

Code Modification Forum Meeting Minutes

6th March 2018

Location: Clayton Hotel, Cork

Attendees		
	Name	Representing
1	Andrew Kelly	GNI
2	Kieran Quill	GNI
3	Martin Regan	EBI
4	Tom Hegarty	GNI
5	Terry Burke	Statoil
6	Chris George	Gazprom
7	Kieran O'Sullivan	GNI
8	Catherine Philpott	GNI
9	Ken Galloway	GNI
10	Christiane Sykes	Shell
11	Henk Kreuze	Vermillion
12	Colm O'Gormain	SSE
13	Paul Barnett	Manx Utilities
14	Richard Harper	Nepkin Energy
15	Brian McGlinchy	Kinsale Energy
16	Vivion Grisewood	Aughinish Alumina
17	Anthony Foody	Electric Ireland (EI)
18	Michael Daly	Arup
19	P.J. McCarthy	Renewable Gas Forum Ireland
20	Sarah McCauley	CRU
21	Jack O'Connell	Advisor to CRU
22	Karen Trant	CRU
23	Con O'Donnell (part of)	GNI
24	Yvette Jones (part of)	GNI
25	Ian Kilgannon (part of)	GNI

1. Approval of Previous Minutes

- The minutes of the Code Modification Forum of 31 January 2018 were agreed and approved.
 - For supporting information, to be read in conjunction with these minutes, please see the slides presented at the March 6 meeting.

2. Review of Action Items

- The actions from the previous CMF Meeting of were reviewed and discussed.
- The Transporter gave an update on open actions and those completed, as per the accompanying slides 7 and 8
 - It was agreed that, as proposed, action items C539, C548, C553, C554 and C558 would be closed.

3. General Items Update

- The Transporter stated that a further revision (Version 5.02) of the Code of Operations will be released in the coming weeks, to reflect the following CRU approved modifications:
 - Code Mods A071, A079, A080, A081, A082, A088 and A089.

4. GNI Scheduled Maintenance Update

- The Transporter presented an overview of GNI's Planned Maintenance Programme for the 2017/18 Gas Year (as per Slide 13).
- The Transporter reported that it planned to use the scheduled Maintenance Day of May 5 to carry out testing of the ESD valve at Bellanaboy which would on that day result in a reduction of capacity at the Entry point for a time.
- The Transporter acknowledged receipt of a letter from IOOA in relation to next upcoming yearly Maintenance Plan and confirmed that it would be responding to same.

5. Intra-Day Nomination Patterns and Profiles/ Code Mod Proposal A086 –Incentives for intra-day Balancing'

- The Transporter reported that the improvement in intra-day Shipper Nomination patterns had continued and the Transporter wished to express its appreciation in particular for the Shipping Community for its co-operation during the recent cold weather event stating that at one stage there was excess gas on the system. GNI would continue to monitor the Nomination patterns on a monthly basis and would defer the introduction of Code Mod Proposal A086 for the time being.

6.Code Mod Proposal A089 –Proposal to return to pre-A074 Second Tier Imbalance Multipliers

- The Transporter referred to Slide No.20 which contained a recap of the basis of the Proposal, the feedback received from Industry, and confirmation that the Proposal had been approved by the CRU and was effective since 01 March 2018. The Proposal was presently at legal drafting stage.
- The Transporter stated that Shipper behaviour would be continuously monitored noting the CRU proposal to proportionally raise the Multipliers in line with any dis-improvement in such behaviour.
- A Shipper Representative complained that the part of the GNI Website dealing with live Code Modification Proposals was not being continuously updated. In response the Transporter stated that it would update the Website at the earliest opportunity.

ID	Action	Responsibility	Date Raised	Delivery Date
C556	Transporter to upload onto the Website all live Code Modification Proposals	Transporter	07/03/2018	21/03/2018

7. Code Modification Proposal A087- Implementing a new framework for Suppliers to contract their own payment channels for PPM customers

- The Transporter referred to Slide 22 which contained a recap of the Proposal and stated that as it was essentially a retail issue the Proposal would be reviewed at the GMARG forum before finalisation at the Code Modification Forum.

8. Code Modification Proposal A088-Implementing a Capacity Conversion service for Shippers holding mismatched Unbundled Capacity on one side of IP

- The Transporter referred to Slide 24 which contained a recap of the rationale for the Proposal, confirmed that there had been no Industry feedback, had been approved by the CRU to which the legal drafting had been sent for approval.

