivered an update on planned maintenance on the network on the Mayo-Galway pipeline as well as the Midleton Compressor Station as per the slides.
  - An industry participant asked if formal notification on planned interruptions will be given; the Transporter confirmed that it will be given.

## 7. Code Modification Proposal A071 '*Alternative Capacity Arrangements in event of GNI Interruptions to Flows*'

- The Transporter outlined its position on this modification proposal as per the relevant slides.
- Industry participants expressed their view that there is no difference between scheduled and unscheduled interruptions, from the shipper's perspective.

- The Transporter stated that, from their standpoint, a rebate should not be provided in instances of scheduled maintenance and interruptions, given that such maintenance is necessary to ensure a continuous high level of service, and facilitates the implementation of essential service improvements.
- Industry participants expressed their opinion that if delivery is interrupted, industry should be compensated, regardless of the notice period, since they are implicated by scheduled interruptions.
- An industry representative questioned why the rebate provided would not be reflective of the short-term capacity price, to which the Transporter responded that rebating the pro-rata cost of the affected Entry Capacity would be the simplest system to ensure the Shipper was compensated
- An industry participant believed that rebates should not be reviewed on a case-by-case basis.
- An industry participant stated that rebates should reflect replacement costs. They proposed that the rebate should equal the number of days impacted at short-term capacity at Moffat.
- Another industry participant stressed that rebates should only be provided in situations where the shipper has to buy replacement capacity.
- An industry participant expressed the view that the Transporter should reflect on how the shipper is exposed to cost from lack of capacity provision.
- An industry participant queried the recovery of any revenue shortfall in the event of a rebate, and stated that in the UK the Transporter is exposed to a percentage of any constraint management costs.
- The CER stated that it recognises unscheduled and scheduled maintenance and interruptions as being different, but acknowledges that the ultimate impact on shippers is the same. The CER stated that it would reflect on its position concerning how scheduled maintenance and interruptions should be dealt with.
- It was agreed that the Transporter would circulate the various positions on Code Modification Proposal A071 and that industry participants would submit their responses to the different proposals within one week. The responses will be forwarded to the CER for consideration.

ID	Action	Responsibility	Date Raised	Delivery Date
C485	Industry participants to submit their responses to the different proposals within one week of circulation.	Industry Participants	01/06/2016	08/06/2016

#### **8. Code Modification A072 ‘Application of adjustments related to new Entry Points’**

- The Transporter stated their belief that the principle of the application of adjustments related to new Entry Points was no longer valid under the new tariff regime.
- The CER responded that it was inclined to agree, but that it felt 1 October 2016 would be a more suitable implementation date.
- An industry participant queried the calculation of potential over-recovery of GY15/16 revenues of circa €8Million presented at a previous Code Mod Forum. The CER commented that notwithstanding queries on the calculation spreadsheet, the question was whether participants were in favour of the principle of the Code Modification.

- It was agreed that the Transporter would re-issue the original Code Mode Proposal, with the new implementation date of 1st October 2016.
- Industry participants were requested to provide feedback on the recirculated Code Mode A072 within two weeks.

ID	Action	Responsibility	Date Raised	Delivery Date
C486	Industry participants to provide feedback on A072 within 2 weeks.	Industry	01/06/2016	15/06/2016

#### 9. Code Modification A073 'SPC Charges at new LDM Sites'

- The Transporter outlined the details and the rationale of Code Modification A073.
- CER stated that it was happy to proceed this Code Modification to legal drafting, considering there were no objections by industry participants.

ID	Action	Responsibility	Date Raised	Delivery Date
C487	The Transporter to develop and issue legal drafting of A073 for submission to CER.	Transporter	01/06/2016	

#### 10. Virtual Reverse Flow

- The Transporter delivered an update on the virtual reverse flow within-day products as per the slide.
- The Transporter commented that further useful information will emerge during the summer.
- The Transporter stated that it was working through the actions which it has taken on at the previous Code Modification Forum.

#### 11. AOB

- An industry participant stated that they were considering submitting a Code Modification proposal for the introduction of a Use-It-Or-Lose-It facility to the Code of Operations. However, they first wished to question the interpretation of Section 1.2 of Part C of the Code of Operations.
- The participant requested that the Transporter provide clarity on its interpretation of this section of the Code of Operations.
- An industry participant questioned whether capacity hoarding is a concern within Ireland to which the participant stated that while it may not be an issue at present, it may become one in the future and it seemed sensible to safeguard against it.
- The Transporter stated that it would consider the relevant section of the Code, and contact the industry participant to discuss it in more detail.

ID	Action	Responsibility	Date Raised	Delivery Date
C488	The Transporter is to consider Part C, Section 1 of the Code of Operations in light of the query on UIOLI by an industry participant.	Transporter	01/06/2016	

## 12. Administration

- The next forum will take place in the Clarion Hotel, Cork on 13<sup>th</sup> July 2016

Action Ref	Action	Responsible	Date Raised	Status	Response Date	Expected Delivery Date	Priority
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
C464	The Transporter will consider the concerns raised by industry in relation to credit level ratings. It will also discuss the issues directly with industry participants where necessary.	Transporter	9/12/2015	Open		27/01/2016	High
C478	The Transporter is to consider what the earliest possible date is for the implementation of a multi-party framework and/or a market based imbalance cash out price.	Transporter	09/03/2016	Open		20/04/2016	High
C483	The Transporter is to investigate adding further enhancements to the VRF product: <ol style="list-style-type: none"> <li>1. Notification if additional VRF capacity available.</li> <li>2. Within-day auctions</li> <li>3. Interruption time-stamping</li> </ol>	Transporter	20/04/2016	Open		01/06/2016	High
C484	The Transporter to notify participants when Gas-Electricity Interaction Forum meetings are scheduled to take place and provide updates from these Forums at Code Modification Forum meetings.	Transporter	01/06/2016	Open		Ongoing	Medium
C485	Industry participants to submit their responses to the different proposals within one week of circulation.	Industry Participants	01/06/2016	Open		08/06/2016	High
C486	Industry participants to provide feedback on A072 within 2 weeks.	Industry Participants	01/06/2016	Open		15/06/2016	High
C487	The Transporter to develop and issue legal drafting of A073 for submission to CER.	Transporter	01/06/2016	Open			Medium
C488	The Transporter is to consider Part C, Section 1 of the Code of Operations in light of the query on UIOLI by an industry participant.	Transporter	01/06/2016	Open			Medium