

# Code Modification Forum

Minutes of Teleconference – 17 June  
2020



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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 25 March 2020 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the 17 June teleconference.

## 1.2 CRU Update re Impact of Covid 19

The CRU reported that it was continually monitoring its processes to ensure, in so far as possible, its work outputs were unaffected. It continued to liaise with the Transporter and Industry during this period to sanction measures, such as the non-disconnection of domestic customers. Its normal regulation activities continued and the publication of the recent tariff paper was referenced. The CRU was always available to consider any stakeholder Covid 19 contingency concerns.

## 1.3 Review of action items

The actions from the previous CMF Meeting of 25 March were reviewed and discussed

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

**Action Item C572** would remain open, the Transporter confirmed that it would monitor, on an ongoing basis, the initial 25% Tolerance for RNG Entry Point.

**Action Item C575**, which requires the Transporter to furnish data to the CRU in connection with a review of SPC Settings for CNG Offtakes, would remain open

Action Items C572 and C575 would remain open.

## 1.4 GNI Scheduled Maintenance Update

The Transporter referred to Slide 6 which mirrored the Maintenance slide at the January meeting with the exception of the proposed work at Inch which is ceasing production on 30 June, where the Transporter indicated that it was co-ordinating its planned maintenance programme with planned operator shutdowns at Ballanaboy.

The Transporter also referred to slide 7 which specified the planned maintenance at Bellanaboy for the Gas Year 2020/2021. These activities may be subject to change to align with planned Corrib Operator maintenance to ensure no disruption to flows.

## **1.5 Gas Quality Update**

The Transporter, referring to Slides 10 to 14, gave a presentation to the meeting in relation to the present position with regard to the proposed UK Gas Quality specification update which includes expanding the WOBBE limits, increasing the oxygen limit to 1% (molar) for system pressures < 38 bar, and replacing the incomplete combustion and sooting factors with a Relative Density limit of 0.7.

The Transporter referred to related studies which confirm that the proposed changes are safe but acknowledge that the widened WOBBE range will present challenges to operation of gas turbines, sensitive process-industries and to industrial and commercial boilers. The Transporter pointed out that because of the configuration of the Irish network, Moffat gas, which will be the subject of this quality change, is the supply source for the Greater Dublin Region and Shippers with substantial customer presences in this area, should, in particular, research any consequent challenges for their customers. The Transporter was more than willing to deal with any Industry queries which should be directed to Market Development who would refer on such queries internally as appropriate.

A Shipper Representative noted that it considered these quality change proposals to be acceptable but expressed concern that the new quality standard review regime would give Shippers less opportunity to stringently review any subsequent proposed changes

## **2 Code Modification Proposals**

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

The Transporter reported that since the last meeting the proposed contractual documentation underpinning the new arrangements had been submitted for review to the Front Office Service Providers and had received broad acceptance. A few issues had still

to be resolved but it was hoped that by the next meeting they would be finalised and the legal drafting for the Code of Operations could be circularised

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

The Transporter reported that A096 would remain under review. Its position remained that most of the provisions of the Proposal were included in the recent composite legal drafting for A096 and A096A now incorporated in the new version of the Code of Operations.

### **2.3 A100 – Code of Operations amendment provisions to enable the offtake of Natural Gas at Haynestown, County Louth from the South/North Pipeline**

The CRU confirmed that it had approved the Modification and expected the Direction/Rationale to issue imminently. The Transporter stated that this was a transmission system operator to operator agreement and would have no effect on Shipper arrangements.

### **2.4 A101- Amendment to Code of Operations to facilitate the extension of the Daily Capacity Booking Window**

The Transporter referred to the Industry response to the Proposal and to what implementation option, if any, was favoured. The majority response favoured Option D (implicit allocation) as the enduring option with Option C (reduction of the Exit Capacity Multiplier from 4 to 1) and Option B (extension of Booking Window to D+X) as the favoured interim measures.

