

Code Modification Forum

Minutes of meeting – 27 March 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 January 2019 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the [March 27 meeting](#).

1.2 Review of action items

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

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

The Transporter stated that it proposed to close Action Item C538. It would continue to monitor intra-day nomination patterns and profiles but at the previous CMF Meeting it had withdrawn Code Modification Proposal A086 from the Code Modification Forum Proposal List. For the indefinite future it would treat breaches of proper nomination behavior on an individual Shipper basis.

In relation to Action item C567, the Transporter indicated that it would give an up to date report on the Website development work at the next CMF Meeting on 27 March

In relation to Action Item C568, the Transporter reported that it had completed and forwarded a Restricted Capacity Day Report in relation to the recent Restricted Capacity Days affecting the Cork area, specifically LDM customers downstream of the Upper Aghada and Ardrabeg AGIs to the CRU. The Report was noted by the CRU and would now be sent to the affected Shippers. A redacted version of the Report would be circulated to Industry in due course.

In relation to Action Item C569, the Transporter reported that it had taken part in a Workshop with Eirgrid on Friday 26 January when all ongoing Eirgrid Dispatch difficulties being experienced by the Powergen sector, including the prevalence of Dispatches during the dead band periods, were discussed. The Transporter was taking part in a short follow up meeting later in the afternoon to finalise its analysis and, on that basis, it proposed to close this Action Item.

In relation to Action Item C571, the Transporter confirmed that it had sent a report on the matter to the CRU and would report further in relation to Agenda Item 12.

In relation to Action Item C572, the CRU is proposing to introduce an initial 25% Tolerance for RNG Entry Points in connection with Code Modification Proposal A094 which would be subject to a review after six months. On that basis it was proposed to close this Action Item.

In relation to Action Item C573, the Transporter had considered the question of Exit Capacity Overrun Charges. It was reporting on the matter at Agenda Item 8 and would be proposing a new Action Item C574 in substitution for C573.

Action Items C567, C568 and C571 and C574 will remain open.

1.3 GNI Scheduled Maintenance Update

The Transporter updated the forum that there were no reported works from Upstream Operators. Slide No.6 which detailed the 2018/2019 Maintenance Programme referred to testing and validation work at Cappagh South originally scheduled for 7 March 2019 was now being deferred and combined with the proposed ESD testing on 12 September 2019. It was reported that the planned maintenance on the odorant injection system at Inch on 9 May, may be deferred due to contractor availability. It was not expected to take longer than one hour. The intended testing at the Beattock and Brighthouse Bay compressor stations on 4 July 2019 was not expected to take longer than six hours and should not affect flows,

The Transporter advised on behalf of the Bellanaboy Terminal Operator that notifications in relation to both its' planned and unplanned maintenance activities were being published on its REMIT portal.

<https://www.vermilionenergy.com/our-responsibility/remit-information/remit-ireland.cfm>

2 Code Modification Proposals

2.1 A087 – New Framework for Suppliers in PPM Market

The Transporter referred to Slides 6 and 7 and indicated it would continue to update the Forum in relation to the progress of the PAYG Front Office Arrangements Working Group.

2.2 A096 – Data Sharing Agreement

The Transporter referred to Slides 8 and 9 which detailed the progress in this matter and the proposed further joint GMARG/CMF teleconference circa 9 April 2019

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

The Transporter reported that the legal drafting in relation to both Code Modification Proposals was circulated to the CMF Mailing List on 1 March 2019 and there was a subsequent teleconference on 13 March 2019. The Minutes of the teleconference were circulated to the Mailing List. Aside from a minor number of typographical amendments the only material change to the drafting was a proposal by the CRU to increase the tolerance at RNG Entry Points to 25%. The rationale behind that proposal was to provide a soft-landing for this relatively immature technology. This tolerance level would be kept under review, with consideration of such matters as the increase in expertise on the part of the Transporter and Operators in the operation of RNG plant.

A Shipper Representative queried the LDM GFPS Tolerance window suggesting that it should start at 00:30 and sought further clarification on the application process for this Tolerance. The Transporter responded that the 01:30 to 05:00 window had been specified in the minded to position presented to the CMF Meeting in November 2018 by the CRU, after consultation with the Transporter and Shippers and latterly with ACER. The CRU had indicated this was a proposed trial measure and its effectiveness and appropriateness would remain under review. In relation to its operation, the Transporter stated that it would be involved later that day in a meeting with Eirgrid after which it would finalise the LDM Gas Fired Power Station (GFPS) Tolerance Application Process. The Shipper Services Manager would communicate the Application Process to Shippers. The CRU indicated that the Directions and associated Rationales for both Code Modification Proposals would issue later in the week in advance of the 1 April 2019 implementation date.