9. New Code Modification Proposal A090 – Proposal from BGE for New Invoice Dispute Resolution Procedure

- The proposer (BGE) was unable to attend the meeting due to other commitments. The Agenda Item was put back to the end of the meeting and a brief overview was provided by the Transporter. It was agreed that the Transporter would seek further clarification from the proposer as to the need for the code modification and it would be discussed at the next CMF.

10. New Code Modification Proposal A091- Modification of oxygen content limits for Renewable Natural Gas (RNG) injected from RNG Entry Points

- The Transporter referred to Slides 27-29 inclusive specifying the rationale and benefits of the Proposal detailing the conclusions and recommendation of the Risk Assessment of Penspen Consultants commissioned by the Transporter.. An Industry Participant requested sight of the Penspen Report particularly in relation to any impact on end user gas appliances.

11. Biogas Update

- The Transporter stated that the first biomethane injection into the GNI network is planned for Q3 of this year into the Distribution pipeline at Cush in County Kildare.

12. GNI Trading Platform Business Rules /Timelines of review and consultation process on potential amendments to cashout prices and tolerances after commencement of trading on platform

- The Transporter presented Slides 32-37 in relation to this Agenda Item. Slides 32 and 33 considered what reference prices would apply for both First Tier and Second Tier Imbalance Cash-out prices for all relevant Scenarios and with consequent applicable reference prices on Slides 35 and 36 respectively.
- The question of what would constitute liquidity on the Trading Platform such that an IBP SAP or SMP reference price would be used was discussed. A representative of EBI who gave a brief review of trading patterns on the platform to date stated that determining liquidity in a market was not an exact science that there were a number of factors including number of trades, volumes in trades and number of trading participants.
- In response to a query from an Industry participant the Transporter confirmed that the 10% differential quoted in relation to Second Tier Imbalance Prices was the maximum allowed by the Balancing Network Code and was merely the Transporter's initial suggestion.
- The question of Tolerances after commencement of GNI trading on the platform was then considered after the Transporter outlined the points in Slide 37.
- Due to the wide range of views on this subject the Transporter undertook an Action Item whereby it would formulate and circulate to the CMF Forum Mailing List a questionnaire dealing with all topics raised under this Action Item. Recipients have six weeks to

respond and the tabulated response would be presented at the CMF Meeting on 2nd May. The Transporter agreed to furnish upon request data to participants to assist their consideration of questionnaire responses.

ID	Action	Responsibility	Date Raised	Delivery Date
C557	Transporter to proceed to formulate and circulate to the CMF List a questionnaire in relation to post - Trading Platform trading by Transporter regarding applicable reference prices/default rules/liquidity criteria/tolerances	Transporter	06/03/2018	16/03/2018

13 Draft Trading Platform Transactions Agreement

- The Transporter presented Slides 39-42 in relation to the Industry Consultation process for its Trading Platform Transaction Agreement (TPTA). Slide 39 detailed the four Industry respondents and categorised the submissions which are under consideration by the Transporter. Slides 40- 42 summarised the main five comments/feedback received across the four submissions and specified the Transporter response /rationale in each case.
- In response to a query from the Transporter a representative from EBI confirmed that all user agreements entered into, to date, between trading participants and EBI aligned with the Trading Platform User Agreement attached to the Trading Platform Transactions Agreement.
- An Industry respondent highlighted a scenario whereby a Shipper could be long in gas and sell the excess in a trade to the Transporter and would not have to adjust its Entry nomination. Under the provisions of Clause 4.2 of the TPTA the Shipper could be deemed to be in breach of the TPTA. The Transporter acknowledged this point which was included in one of the Submissions and confirmed that it was being considered in its submissions review. The Transporter undertook, within the next 10 working days, to formulate a modified TPTA which would be sent to each of the Submission respondents with a detailed response to all aspects of their respective Submissions. Further within the same time frame the modified TPTA will be circulated to the CMF Mailing list with an attached Memorandum detailing the Submission queries, the respective responses and the modifications to the TPTA from the original draft.