In response the Transporter stated that Options D and C, which affect the incentives for Shippers to manage/optimize their capacity booking strategies, should be reviewed as part of a broader CRU consultation relating to seasonal multipliers which is required by the EU Network Code on Tariffs. As an interim measure it offered to extend the existing Booking Window from 03:00 hrs. to 04.45 hrs.

A Shipper Representative expressed disappointment with the Transporter response stating that any interim measure should at least extend the Booking Window beyond the Gas Day in question and should substantially reduce the Multiplier if not down to 1. Another Shipper Representative commented that the Transporter's proposed interim

measure was of no benefit to smaller Shippers who did not have 24 hour operations desks.

The CRU stated that it was still considering its response to the proposal itself and whether or not it was a stand-alone issue or one which would be part of the specified Tariff Network Code Article 28 review process. The matter had to be reviewed internally at the CRU with perhaps consultation with other European Regulators. The matter would be fully discussed at the next CMF Telco and, in the interim, the CRU directed the Transporter to circulate the Mailing List to query Shippers whether they wished that Transporter's Booking Window extension offer be implemented as an interim measure.

## **2.5 A102- Amend Code of Operations to facilitate GNI Procurement of Shrinkage Gas on Trading Platform**

This Proposal had been approved by the CRU and the Transporter referred to Slide 22 which detailed its market trading on 10 June where it secured its baseload Shrinkage Gas requirements for the Gas Year 2020/21. A Shipper Representative congratulated the Transporter on this development and queried whether, in due course, the Transporter could disclose the identity of the trading counterparty/s involved. The Transporter doubted whether it could disclose this information without the prior consent of such counterparty/s but would review the relevant contractual documentation and revert. The anonymised details of the trade/s would, in any event, be uploaded on the Transparency Platform. The CRU confirmed its approval of the Proposal and complimented the Transporter on last week's trading initiatives.

## **2.6 A103- Changes to Shipper Portfolio Tolerances**

The CRU had proposed and now presented this Proposal which was required to comply with the provisions of the Balancing Network Code which prohibits the application of tolerances as an interim measure where Network Users do not:; a) have a short term wholesale gas market with sufficient liquidity, b) have access to gas required to meet short term fluctuations in gas supply, or c) have sufficient information regarding inputs /offtakes.

In compliance with this obligation all tolerances with the exception of the LDM GFPS Tolerance, the NDM forecast tolerance and the DM Exit Tolerance were removed in Gas Year 2019/20 with a proviso that these tolerances would remain under review. After recent discussions with ACER the CRU could not, given the liquidity position of the Marex

Spectron Trading Platform and the development of GNI Transparency Platform, defer the removal of the existing tolerances beyond the end of the current Gas Year.

A Shipper Representative expressed disappointment with this decision contending that the Irish Gas Market had specific features which justified the retention of the tolerances. A further Shipper Representative pointed out to the meeting that a Shipper with a large percentage DM portfolio would be disproportionately affected by the removal of the DM Exit Tolerance and referenced one of the four options considered in relation to the previously discussed A101 which was the reduction of the Exit Capacity Overrun Multiplier from 4 to 1.

## 2.7 Summary Status of Code Modification Proposals

The Transporter summarised the present position in relation to Code Modification Proposals. There were now five live current Modification Proposals.

Number	Proposal	Proposer	Status
<b>A087</b>	New Framework for Suppliers in PPM Market	GNI	Live /Implementation process review
<b>A096</b>	Data Sharing Agreement	GNI	Under Review/Legal Drafting for part finalised
<b>A099</b>	CNG Supply Point Capacity Setting	GNI	In abeyance
<b>A100</b>	Provisions for offtake of Natural Gas at Haynestown, County Louth from the South/North Pipeline	GNI	Approved/Instruction to issue
<b>A101</b>	Extension of Daily Exit Capacity Booking Window	ESB	Live/ Under review
<b>A102</b>	Facilitate GNI procurement of Shrinkage on Trading Platform	GNI	Completed

Number	Proposal	Proposer	Status
A103	Changes to Shipper Portfolio Tolerances	CRU	Approved/Instruction to issue