ID	Action	Responsibility	Date Raised	Delivery Date
C574	Transporter to finalise and circulate the LDM GFPS Tolerance Application Procedure and circulate it to Shippers	Transporter	27/03//2019	30/04/2019

2.4 A097 –Amendment of Final Allocation Dates at Exit Points

The Transporter stated that this Proposal, to amend the Final Allocation Date in respect of Exit Points from D+5 to M+5, had been through the review process with all queries concerning its operation answered and the Transporter was now requesting the CRU to issue a formal implementation Direction. A Shipper Representative repeated its original query as to whether this amendment could be extended to Entry Points. The Transporter responded that allocation adjustments at Entry Points could be dealt

with under OBAs but if any Shipper wished to initiate a Code Modification Proposal amending the Final Allocation Date for Entry Points, it would receive a considered response from the Transporter.

2.5 A098 – Reduction of Capacity Overrun Multipliers

The Transporter presented this Proposal which it issued on 26 February 2018, wherein the Overrun Multiplier of eight times the applicable Daily Capacity Charge would be reduced to four times the Charge.

The Transporter considered this a fair and equitable measure, which it has proposed in response to Shipper appeals. The Transporter stated that it was making this proposal in light of what could be perceived as the penal nature of the charges particularly in the shoulder and winter periods while keeping the Overrun Multiplier at a level that would incentivise Shippers across the Industry to book adequate capacity on the network.

Representations have repeatedly been made by Shippers in the gas-fired power generation sector who maintain that they may not have time to react to short-term unpredictable Eirgrid instructions late at night.

A Shipper Representative pointed out a discrepancy between the latest time short-term Entry and Exit Capacity are available for purchase, resulting in a greater exposure for Shippers going into overrun on the Entry side. They suggested that there would be differentiated overrun multipliers for Entry and Exit, such as two times the Daily Capacity Charge for Entry and four times for Exit.

The Transporter responded that it had to run its network system as efficiently as possible and while it recognised the difficulties that the gas fired power generation sector may occasionally have in relation to Eirgrid instructions that was fundamentally a matter between the sector and Eirgrid. The Transporter could only agree to such measures that would ameliorate their difficulties, it needs to consider the broader implications and could not compromise its incentives to Shippers to book adequate capacity for their requirements. The Transporter was requesting the CRU to approve A098 as proposed.

It would discuss the timing of capacity purchase with the particular Shipper Representative but highlighted that the timing of Capacity Auctions at the Moffat IP were consistent with all other IPs throughout Europe in line with the CAM Network Code.

2.6 Summary Status of Code Modification Proposals

The Transporter summarised the present position in relation to Code Modification Proposals. Presently there were six live Proposals and at least two, A094 and A095, were being removed from the Code Modification Proposal List after this Meeting.

Number	Proposal	Proposer	Status
A087	New Framework for Suppliers in PPM Market	GNI	Legal Drafting
A094	Changes to Shipper Portfolio Tolerances	GNI	Approved
A095	Adjustment to Daily Imbalance Charges	GNI	Approved
A096	Data Sharing Agreement	GNI	Live
A097	Amendment of Final Allocation Date from D+5 to M+5	GNI	Live
A098	Reduction of Capacity Overrun Multipliers	GNI	Live

3 Other Agenda Items

3.1 Brexit and ROI Gas Market

Aine Spillane, the Transporter's Brexit Programme Manager, spoke to the Meeting confirming the Transporter's expectation that there would be no disruption to gas supplies from the United Kingdom even in the event of a hard Brexit. The Transporter had been instructed by the Department of Communication, Climate Action and Environment not to enter into negotiations with UK statutory bodies but the Transporter had agreed memorandums of understanding with National Grid confirming mutual agreement of the effect of the existing Agreements in relation to the Moffat Interconnection Point in a post-Brexit scenario.

The UK has stated that there would be no tariff on gas transported from UK to ROI but Irish revenue has indicated that it may be necessary for Shippers to make customs declarations on the UK side with regard to such gas transportation. Revenue was examining the position - it would have low priority in their current Brexit review because no duty would be payable. The Transporter undertook to update Shippers through the CMF Mailing List of any developments/decisions that they were aware of in this area.

3.2 Gas and Electricity Interactions

There was a Meeting discussion in relation to this standing Agenda Item. A Shipper Representative commented that I-SEM had now been in force for six months and its effects were beginning to crystallize. In the event of a Brexit scenario greater flexibility of the intra-day market might be required.

3.3 Shrinkage Gas update

The Transporter reported that advices to Shippers in relation to their respective credits had issued. A detailed report on the issue, stipulated by the CRU, was submitted to the CRU. The annual audit of the Disbursements Account had been completed and the relevant credits to Shippers would issue in due course. An ongoing internal review of Shrinkage Gas processes was continuing.

The CRU confirmed that it was reviewing a shrinkage Report submitted by GNI and would be engaging with the Transporter in relation to it. It is expected that an update would be provided on this matter before the next CMF Meeting

3.4 GNI Presentations in relation to Renewable Natural Gas

There were three separate aspects to the above Presentation.

