



Gas
Networks
Ireland

Code Modification Forum

Telco/Webex,

Wednesday, 25th March 2020

Agenda

1. Review of minutes from last meeting
2. Review of open actions
3. Update on Maintenance Activities
4. Brexit and ROI Gas Market (for mention)
5. Code Modification Proposal A087- New Framework for Suppliers in PPM Market (for mention)
6. Code Modification Proposal A096/A096A – Data Sharing Agreement/Model Clauses to address a Hard Brexit (for mention)
7. Code Modification A099- CNG Supply Point Capacity Setting
8. Code Modification A100- Offtake Provisions at Haynestown, Co. Louth from South North Pipeline
9. Code Modification A101- Extension of the Daily Booking Window
10. Status of Code Modification Proposals
11. Shipper IP Nomination Behaviour
12. GNI Shrinkage Gas Procurement discussion
13. Gas and Electricity Interaction
14. AOB Items/ Meeting Schedule for 2020

Covid – 19 – GNI Update on operations

- **Wholesale Market Developments**

- Regular engagement with domestic production operations and adjacent TSOs
- Shippers nominating in a timely manner and no supply issues envisage in a well supplied market

- **Retail Market Developments**

- GNI has deployed its retail incident management plan and 5 calls have been held with industry including Tuesday.
- No shipper (credit) locks for domestic customers to take place until further notice
- Emergency credit threshold has been increased from 10 euro to 100 euro and took effect in shop terminals with effect from Tues 17th March.
 - Please note given the nature of the PAYG solution, the gas card for a PAYG Meter must be brought to one of the designated retail outlets around the country to receive the message/upgrade to the emergency credit threshold
 - We have also produced guides for people where they are assisting a neighbour / family member who is in self-isolation and has a PAYG meter, the guide advises how the neighbour/family member can top up the meter.
- Non-essential internal operations activities are suspend and only meters external to premises will be read
- <https://www.gasnetworks.ie/corporate/news/active-news-articles/covid-19-update/>

1. Review of minutes from last meeting

- Minutes of CMF meeting of [29 January 2020](#) were issued on 18 February 2020.
- No comments were received

2. Review of open actions

ID	Action	Responsibility	Status	Priority
C572	Transporter to monitor on ongoing basis the adequacy of the initial 25% tolerance for RNG Entry Points	Transporter	Open	Medium
C574	Shippers to forward Submissions to CRU of their post I-SEM experiences of dead-band LDM capacity booking	Shippers	Open	High

3. Update on Maintenance Activities-2019/2020 Maintenance Days

Maintenance Programme Gas Year 2018/2019			
Date	Duration	Entry Points	Commentary
20 th May 2020	1	Bellanaboy	Station testing, valve check and validations at Cappagh South. Proposed to cancel this as the work will be carried out during the planned entry point outage in June/July.
17 th June 2020	1	Inch	Odourant injection system planned maintenance. Proposed to cancel this as unit will be decommissioned once flows at the entry point cease on April 30th.
9 th Sep 2020	1	Bellanaboy	ESD testing at the Corrib Terminal (will be coordinated with the annual Corrib planned maintenance) Proposed to cancel this as the work will be carried out during the planned entry point outage in June/ July.

4. Brexit and ROI Gas Market

- Update

5. Code Mod A087- New Framework for Suppliers in PPM Market

- On 21st November, 2018 the CRU issued instruction approving A087 and implementation of a new framework.
- The key change is that rather than GNI procuring and negotiating front office service agreements, suppliers will procure their own front office services as of 1st July 2021.
- Working Group, set up under GMARG Terms of Reference, is reviewing the operational and contractual arrangements in advance of the implementation date
- GNI have, at Workgroup Meeting on 23 January, presented their proposed contractual pathway

6. A096 Data Sharing Agreement/A096A Model Clauses to address a Hard Brexit

- A096 -Transporter Proposal – To provide for an updated data sharing regime between Transporter and Shippers to comply with provisions of Data Protection Act 2018 (implementing the General Data Protection Regulation (GDPR) (EU) 2016/679) and to reflect the reality of personal data transfers between the Transporter and the Shippers – **REMAINS UNDER REVIEW**
- A096A –Transporter Proposal – To provide for the transfer of personal data between the Transporter and Shippers based outside the European Economic Area(EEA) through the introduction and application of Model Clauses under a Model Clause Procedure. It is proposed to come into effect on or before the Brexit deadline of 31 October 2019 – **THIS HAS BEEN COMPLETED**

