

Code Modification Forum

Minutes of meeting – 28th November
2018



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1 Standing Items

1.1 Approval of minutes of previous meeting

The minutes of the Code Modification Forum of 26th September 2018 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the [November 28 meeting](#).

1.2 Review of action items

The actions from the previous CMF Meeting of 26th September were reviewed and discussed.

The Transporter gave an update on open actions and those completed, as per slide 6 of this [meetings presentation pack](#).

It was agreed that, as proposed, action item C570 would be closed as the Transporter had hosted the telco with Industry in relation to potential Brexit implications for the ROI Gas Market on 8 November.

Action Items C538, C567, C568 and C569 will remain open.

1.3 GNI Scheduled Maintenance Update

The Transporter reported that there were no reported works from Upstream Operators. Slide No.9 which detailed the 2017/2018 Maintenance Programme referred to ESD testing which was postponed due to deferment of the SEPIL transition date. This work was now done and the Vermillion Representative confirmed that Vermillion was taking over as the Operator at Ballanaboy on Friday, 30 November and dispatching systems would transfer to Vermillion on Saturday, 1 December.

On Slide 10 the Transporter reported on the pigging operation of the Inch to Lochcarrig Lodge section of pipeline in County Cork which had resulted in a Restricted Capacity Day on 9 November. The initial results of the inspection indicate a requirement for an inspection dig on the pipeline in 2019. Such work will be communicated in advance to any affected downstream parties as was the original pigging inspection. The Transporter had sent its Report on the recent restricted capacity occurrence arising from remedial work on a section of pipe between Goatisland and Curraleigh-West to the CRU. The Transporter was engaging with Eirgrid and Powergen Sector parties discussing communications and restricted capacity arrangements and on approval of the Report would be in a position to finalise its review of operational arrangements for such events in accordance with Action Item C568.

2 Code Modification Proposals

2.1 A086 – Incentives for Intra-day balancing

The Transporter referred to Slide 15 which updated the intra-day nomination patterns through the month of October. The Transporter noted the continuing trend of improving Shipper nomination behaviour and was satisfied to continue to monitor the situation in the short term. It noted that, possibly as a result of ISEM, Shippers were nominating in incremental amounts. In one example a Shipper nominated thirteen times in one gas day which clearly indicated an intention to match nominations with transportation activity. A Shipper Representative queried the cause of the recent Deficit Supply Notices issuing from the Transporter Grid Desk. The Transporter stated that these Notices were issuing from a combination of factors including the differing day-to-day operational situation on the network to which grid controllers are responding, the initial unpredictable effects of ISEM, and sometimes operational reasons such as the requirement to boost pressures after they had been reduced for a line dig. It was clear that in the main Shipper's nomination behaviour had significantly improved for which the Transporter expressed their gratitude.

2.2 A091 & A093 – Biomethane Code Modifications

The Transporter reported the legal drafting for both Code Modification Proposals had been circulated the previous day. The Transporter invited Industry queries up to COB on Friday, 7 December. If required, depending on the nature/level of queries, the Transporter undertook to organise a telco to take place on Tuesday, 11 December. A Shipper Representative queried whether the Penspen Consultancy Report circulated, yesterday, 27 November, was the Final Report and the Transporter confirmed it was. It was pointed out that the Code Modification Proposals were dependant on the acceptance by the CRU of firstly, the Safety Case submitted by the Transporter with A091, and, secondly, the legal drafting submitted by the Transporter.

2.3 A094 –Changes to Shipper Portfolio Tolerances and A095-Adjustment of Daily Imbalance Charges

The CRU reported it had referred its minded to decision in relation to both Code Modification Proposals to ACER and received the following responses;

- Decision to remove LDM Tolerances with suggested exemption from imbalance charges for power generators dispatched on by Eirgrid in the dead band period:
 - **ACER** responded that such a derogation in favour of power generators could be seen as discriminatory against other network users. The CRU would be asserting that this measure was justified to avoid unfairly penalising a network user for complying with another regulatory authority and would emphasis the physical reality of Ireland's end of the internal gas market location

- Decision to reduce DM Tolerances from 30% to 10%:

- **ACER** considered that 10% was still relatively high but noted that this measure would be reviewed by the CRU after 6 months of implementation. The CRU would be asserting that this tolerance was justified on the basis that the cost to the Transporter of upgrading its communications in this sector would outweigh the benefit ensuing for what was a small proportion of the entire market.
- Decision to remove NDM Tolerance of 2.5% and only allow for forecasting error by TSO:
 - **ACER** noted that this measure was in compliance with the Balancing Network Code
- Decision to have a small adjustment of 3.5% of the daily IBP System Average Price (SAP):
 - **ACER** had no objection to this proposal.

