

Code Modification Forum

Minutes of meeting – 14 August 2019



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1 Standing Items

1.1 Approval of minutes of previous meeting

The minutes of the Code Modification Forum (“**CMF**”) Meeting of 16 June 2019 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the [14 August meeting](#).

1.2 Review of action items

The actions from the previous CMF Meeting of 16 June were reviewed and discussed.

The Transporter gave an update on open actions as per slide 4 of this [meetings presentation pack](#).

In relation to Action Item C567, the Transporter confirmed that all outstanding issues with uploading CMF material in a timely fashion onto the Website had been resolved. The Action Item would remain open and it was intended that it would be closed at the next CMF Meeting.

Action Item C568 would also remain open, at least until the next Meeting. The Transporter had prepared and furnished to the CRU a Restricted Capacity Day Report which dealt with the Goatsland to Curraleighwest pipeline remedial work and the notification and operational procedures involved. Arising out of this the Transporter has prepared an internal policy which highlighted the criticality of early identification of system impact on relevant end users, taking all reasonable effort to minimise such impact, and early and comprehensive Shipper notification.

The Transporter had intended to close Action Item C571 on the basis that it had issued and circulated the Shrinkage Gas Report and issued letters to all Shippers indicating their adjusted Disbursement Account credit positions. As one Shipper Representative had indicated it had not received its letter it was agreed to leave the Action Item open until the next Meeting.

In relation to Action Item C572, the Transporter confirmed that it was monitoring, on an ongoing basis, the initial 25% Tolerance for RNG Entry Point

Action Items C567, C568, C571 and C572 will remain open.

1.3 GNI Scheduled Maintenance Update

The Transporter referred to Slides 5 and 6 and confirmed that they were the same Slides presented at the previous CMF Meeting in June. There had been no change to the Transporters maintenance plans in the interim.

1.4 Brexit and ROI Gas Market – Discussion with Revenue in relation to post-Brexit Natural Gas Customs Declarations

The Meeting was addressed by Celine O'Neill and Paul Hearty from the Customs Section at the Revenue. They emphasised that there was no fiscal dimension to natural gas custom declarations as no tariff applied and their responsibility in this area was the EU requirement to safeguard the Single Market in declaring goods/ services emanating from outside the EU. The existing VAT arrangements would not change. They confirmed that a Safety and Security Declaration was not required. A Customs Declaration would have to be furnished on a monthly basis, and the Submitter would be obliged to show Customs, on inspection, the daily data which would inform the Declaration. The Submitter would have to obtain AEO status and would be awarded a registration number which would be referenced on returns. As there was no fiscal risk, it was suggested that indicative values could be ascribed to the individual gas volumes. They were sceptical as to whether existing Customs Agents would have the resources as at 31 October to offer this service to Shippers. Many of the larger companies they were dealing with were setting up their own in-house declaration systems. They emphasised that reporting arrangements would have to be in place by 31 October and in each sector, including the gas sector, they were encouraging a concentration of declaration submissions. They acknowledged that there would be teething problems and obviously they would be concentrating extremely stretched resources on tariff bearing imports.

A Shipper Representative suggested that the daily UK SAP price would be the relevant indicative value and as the Transporter had the daily gas volume transportation data and the daily SAP price it was ideally situated to make the custom declarations. This was supported by a number of Shipper Representatives. Mr. Hearty stated that while it was a decision for Transporter it would seem a practical solution, at least in the short to medium term, until circumstances, including the introduction of a tariff, changed the situation. The Transporter would obviously have to consider its position and take legal advice. He suggested that the Transporter should look into the status of indirect agent which would confer responsibility for the declarations on the respective Shippers as well as the Transporter. The Transporter could draft its own agreement on its terms for Shippers to sign if they wanted the service.

The Transporter responded that customs declarations were the responsibility of Shippers who were actually importing the gas but they would consider the declaration role suggestion, if necessary as a short term measure. They would circularise the Forum Mailing list with an email no later than Friday the 30th of August, giving an update of their consideration of the matter. In view of the timescale involved the CRU directed that this email should issue by COB on Wednesday next while noting that, at that stage, the Transporter might not be in a position to give any decision but merely update on its consideration.

2 Code Modification Proposals

2.1 A087 – New Framework for Suppliers in PPM Market

The Transporter referred to Slides 7 and 8 and indicated it would continue to update the Forum in relation to the progress of the PAYG Front Office Arrangements Working Group which was being organised via the GMARG. The Working Group charged with formulating an implementation strategy were having their second meeting on the following day, August 15.

2.2 A096 – Data Sharing Agreement/ A096A- Model Clauses to address a Hard Brexit

The Transporter confirmed that it had forwarded the required summary paper to the CRU with all Industry submissions appended. This paper had been circulated to both the GMARG and Code Modification Forum mailing Lists. The CRU confirmed that it was considering the paper. The Transporter referred to its recent initiation and circulation of Code Modification Proposal *A096A-Model Clauses to address a Hard Brexit*. The Transporter stated that in the event of a Hard Brexit information flows between it and United Kingdom based Shippers would not be covered by the data protection provisions under review in A096 and it was necessary to introduce and apply Model Clauses under a Model Clause Procedure. A Shipper Representative confirmed that its regulatory/legal division had reviewed the Model Clauses issued by the Transporter with the proposal and were satisfied that these were standard clauses used by the EU in the context of data protection/transfers with non-EU jurisdictions. The Transporter stressed the need for the implementation of this proposal in advance of 31 October 2019 and the interrelationship with A096. It was decided that any Shipper Submissions on A096A should be forwarded to the Transporter within two weeks of the meeting

2.3 A098 – Reduction of Capacity Overrun Multipliers and A097- Amendment of Final Allocation Dates at Exit Point

The Transporter confirmed that the consultation process for both the above Modification Proposals is complete and, in each case, a CRU Decision was awaited. In response to a Shipper Representative query the CRU stated it had no principle objection to either Proposal but they had to be signed off internally. It was expected that Directions would issue in advance of the next CMF Meeting.

