

# Code Modification Forum

Minutes of meeting – 16 October  
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 14 August 2019 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the 16 October meeting.

## 1.2 Review of action items

The actions from the previous CMF Meeting of 14 August 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 acknowledged that there had been ongoing difficulties with uploading CMF material in a timely fashion onto the Website. These difficulties are now resolved and it was decided to close this Action Item.

Action Item C568 would be closed. The Transporter had developed, formulated and instigated notification and operational procedures from the Restricted Capacity Day Report arising out of the Goatsland to Curraleighwest pipeline remedial work in September 2019.

Action Item C571 would be kept open. The specific action of notifying each Shipper of their respective credit position had been carried out but the Transporter noted that there was Industry concern at the time span in settling each Shipper’s Disbursement Account position after the end of each Gas Year and the Action Item would be continued for this issue

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 Item C574 required Shippers to forward Submissions to CRU of their post I-SEM experiences of dead-band LDM capacity booking. The CRU confirmed that no such submissions had been received. The Transporter stated that there was only one claim under the LDM no tolerance exemption for power generators dispatched on by Eirgrid in the dead band period. The Transporter was satisfied with the paperwork submitted with the claim and had applied the tolerance. A Shipper Representative requested that, in the light of this successful claim, the Transporter would circulate a note specifying the supporting documentation required for such claim. The Transporter agreed to this request. The CRU informed the meeting that it had received a query from ACER regarding the limited tolerance regime still allowed in Ireland, one of only two countries in the EU still applying tolerances. While the CRU referred to Ireland’s rather unique, end-of-the-system position, it had to point out that the remaining tolerances were under review. It was clear that retention of such tolerances would require persuasive argument and it was in

the interest of Shippers in the power generation and Daily Metered sectors to respond to this consultation. The Action Item would remain open until the next Meeting but the CRU would expect to receive Submissions within the next three weeks.

Action Items C571, C572 and C574 will remain open.

### **1.3 GNI Scheduled Maintenance Update**

The Transporter referred to Slides 5 and 6 stating that the scheduled Emergency Shutdown (“ESD”) testing at the Corrib Terminal on 12 September had gone well. In relation to the Maintenance Programme for 2019/2020 the Transporter stated that it may combine the scheduled testing at Cappagh South and at the Corrib Terminal on 20<sup>th</sup> May 2020 and 9 September 2020 respectively to one date. It would notify the Forum as soon as a decision was made, The Transporter further stated that it was formulating a scheduled pipeline inspection programme for Q4 2020. It was intended that this inspection programme would not affect flows and Shippers would be advised well in advance. The terminal operator at Bellanaboy stated that the recent outages had been properly notified under the REMIT notification regime.

### **1.4 Brexit and ROI Gas Market**

The Transporter referred to the email from its Brexit Manager, Aine Spillane, which was circulated to the Forum List yesterday 15 October which stated that the Transporter still awaited an update from Irish Revenue to the interim custom declaration proposal and confirmed that the response from Revenue had not yet been received. The Transporter would update the Forum Mailing List of any development.

## **2 Code Modification Proposals**

### **2.1 A087 – New Framework for Suppliers in PPM Market**

The Transporter referred to Slides 8 and 9 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 making considerable progress in this matter and were having their third meeting on the following day, October 16.

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

The CRU confirmed its minded to email with attached legal drafting which was relayed to both the GMARG and CMF Mailing lists last Monday, 14 October which indicated that the CRU intended to issue a Direction for a modified version of the A096 Proposal together with the A096A Proposal which would be required for Brexit. The CRU indicated that it was intended to have the Direction signed at the end of this week. Any outstanding issues in the A096 Proposal would be the subject of further review.

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

The CRU stated that pending clarification of a small number of minor points it was expected that Directions in both Proposals would issue within the coming week

## 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 expected that Directions in relation to both A097 and A098 would issue in the near future together with A096A and a modified version of A096. At this stage the Transporter would release updated Code of Operations Version 5.03.

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

# Other Agenda Items

## 2.4 Shrinkage Gas Report

A Shipper Representative stated that a full discussion on the Shrinkage Gas Report and the subsequent two Submissions on the Report from Industry was expected at this Meeting. It had been expected that the Transporter would issue a response to the issues raised in the Submissions. Further while Industry appreciated being consulted on the Transporter's future Shrinkage Gas procurement strategy, particularly in the new tariff regime, it would be difficult to consider the possible procurement options without having some high-level indication of the existing purchase price parameters.