Next Step:

The CRU would continue to liaise with ACER in relation to these measures but Industry should presume that they will come into effect on 1 March 2019 and prepare their operational arrangements accordingly

2.4 A097 – Amendment of Final Allocation Date for LDM Offtake(s), DM Offtake(s), NDM Supply Points and Sub-Sea Offtake from D+5 to M+5

The Transporter presented on this Code Modification Proposal which it had issued on 9 October 2018. The Transporter referred to Slides 20 -22, pointing out that this measure was being proposed in response to Shipper frustration over billing cumulative month end adjustments which hindered Shippers in detailing their specific customer invoices. A Shipper Representative, while welcoming the measure in general, referred to a situation where the read at a DM site was down, even for one day resulting in a zero read. In those circumstances this provision would not result in an accurate reallocation. The Transporter responded that it would liaise directly with the Shipper Representative in an effort to work through an example of such an occurrence. A Shipper Representative noted that the Final Allocation Date change was only to apply to Exit Points and queried whether it could be applied to Entry Points as well. The Transporter stated that it would consider this proposal. The Transporter indicated that it had already received two Shipper queries to which it had replied to and would extend the consultation period to COB on 14 December after which it would collate the queries and responses and send to the CRU. There were no system changes involved, and, if the CRU approved, this measure could come into effect on 1 January 2019

2.5 Summary Status of Code Modifications

The Transporter summarised the position regarding the current Code Modification Proposals stating that, after discussion with the CRU, it is intended to review the existing Terms of Reference (Version 1.0) of the Code Modification Forum in the new year with particular reference to the Code Modification Proposal process procedure, recognising that some minor impact Modification Proposals can be differentiated at the initial stage and can be processed in a quicker manner than more substantive Proposals which require a more comprehensive consultation process.

The Transporter further reported its intention to initiate a Code Modification Proposal to reduce the multiplier for Capacity Overrun Charges from 8 times the Daily Capacity Charge to a lower figure which is not unduly penal but still incentivises Shippers to book adequate capacity. A draft Proposal was being considered internally by the Transporter and it was intended that a finalised Proposal would issue in the first quarter of 2019

Number	Proposal	Proposer	Status
A085	Profiling of Gas Flows at Entry Points	IOOA	Live/Parked
A086	Intra-day Nomination Incentive Proposal	GNI	Not yet issued
A087	New Framework for Suppliers in PPM Market	GNI	CRU Minded to decision
A090	Proposed new Invoice Dispute Resolution Procedure	BGES	Live/Parked
A091	Modification of oxygen content limits for Renewable Natural Gas (RNG) injected from RNG Entry Points	GNI	Live
A093	RNG Outline Code Modification	GNI	Live/Legal Drafting
A094	Changes to Shipper Portfolio Tolerances	GNI	CRU Minded to decision

A095	Adjustment to Daily Imbalance Charges	GNI	CRU Minded to decision
A096	Data Sharing Agreement	GNI	Live
A097	Amendment of Final Allocation Date from D+5 to M+5	GNI	Live

3 Other Agenda Items

3.1 Brexit and ROI Gas Market

The Transporter referred to the Telco which it had hosted on 8 November and which was attracted considerable Industry interest. The Transporter presented the most up to date situation as set out in bulleted points on Slide 25. Any Industry representatives with a UK presence were welcome to share any insights they had with the Forum.

3.2 Data Sharing Agreement Update

The Transporter referred to Slide 27 which provided an update on this matter. The Transporter shared the concern of the Suppliers that unless it was carefully drafted an amendment of the Code of Operations could result in data protection issues coming under the regulatory aegis of the CRU as well as the Data Protection Commissioner, which is not intended by the Transporter, Suppliers or the CRU. The Transporter was working to develop drafting, within the Code, to implement the agreed provisions of the draft Data Protection Agreement.

3.3 Shrinkage Gas Report

The Transporter reported that it was intended that letters would issue to all Shippers this week indicating their respective credit positions which would be settled after the end of year audit. A detailed report on the issue, stipulated by the CRU, was being finalised and was expected to issue to the CRU shortly. In response to a Shipper Representative query, the Transporter indicated that this Report would presumably be shared with Industry once reviewed by the CRU. The Transporter confirmed that it was involved in a complete internal review of its procedures in this regard which, when completed, would be published in most likely the Shippers Manual as these procedures were not published in the Code Of Operations. As a corollary the Transporter was reviewing its UAG evaluations.