2.4. Summary Status of Code Modification Proposals

The Transporter summarised the present position in relation to Code Modification Proposals. Presently there were four live Proposals and it was hoped that a Direction in relation to both A097 and A098 would issue in the near future. As soon as A097 and A098 were finalised the Transporter would release updated Code of Operations Version 5.03.

Number	Proposal	Proposer	Status
A087	New Framework for Suppliers in PPM Market	GNI	Under review
A096	Data Sharing Agreement	GNI	Under review
A096A	Model Clauses to address a Hard Brexit	GNI	Under review
A097	Amendment of Final Allocation Date from D+5 to M+5	GNI	Live/Legal Drafting
A098	Reduction of Capacity Overrun Multipliers	GNI	Live/Legal Drafting

Other Agenda Items

2.4 Shrinkage Gas Report

The Transporter confirmed that it had circulated the Shrinkage Gas Report as directed. The CRU confirmed that it had received two submissions from Industry in relation to the Report. A Shipper Representative stated that it was his understanding that Shrinkage Gas cost drivers and a consideration of the impact of the VRF tariffs on the Irish market would be considered at this meeting. He queried the calorific value used by the Transporter questioning if an average value across all zones was used which would result in incorrect charging of Shippers. The Transporter replied that the calorific value for the respective zones were used. The Shipper Representative requested further information on CV Shrinkage as outlined.

A Shipper Representative asked if the Disbursement Account Audit Report was available. The Transporter responded that an Executive Summary of the Report was available but it might not contain the data detail suggested.

The CRU stated that the matter will be considered at the Meeting on October 16 when the Meeting would consider; 1) the Shrinkage Gas Report and subsequent Industry Submissions, and, 2) what information should be made available to Shippers of Shrinkage Gas Costs in the context of the Tariff Network Code decision to charge Shrinkage Costs in the tariff in the gas year 20/21

2.5 Gas and Electricity Interaction

The Transporter stated that this was a placeholder slide to accommodate any presentations or initiatives that the Powergen Sector may wish to bring before the Forum particularly as the effects of the new I-SEM regime were beginning to materialise.

2.6 AOB Item No.1 – Application for LDM GFPS Tolerance Relief

The CRU asked the Transporter as to whether there had been any applications received from Shippers for LDM GFPS Tolerance Relief. The Transporter responded that one application was received and was being processed. The evidentiary proofs required by the Transporter were agreed with the Shipper in question. The relevant Shipper Representative confirmed that was the position and, while broadly welcoming the intent of the measure, questioned its efficacy and whether it had been sufficiently thought out before finalisation. The Powergen Sector was struggling to make accurate operational forecasts because of the indifferent accuracy of the indicative schedules it was receiving from Eirgrid. This point was seconded by another Shipper Representative and both stated that the proposed six month trial period was too short to draw any realistic conclusions. The CRU put an Action Item on Industry to forward to it submissions, with data, of their experiences in this area.

2.7 AOB Item No. 2 –CMF Personnel updates

It was announced by the CRU that Sarah McCauley was moving internally to another section and was thanked for her contribution to the Forum.

The next CMF meeting will take place at the Ashling Hotel Dublin on Wednesday, 16th October 2019 starting at 10:00.

3 Open CMF actions

ID	Action	Responsibility	Date Raised	Delivery Date
C567	Transporter to carry out development work on its Website to make it more user friendly for Shippers	Transporter	08/08/2018	16/10/2019
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	16/10/2019
C571	Transporter to circulate letters to Shippers indicating their adjusted Disbursement Account Credit positions arising from the Shrinkage Gas issue	Transporter	26/9/2018	16/10/2019
C572	Transporter to monitor on ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	Ongoing
C574	Shippers to forward Submissions to CRU of their post-I-SEM experiences of dead-band LDM capacity booking	Shippers	14/8/2019	16/10/2019

4 Calendar of meetings

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

5 Attendees

	Name	Representing
1	Kieran Quill	GNI
2	Stephen O’Riordan	GNI
3	Doug O’Brien	GNI
4	O. Bruno Larson	Gaslog/Inisfree
5	Colm O’Duibhir	GNI
6	Henk Kreuze	Vermillion
7	Richard Harper	Nepkin/Ceres
8	Aine Spillane	GNI
9	Roisin Heavin	Tynagh Energy
10	Kevin Murray	Bord Gais Energy
11	Kim Kennington	Manx Utilities
12	John Gardner	SSE
13	Martin Regan	Marex Spectron
14	Mike Ronan	Aughinish Alumina
15	Stephen O’Hare	GMO NI
16	Stephen English	GMO NI
17	Kirsty Ingham	ESB
18	David Horan	Aughinish
19	Jack O’Connell	Advisor to CRU
20	Nicholas Lincoln	Nepkin Energy
21	Sarah McCauley	CRU
22	Sean Mac An Bhaird	CRU
23	Jim Wynne	Electric Ireland
24	James Gallagher	Flogas
25	Mark Cosgrove	Equinor
26	Sean McParland	Energia
27	Stacy Feldman	SSE
28	Adam Torenc	Tynagh Energy
30	John King	DCCAE

31	Martin Quaid	BGE
32	Sinead Obeng	Gazprom
33	Philip Connolly	DCCA
34	Paul Hearty	Revenue
35	Celine O'Neill	Revenue
36	Ben Ades	Gazprom M&T
37	James Tyrell	ESB
38	Chris George	Gazprom
39	Bryan Hennessy	Naturgy
40	Keith Deacon	Tynagh Energy

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