## 3 Other Agenda Items

### 3.1 Update from GNI European Affairs Team

The GNI European Affairs Team made a presentation to the meeting referring to Slides 26 to 34 detailing the team personnel, their brief, the EU gas association bodies, the current main policy developments and policy initiatives and the EU Commission work Programme 2020. Finally they gave a Market Intelligence review as at June 2020

### 3.2 Gas and Electricity Interaction

The Transporter referred to the CRU decision to end the LDM dead band tolerance exemption which had been under continual review. The Transporter also noted the introduction of Code Modification Proposal A101-*Proposed extension of Daily Exit Capacity Booking Window* which was mainly a concern of the PowerGen Sector

### 3.3 Any Other Business

A Shipper Representative queried whether there was a Brexit update from the Transporter. The Transporter responded that there had been no development since the last meeting, the situation was being constantly monitored, and if participants had any queries then they should forward them to Aine Spillane, Brexit Manager at [aine.spillane@gasnetworks.ie](mailto:aine.spillane@gasnetworks.ie)

A Shipper Representative raised the question of the obligation in the Code of Operations requiring Shippers to use reasonable endeavours to remain in balance and whether the Transporter had obtained legal advice regarding the current interpretation of this criteria and whether the Transporter might consider having it deleted. The Transporter replied that it accepted that the provision was a construct from the old balancing regime and now had limited value as an enforcement measure. Nevertheless the Transporter had decided to leave it in the Code as it reflected the Transported view of network system operation requirements.

The Transporter referred to the GNI Transmission and Distribution Tariffs for Gas Year 2020/21 and the National Grid Transmission Charges which were circulated to the Mailing List on June 5.

## 4 Open CMF actions

ID	Action	Responsibility	Date Raised	Delivery Date
<b>C572</b>	Transporter to monitor the ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	Ongoing
<b>C575</b>	Transporter to furnish required data to CRU in connection with tariff review in relation to Supply Point Capacity Settings	Transporter/CRU	25/3/2020	Ongoing

## 5 Calendar of meetings for 2020

CMF Date	Location
<b>29<sup>TH</sup> January 2020 (Wednesday)</b>	Dublin
<b>25<sup>th</sup> March 2020 (Wednesday)</b>	Dublin
<b>17<sup>th</sup> June 2020 (Wednesday)</b>	Cork
<b>19<sup>th</sup> August 2020 (Wednesday)</b>	Dublin
<b>21<sup>st</sup> October 2020 (Wednesday)</b>	Dublin
<b>16<sup>th</sup> December 2020 (Wednesday)</b>	Dublin

## 6 Attendees

	Name	Representing
1	Andrew Kelly	GNI
2	Kieran Quill	GNI
3	Ike Udobi	GNI
4	Aine Spillane	GNI
5	Brian McGlinchey	Vermillion
6	James Tyrell	ESB
7	Richard Harper	Nephin Energy
8	Martin Reagan	Marex Spectron
9	Kirsty Ingham	ESB
10	Bryan Hennessy	Naturgy
11	Sean Mac An Bhaird	CRU
12	Johnny Byrne	CRU
13	Christina Sykes	Shell
14	David Horan	Aughinish
15	James Tyrell	ESB
16	Keith Deacon	AXPO
17	Kirsty Ingham	ESB
18		

<b>19</b>	Mark Phelan	Electric Ireland
<b>20</b>	Sinead Obeng	Gazprom
<b>21</b>	Stephen English	GMO-NI
<b>22</b>	Diarmuid Murphy	Tynagh
<b>23</b>	Paul Hoey	Electric Ireland
<b>24</b>	James Gallagher	Nepkin
<b>25</b>	Brian Hennessey	Naturgy
<b>26</b>	Nicolas Lincoln	Nepkin
<b>27</b>	Peter Colleran	Nepkin
<b>28</b>	Sean McParland	Energia
<b>29</b>	Chris George	Gazprom
<b>30</b>	Paul Barnett	Manx UA
<b>31</b>	Kieran O'Sullivan	GNI
<b>32</b>	Stephen O'Riordan	GNI
<b>33</b>	Michael Crowley	GNI