ID	Action	Responsibility	Date Raised	Delivery Date
C558	Transporter to proceed to answer all individual Industry Submissions with modified TPTA, circulate to CMF Mailing List the modified TPTA with summary of (non – confidential) Submissions and Transporter responses.	Transporter	07/03/2018	16/03/2018

14 Gas/Electricity Interaction

- The Transporter reported that no Code Modification Proposal had as yet been received from the PowerGen Sector but the Transporter was continuing to have individual meetings with the relevant Shippers at which their concerns and the Transporter's system operational concerns were concerned.

15 VRF Tariffing Structure

- The CRU stated that the question of the tariff rate for the VRF product would be included in the ENTSOG Network Code Review. In this regard the terms of reference for the review were being considered and potential participants in the Network Tariff Liaison Group would be invited to participate. It was envisaged that there would be three Meetings of this Group in 2018 with one or two more as required early in 2019. An Industry Participant queried whether the CRU had engaged a Consultant to advise them during this process. The CRU responded that it expected to have a Consultant in place by the end of April. A similar question was asked in relation to the Transporter's intentions. The Transporter confirmed that it had engaged an economic consultant.
- The Transporter confirmed that the systemisation of the revised VRF Product was continuing and would be implemented in line with the tariff implementation program.

16 Brexit and GNI Gas Market

- The Transporter presented the points on Slide 46. An Industry Participant queried as to whether the UK would want to remain in the internal gas market. The Transporter responded that if UK left the EU they would as a consequence be outside the internal gas market.

17 Transparency Data Update

- The Transporter reported that it received a first drop of the of the new data portal from the contractors and would commence FAT testing in the coming week and this aligned with the projected go-live date of first week in May.

18 GNI Website Features for Shippers Presentation

- The Transporter accepted that at present the Website was difficult to navigate with some features obscurely uploaded. The Transporter would circulate to the CMF Mailing List a work document with specific hyper-links to the most relevant sections to Shippers

ID	Action	Responsibility	Date Raised	Delivery Date
C559	Transporter to circulate to the CMF Mailing List a work document in relation to Website	Transporter	07/03/2018	16/03/2018

19 W5 Survey – Shipper/ Supplier Update

- The Transporter presented Slides 50-53 inclusive detailing a recent GNI Shipper/Supplier satisfaction survey carried out by **W5** Consultants. The Transporter thanked all survey participants for their co-operation. The survey highlighted the key challenges for the Transporter, some of which were well identified in advance, and some the Transporter was not aware of. It emerged that while the CMF and GMARG Forums were an important communication medium it was also very important that the Transporter met with Shippers/Suppliers on an individual basis to discuss their respective concerns. It was envisaged that the Survey would be repeated on an annual basis for the indefinite future with monitoring of the now established satisfaction ratings.
- In response to a CRU query the Transporter stated that while it was not intended to publish the entire Survey Report, which contained many individual and identifiable responses, the presentation to the CMF and GMARG contained the principal findings and all individual concerns would be followed up, if necessary with individual meetings. It was likely that KPIs for Transporter Performance Management Reviews would develop from the survey process.

- An Industry Representative commented that the Gas Industry would benefit from an analysis of the Electricity Market liaison process (SEMO) and where applicable adopt similar procedures.

20 AOB

- No items were raised for discussion.

21. Administration

- It was agreed that the next Code Modification Forum Meeting will take place in the Ashling Hotel, Dublin on 2nd May commencing at 10.00 am.

Action Ref	Action	Responsible	Date Raised	Status	Response Date	Expected Delivery Date	Priority
C530	Release revision Version 5.02 of the Code of Operations which reflects any outstanding Code Modifications approved by the CER subsequent to the 1st of October 2015	Transporter	03/05/2017	Open		17/04//2018	High
C556	Transporter to upload unto Website all live Code Modification Proposals	Transporter	07/03/2018	Open		16/03/2018	High
C557	Transporter to proceed to formulate and circulate to the CMF List a questionnaire in relation to post Trading Platform trading platform reference price levels/default rules /liquidity criteria/tolerances	Transporter	07/03/2018	Open	25/4/2018	14/02/2018	High
C558	Transporter to proceed to answer all individual Industry Submissions with a Modified TPTA and circulate to CMF Mailing List the modified TPTA with summary of Submissions and Transporter responses	Transporter	07/03/2018	Open		16/03/2018	High
C559	Transporter to circulate to the CMF Mailing List a work document in relation to Website	Transporter	07/03/2018	Open		16/03/2018	High