7. Code Modification Proposal A099- CNG Supply Point Capacity Setting

- Currently CNG in transport and CNG offtake sites are in an early developmental stage in Ireland. Gas volumes are low and highly variable
- CNG offtakes are classified as Daily Metered (DM) sites, regardless of actual consumption and, under this category, the SPC is set at the highest gas usage during the review period
- This may result in CNG becoming cost prohibitive as capacity costs are based on the highest consumption day in a year and hinder the development of the CNG market, a significant driver in decarbonizing the transport sector
- Under this Code Modification Proposal it is proposed
 - that the SPC setting process for existing and new CNG offtakes will be reset on a three (3) monthly basis, based on a retrospective calculation of the peak (7) day rolling average for the 3 month review
 - that a Shipper at CNG Offtakes will not be liable for SPC Overrun Charges or ratcheting

A099 – Contd.

- CRU to outline its position

8. A100 – Offtake arrangements at Haynestown

- Gas Networks Ireland (“GNI”) as Transmission System Operator (TSO) of the gas transmission system in Ireland (the “GNI System”) wishes to access the South North Pipeline (“SNP”) which is owned and operated by GNI (UK) and extends from Gormanston, Co. Meath to Northern Ireland. The South North pipeline is operated as part of the Northern Ireland Transmission System (the “NI System”).
- GNI requires access to that part only (the “South Section”) of the SNP which is located in the Republic of Ireland in order to transport gas from the interconnection point (Gormanston) at which the NI System is physically connected with the GNI System to another part of the GNI System which is physically connected with the SNP at Haynestown Dundalk, Co. Louth.
- The Haynestown connection is required for two key reasons:
 1. to supply gas to the IDA site at Mullagharlin, Co. Louth; and
 2. to reinforce the supply of gas to the Dundalk area.
- On the basis of the above, GNI has requested third party access to the SNP to facilitate flows into the Dundalk area via Haynestown.

A100 – Offtake arrangements at Haynestown – contd.

- A proposal has been issued to the CRU, under which GNI would contract for a proportion of capacity on the SNP for offtake at Haynestown – the total capacity of the SNP is c.66 GWh/day.
- GNI and GNI (UK) have progressed a “Use of System Agreement” which will set out how the Haynestown arrangements will work in terms of:
 - Protocols for gas transportation, capacity, metering, maintenance etc.; and
 - Commercial terms for use of the infrastructure i.e. the payment GNI will make to GNI (UK) for use of the NI infrastructure and how this will be implemented.
- In addition, some minor changes are required to the ROI Code of Operations to reflect the use of system agreement.
- As the capacity is being reserved pursuant to an inter-TSO agreement, the Code which is principally concerned with Shipper to TSO arrangements is not greatly affected by the proposed arrangements.
- The proposed code modification (A100) will have no direct bearing on the daily shipper processes as outlined in the Code of Operations. The “Use of System” agreement will set out the arrangements as between GNI and GNI (UK) for the offtake of gas at Haynestown.
- The proposed code modification (A100) is technical in nature and will seek to recognise the capacity reserved under the ‘Use of System Agreement’ as forming part of the GNI Transportation System.



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8. Mod Proposal A101 – ESB GT

Amendment to Code of Operations to facilitate the
Extension of the Daily Exit Capacity Booking window

A101: Current Situation

- Currently the Daily Capacity Booking Window is defined as:
 - The period commencing at start of the Day which is seven Days prior to the requested Capacity Booking Effective Date specified in a request for Short Term Capacity for a duration of a Day, and ending at 03:00 hours on the requested Capacity Booking Effective Date
 - Effective Date for Daily Capacity meaning the Day for which the capacity is requested and active
- Shippers have incomplete information of capacity requirements at the Exit Point when the window closes
- The overrun cost of under-booking can be extremely high
 - Even if prudently booking stacks of Annual / Quarterly / Monthly capacity, daily multipliers combined with overrun charges at 4 times Daily Capacity are highly punitive
- Therefore there is a tendency to overbook, which leads to inefficiency
 - Cost inefficiency from wastage – pass-through to end-users
 - Poor quality signals to Transporter

A101: Possible Solutions for Consideration

- Efficiency would improve if a Shipper were able to book Exit capacity at or very close to actual capacity needs
- This could be achieved by aligning the capacity booking with the availability of information
- As it is impossible for final allocation data to be available before the end of the booking window, we propose adjustment to the capacity booking arrangements
- We have considered and analysed 4 options in detail:
 - A. Extend the Daily Exit Capacity Booking Window to coincide with the publishing of the final meter read of the day by GNI on GTMS
 - B. Extend the Exit Capacity Booking Window to end on D+X
 - C. Reduce the Exit Capacity Overrun multiplier from 4 to 1
 - D. Allocate Exit capacity to Shippers to match their final allocation (“implicit allocation”)