Firstly the Transporter presented (Slides 17 – 27) on the Cush BNEF and its Connection Policy for Renewable Natural Gas.

Secondly, the Transporter presented (Slides 28- 38) on the development of a Biomethane Certificate within the Green Gas Certification Scheme and,

Thirdly, Ann Fingleton of Fingleton White Consultants, presented on the up to date situation regarding Renewable Natural Gas development in Ireland (separate slide pack).

3.5 GNI Presentation on the Cluden – Brighthouse Bay Pipeline

The Transporter made a presentation to the Meeting (Slides 39-55) in relation to the Cluden to Brighthouse Bay pipeline twinning project

3.6 GNI Presentation on the Physical Reverse Flow at Moffat Study

The Transporter made a presentation to the Meeting (separate slide pack) In relation to the *PCI 5.1.1 Physical Reverse Flow at Moffat Interconnection Point (IE/UK)* – a comprehensive multi-disciplinary study of aspects of the proposed project to facilitate reverse flow between Scotland (Moffat) and RoI. The Transporter confirmed that a relevant Market Test would be issuing to Industry in mid-April.

3.7 AOB Item No.1 – Proposed Typographical and Textual Changes to Code of Operations in advance of updated Version 5.03

The Transporter confirmed that it would be releasing an updated Version 5.03 of the Code of Operations in May incorporating all the legal drafting for accepted Code Modification Proposals since the existing version was published. The Transporter was taking the opportunity to insert textual and typographical changes as well as updating the current title of the CRU. The Transporter had circulated the proposed amendments in advance of the Meeting to Shippers and the CRU and intended to include these amendments in the new Version.

3.8 AOB Item No. 2 - Gas Quality – Wobbe Index Increase

The Transporter referred to Slides 60 and 61 which it had presented to the previous CMF Meeting in January. The Transporter stated that it would present a progress report at the CMF Meeting on 12 June and welcomed any comments/ contributions from Industry. The Transporter contact is Gearoid Hayes (Gearoid.Hayes@gasnetworks.ie).

3.9 AOB Item No.3 – Administrative Procedures at the Bellanaboy Entry Point

The Transporter referred to the change of Connected Systems Operator at the Bellanaboy Entry Point from Shell E&P Ireland Limited to Vermilion Exploration & Production Ireland Limited and to the Code provision allowing the agreement of administrative procedures at an Entry Point between the Transporter and the Connected Systems Operator including notification of the Shippers entitled to book capacity at an Entry Point. The Transporter confirmed that Vermilion had notified it of the current list of Bellanaboy Shippers which would be the only Shippers entitled to book Bellanaboy Entry Capacity on GTMS.

3.10 Upcoming Transporter presentations

At the June or subsequent Meeting it is intended to include:

- A workshop on I-SEM and Electrification Pathways
- A presentation on Carbon Capture and Storage

The next CMF meeting will take place at the Clarion Hotel Cork on Wednesday, 12 June 2019 starting at 10.30am.

4 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	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	ongoing
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	26/9/2018	12/6/2019
C574	Transporter to finalise and circulate the LDM GFPS Tolerance Application Procedure and circulate it to Shippers	Transporter	27/3/2019	12/6/2019

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Calendar of meetings

CMF Date	Location
16th January 2019 (Wednesday)	Dublin
27 th March 2019 (Wednesday)	Dublin
Next Meeting 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	Tom Hegarty	GNI
4	Jason Hannon	GNI
5	Brendan O’Riordan	GNI
6	Sean McParland	Energia
7	Ann Fingleton	Fingleton White
8	Aine Spillane	GNI
9	Paul Hoey	Electric Ireland
10	Kevin Murray	Bord Gais Energy
11	Stephen English	GMO NI
12	Paul Barnett	Manx Utilities
13	Derek Scully	Energia
14	Nicholas Lincoln	Nepkin Energia
15	Christiane Sykes	Shell Energy
16	Chris George	Gazprom
17	Kirsty Ingham	ESB
18	Killian Morgan	ESB
19	Richard Harper	Nepkin Energy
20	Brian McGlinchey	Vermilion
21	Keith Deacon	Tynagh Energy
22	Bryan Hennessy	Naturgy
23	Dermot O’Kane	Energy Broking Ireland
24	Peter Colleran	Nepkin Energy
25	Jack O’Connell	Advisor to CRU
26	Sarah McCauley	CRU
27	Seán Mac an Bhaird	CRU
28	Fergus Devine	William Fry Solicitors

29	David Horan	Aughinish
30	Justin Maguire	Bord na Mona
31	Lisa Walsh	GNI
32	Catherine Philpott	GNI
33	Robert Flanagan	Ervia
34	Tom Lyons	GNI