The CRU stated the entire matter of Shrinkage Gas both in terms of the requirement calculation process and its procurement strategy merited a full review at the next CMF Meeting on 11 December and directed the Transporter to set aside at least 30 minutes for Shrinkage Gas as an Agenda Item. Further the Transporter was to circulate discussion points for this Agenda Item before close of business next Friday, 18 October with a timeframe for the issue to the CRU of firstly, its Response to the Industry Submissions and secondly, details of the existing purchase price parameters which are in the public domain.

## 2.5 Gas and Electricity Interaction

The CRU repeated its comments in relation to Action Item C574 and stressed that it was in the interest of Shippers in the Power Generation Sector to make submissions in relation to the LDM dead band tolerance exemption which was coming under review.

## 2.6 GNI Vision 2050 Presentation

The Transporter presented to the Meeting its **Vision 2050: The future of the gas network in Ireland** – which sets out the Transporter's policy and strategy to achieve a Net Zero Carbon Network by 2050 by the development of four main pathways;

- 1) CNG/Bio-CNG,
- 2) Renewable Gas (Biomethane)
- 3) Abated Natural Gas(with CCS) and
- 4) Hydrogen.

At a subsequent question and answer session the Transporter stated that it would shortly be submitting to the Department of Communication, Climate Change and Energy (DCCAE) a position paper which would include a Renewable Gas support scheme proposal.

## **2.7 RGFI- Virtually Integrated Business Case for Biomethane Presentation**

This Presentation was given by PJ McCarthy of the Renewable Gas Forum of Ireland who spoke to the slides presented and emphasised the importance of the inclusion in the final version of the National Energy and Climate Plan 2021-2030, which is to be completed and submitted to the European Commission by 31/12/2019, of a support scheme for Renewable Gas and RGFI would appreciate the support of all Industry stakeholders in their communications with the DCAAE.

## **2.8 GNI Presentation on TLS1.1 Security Protocol withdrawal**

The Transporter presented Slides 17-20 in relation to its intended withdrawal of Transport Layer Security version 1.1., a cryptographic protocol that provides end-to-end communications security over networks allowing Shippers and other Transporters communicate securely with the Transporters IT systems. The Transporter is now shutting down TLS1.1 and from December 2020 will only support connections that use TLS1.2 or TLS1.3 protocols, with the latter the preferred option. The Transporter urged the Industry attendees to bring these Slides to the attention of the relevant departments in their organisations.

## **2.9 AOB Item No.1 – Review of VRF Tariff**

The Transporter stated that there had only been one capacity VRF booking since the introduction of the tariff on 1 October. The CRU indicated that it was monitoring the effect of the tariff and had requested relevant data from the Transporter. This data would in due course be circulated to Industry

## **2.10 AOB Item No. 2 –Recent Nomination Behaviour**

The Transporter introduced Slides 22 to 26 which dealt with two incidents of unsatisfactory Nomination behaviour on the part of two Shippers during the recent outage at Bellanaboy which were categorised by the Transporter as not of great magnitude but in breach of Shipper obligations under the Code of Operations. The Transporter detailed the applicable pricing on the days in question which provided an incentive, albeit a small incentive, for Shippers to neglect to nominate and buy system gas and so avoid paying the daily capacity charge. The Transporter was concerned that this incentive would continue in the winter /shoulder months where there was no trade on the platform to give an IBP base price and was preparing a report for the CRU in the matter. A modification proposal which would include the cost of daily capacity to the cash out price was being considered

A Shipper representative pointed out that the Transporter could itself go on the platform and should use this as a disincentive tool. The Transporter acknowledged this but stated that this demanded further

trading market expertise from grid operators and was, to an extent, facilitating bad nomination behaviour. The Shipper Representative stated that due to the VRF tariff one could see a contrary scenario where there may be a Shipper trader incentive to let the system long. Finally the Shipper Representative queried the legal interpretation of the Code obligation of Shippers to “use reasonable endeavours” to balance their portfolios over a Gas Day. He stated that this standard was inserted when the ZIP regime applied and should now be reviewed by the Transporter.