A101: What the Proposed Solutions Look Like

		Description	Comment
A	Extend the window to when the final daily meter reads become available.	<ul style="list-style-type: none"> ▪ Shippers book Daily Exit capacity as now, but avail of an extended booking window ▪ More information allows more accurate booking 	<ul style="list-style-type: none"> • Ops staff required out of hours to gain benefit • Data incomplete – booking better but not 100% accurate
B	Extend the window to D+X.	<ul style="list-style-type: none"> • Shippers book Exit Daily capacity as now, but on D+X • Final allocation information allows completely accurate booking 	<ul style="list-style-type: none"> ▪ Booking in regular working day – better for smaller Shippers ▪ Increased accuracy through greater info
C	Reduce the Exit Capacity Overrun multiplier from 4 to 1	<ul style="list-style-type: none"> • Transporter essentially charges the Daily Exit capacity rate to Shippers based on net requirement from final allocation 	<ul style="list-style-type: none"> • No requirement for Shipper to book Daily tranche, save admin – better for smaller Shippers • Accuracy of Exit bookings as aligned to allocations
D	Implicit Allocation	<ul style="list-style-type: none"> ▪ Transporter allocates Daily Exit capacity tranche to Shippers based on net requirement from final allocation ▪ Monthly reconciliation statement and invoicing 	Option

A101: Why Make The Change?

- The current cut off time for Exit capacity purchasing can lead to unnecessary capacity overruns or excess capacity purchase.
 - Overbooking leads to wastage and inefficiency which is passed through to end-users
 - Under-booking can lead to punitive costs due to seasonal Daily Capacity multipliers compounded with the overrun multiplier
- The variability and unpredictability of power station operating patterns has increased with the introduction of ISEM and this has made making accurate Daily Exit capacity bookings more difficult and inefficient for generators.
 - This trend is likely to grow due to expanding role of renewables
- Implementing any of the proposed options would reduce inefficiency
- It is the role of the Code Mod Group to make sure that the rules RoI Shippers operate under are fit for purpose and reflect the ever-changing Shipper requirements – by supporting and introducing this change we are ensuring that is the case
- Option D would be our preference – although we understand that for systems reasons Options A, B or C (or a combination of them) may be faster for GNI to implement and these are the focus of Mod A101

9. Status of Code Modification Proposals

Number	Title of Proposal	Proposer	Status
A087	New Framework for Suppliers in PPM Market	GNI	Live/ Implementation process review
A096	Data Sharing Agreement	GNI	Live/Under review
A099	CNG Supply Point Capacity Setting	GNI	Live/ Under review
A100	Haynestown Offtake Arrangements	GNI	Live/Under review
A101	Extension of Daily Exit Capacity Booking Window	ESB	Live/Under review

10. Recent Shipper IP Nomination Behaviour

- GNI and National Grid are proposing to alter the methodology for setting the flow profile at Moffat
 - <https://www.gasgovernance.co.uk/0720>
- This mod will allow the TSOs to better profile and schedule flows even when Shipper have not nominated their full end of day quantity
 - Moffat is the marginal source of gas for the system and therefore any delta between aggregate exit nominations and domestic production must be nominated at Moffat by the end of the day
- The end of day quantity will revert the sum of Shipper Confirmed Quantities at 23:00 to ensure no over-delivery

11. Shrinkage Gas

- GNI update

11. Gas and Electricity Interactions

- Standing agenda item

12. Proposal to increase the oxygen content at biomethane entry points to 1% on Transmission network

- Biomethane injection sites planned for GNI's Transmission Network requiring further Code Modifications
- GNI to engage a 3rd Party to conduct an analysis/impact assessment of oxygen limit increase (1%) on the Transmission Network
 - DNV-GL have been engaged
- GNI invite Industry to advise areas they would like to be considered during the analysis- response received from one party
- GNI to engage with stakeholders at Code Modification Forum again when assessment starts to be progressed
 - GNI plans to keep informed , and to solicit feedback from, stakeholders during the assessment period

13. AOB

Code Modification Forum Meetings in 2020

Next Meeting



CMF Dates 2020	Location
29 th January (Wednesday)	Dublin
25 th March 2020 (Wednesday)	Telco/Webex
17 th June 2020 (Wednesday)	Cork
19 th August 2020 (Wednesday)	Dublin
21 st October 2020 (Wednesday)	Dublin
16 th December 2020 (Wednesday)	Dublin



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Thank you for your participation