The Transporter was conscious of its responsibility in this matter and it proposed to instigate a formal Action Item under which it would issue letters to individual Shippers, issue a Report to the CRU and settle the credit positions of all affected Shippers

ID	Action	Responsibility	Date Raised	Delivery Date
C571	Transporter to issue letters to Shippers indicating each respective credit position, issue Report to CRU, and settle each credit position through the Disbursement Account	Transporter	28/11//2018	31/01/2019

3.4 Gas/Electricity interaction

The Transporter noted that I-SEM had come into force on 1 October and was it was clear that there were some initial dispatch instruction communication issues. The Transporter planned to meet with EAI early in the New Year and proposed to organise a Workshop for the January, or, more likely, the March CMF Meeting with a draft Agenda, to be decided after consultation, but which should include Electrification Pathways and a Transporter presentation on Carbon Capture and Storage.

3.5 Platform Update – GNI Participation

The Transporter presented Slide 32 which graphically details trading on the EBI Platform in October and Slide 34 which graphically compares UK NBP SAP against IBP SAP with the IBP traded price continuing to track the NBP traded price and on rare occasions trading slightly higher. Slide 33 detailed that there were 129 trades during October (average of 4 per day) with 11 Transporter trades (6 sells and 5 buys).

A representative from EBI reported that trading had been relatively quieter during October with the number of trades and volumes varying over the month. This volatility resulted from wind and temperature variations and pricing volatility at the NBP.

The Transporter indicated to its trading counterparty representatives at the Meeting that it would be seeking to purchase volumes of gas during the second week of December when it would be gassing up the 50 Kilometer twinning of the pipeline from Cluden to Brighthouse Bay.

3.6 AOB

The CRU referred to the ongoing Network Tariff Liaison Group consultation process. A draft Consultation Paper was to be considered by the CRU Commissioners that day and, if approved, would be published next week. There would follow an 8 week consultation period. It was envisaged that a workshop would be arranged for the afternoon of the next CMF meeting scheduled for 16 January 2019. This would be confirmed in due course. It was intended to publish the Tariff Model with the Consultation Paper but it might not be available until slightly later.

The Transporter, which was acting as Secretariat for the IBP Terms Mailing List, circulated Modification Rules for IBP 15 Trading Terms and Conditions to the Mailing List on 23 October stipulating that submissions in relation to this document were to be forwarded by COB on 21 December 2018. A Meeting of the List Members to consider the Modification Rules is provisionally fixed for 16 January 2019 (afternoon) at Ashling Hotel, Dublin and which may, for logistical reasons, be deferred. The finalised date will be notified to the Mailing List on 21 December.

The next CMF meeting would take place at the Ashling Hotel Dublin on Wednesday, 16th January 2019 starting at 10am.

At the end of the meeting the Transporter made a presentation on recent renewable natural gas developments. The slides for this presentation will be circulated to the CMF mailing list.

4 Open CMF actions

ID	Action	Responsibility	Date Raised	Delivery Date
C538	Transporter to continue consultation process surrounding intra-day nomination patterns and profiles	Transporter	06/12/2017	ongoing
C567	Transporter to carry out development work on its Website to make it more user friendly for Shippers	Transporter	8/8/2018	ongoing
C568	Transporter to carry out a review of its operational procedures in the event of system repair resulting in the issue of Restricted Capacity Day Notices to minimise Shipper supply restriction consequences	Transporter	26/9/2018	31/1/2019
C569	Transporter to carry out analysis of extent of Eirgrid Dispatches during Trading Platform Deadband and formulate scheme to process imbalance charge exemptions	Transporter	26/9/2018	28/11/2018
C571	Transporter to issue letters to Shippers indicating each respective credit position, issue Report to CRU, and settle each credit position through the Disbursement Account	Transporter	28/11/2018	31/01/2019

5 Calendar of meetings

CMF Date	Location
16 th January 2019 (Wednesday)	Dublin
27 th March 2019 (Wednesday)	Dublin
12 th June 2019 (Wednesday)	Cork
14 th August 2019 (Wednesday)	Dublin
16 th October 2019 (Wednesday)	Cork
11 th December 2019 (Wednesday)	Dublin

6. Attendees

	Name	Representing
1	Andrew Kelly	GNI
2	Kieran Quill	GNI
3	Paul Cooper	GNI
4	Paul Barnett	Manx Utilities
5	Richard Harper	Nephin
6	Vivion Grisewood	Aughinish Alumina
7	Mark Phelan	Electric Ireland
8	Terry Burke	Equinor
9	James Tyrell	ESB
10	Anthony Foody	EI
11	Kirsty Ingham	ESB
12	Dermot O’Kane	EBI
13	Brian McGlinchey	Vermillion
14	Bryan Hennessy	Naturgy
15	Diarmuid Murphy	Tynagh
16	Keith Deacon	Tynagh
17	Johnny Byrne	CRU
18	Jack O’Connell	Advisor to CRU
19	Sarah McCauley	CRU
20	Christiane Sykes(by Conference Call)	Shell
21	Kevin Murray (by Conference Call)	BGE