The Transporter stated that, as soon as the updated Version 5.03 of the Code issued, it was starting a review of the entire Code with a view to removing now potentially superfluous, irrelevant or redundant text and any input in this matter from Shippers would be most welcome.

The CRU stated that it was designating the submission of the Report from the Transporter an Action Item and welcomed submissions from Industry on this nomination behaviour and potential disincentive measures. Such submissions should be received by the CRU by COB on Friday, 8 November.

### **2.11 AOB Item No. 3 – 2019 Emergency Exercise Arctic Update**

The Transporter presented Slides which detailed the Emergency Exercise which took place on 2<sup>nd</sup> and 3<sup>rd</sup> October. The Transporter, as the National Gas Emergency Manager, ran the exercise in tandem with the NEC and it simulated an emergency response to a supply failure during extreme cold weather over a four day period. The Exercise involved all Irish gas shareholders and a feedback request issued this week to the stakeholders. The Transporter urged all relevant stakeholders present to respond to this feedback request which would inform the subsequent Exercise Report.

### **2.12 AOB Item No. 4 – Gas Quality Update to CMF**

The Transporter presented three slides updating the Meeting updating the position. The study being carried out in the UK by the IGEM Gas Quality Working Group, which the Transporter was monitoring, was behind in its specified timelines. In relation to the recent minor change to the gas quality specification for biomethane the Transporter was confident that its’ monitoring of any effect on the distribution system would be completed before the injection of this gas into the transmission system. A Shipper Representative reported Industry dissatisfaction at the pace and transparency of the IGEM study and urged all stakeholders to continually monitor and, where relevant, make representations to the study.



The next CMF meeting will take place at the Ashling Hotel Dublin on Wednesday, 11th December 2019 starting at 10.00pm

**Open CMF actions**

ID	Action	Responsibility	Date Raised	Delivery Date
<b>C571</b>	Transporter to examine timespan in settling each Shippers Disbursements Account position after the end of a Gas Year	Transporter	26/9/2018	11/12/2019
<b>C572</b>	Transporter to monitor on ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	Ongoing
<b>C574</b>	Shippers to forward Submissions to CRU of their post-I-SEM experiences of dead-band LDM capacity booking	Shippers	14/8/2019	8/11/2019
<b>C 575</b>	Transporter to forward to CRU report on unsatisfactory IP Nomination behaviour during the outage at Bellanaboy during late September/early October 2019	Transporter	16/10/2019	1/11/2019

### 3 Calendar of meetings

CMF Date	Location
<del>16<sup>th</sup> January 2019 (Wednesday)</del>	<del>Dublin</del>
27 <sup>th</sup> March 2019 (Wednesday)	Dublin
12 <sup>th</sup> June 2019 (Wednesday)	Cork
14 <sup>th</sup> August 2019 (Wednesday)	Dublin
16 <sup>th</sup> October 2019 (Wednesday)	Cork
<b>Next Meeting</b> 11 <sup>th</sup> December 2019 (Wednesday)	Dublin

## 4 Attendees

	Name	Representing
1	Andrew Kelly	GNI
2	Kieran Quill	GNI
3	Ike Udobi	GNI
4	Cian Fitzgerald	Energia
5	Brian McGlinchey	Vermilion
6	Kevin Murray	BGE
7	Vivion Grisewood	Aughinish Alumina
8	Bryan Hennessy	Naturgy
9	Mark Phelan	Electric Ireland
10	Sinead Obeng	Gazprom
11	Chris George	Gazprom
12	James Gallagher	Flogas
13	Nicholas Lincoln	Nepkin Energy
14	Martin Regan	Marex Spectron
15	Stephen O'Hare	GMO NI
16	Tom Hegarty	GNI
17	Kirsty Ingham	ESB
18	Stacy Feldmann	SSE
19	Richard Harper	Nepkin Energy
20	Peter Colleran	Nepkin Energy
21	Keith Deacon	Tynagh Energy
22	Sean Mac An Bhaird	CRU
23	James Tyrell	ESB
24	Johnny Byrne	CRU
25	Mark Cosgrove	Equinor
26	Guneet Kaur	CRU
27	Anders Nicolaysen	Equinor
28	Anna Gilmore	Shell
29	Caroline Carosa Criado	Shell
30	Ian O'Flynn	GNI

