

Code Modification Forum

Minutes of meeting – 12 June 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 27 March 2019 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the June 12 meeting.

1.2 Review of action items

The actions from the previous CMF Meeting of 27 March 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 C571, the CRU confirmed that it was directing the Transporter to circulate the Shrinkage Gas Report received from the Transporter to the CMF Mailing List with the minutes of this meeting. Industry would have four weeks from circulation to comment to the CRU at gasnetworks@cru.ie. The Transporter reported that advices to Shippers in relation to their respective credits had issued. The Transporter further reported that the CRU Decision Paper in relation to the Harmonised Transmission Methodology for Gas had now issued and it contained a decision that, starting in the gas year 2020/21, shrinkage will be classified as a transmission service and the associated costs would be included as part of the Transporters allowed revenue accordingly. As many of the meeting participants had not seen the document the Transporter undertook to provide a link with the minutes of this meeting¹.

In relation to Action Item C567, the Transporter indicated that it was conscious of the existing deficiencies with regard to the ease of navigation of the Shipper section of the GNI website. Transporter resources in this area had recently concentrated on the newly developed and launched Gas Market Portal. This Portal, which was developed for the retail market, was being reviewed during the third quarter and this review was being carried out in conjunction with the Website review with a view to decide on whether the Website or the Portal need to be enhanced to address the noted deficiencies . It was more likely to be Website enhancement as all items thereon were in the public domain.

In relation to Action Item C568, the Transporter reported it would continue to monitor its operational procedures in the event of the issue of Restricted Capacity Day Notices resulting from necessary system repair.

¹ https://www.cru.ie/document_group/harmonised-transmission-tariff-methodology-for-gas/

In relation to Action Item C572, the Transporter would monitor, on an ongoing basis, the initial 25% Tolerance for RNG Entry Points.

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

1.3 GNI Scheduled Maintenance Update

The Transporter presented Slide 5 which details the Maintenance activities for the remainder of Gas Year 2018/2019 and Slide 6 which details the Maintenance Programme for Gas Year 2019/2012. The Transporter emphasised its intention to, where possible, align Maintenance activities with producer operator planned maintenance and would notify Industry as soon as possible of any changes to the Programme as well as complying with its REMIT obligations.

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.

2.2 A096 – Data Sharing Agreement

The Transporter referred to Slides 9, 10 and 11 which detailed the progress in this matter through both the Code Modification Forum and GMARG review processes. Slide 10 detailed that the Transporter had circulated a Response to the points raised in the four original written submissions from Industry. During the subsequent two week review period three Response submissions were received from Industry. The CRU queried whether or not the parties involved consented to circulation of these submissions. The Transporter responded that one of the parties had confirmed its consent when making its submission. The CRU requested the Transporter to seek publication consent from the other two submitting parties and directed, on response, circulation of the submission/s to the GMARG and CMF Mailing Lists.

The Transporter informed the meeting that it was now bringing this Code Modification Proposal to the CRU for decision. The CRU requested the Transporter to produce and forward a comprehensive submission paper outlining the rationale for the Proposal, specifying its legal basis in view of both the existing Code of Operation provisions and the new GDPR regime, and including the Transporter response to the points made in the original and subsequent Industry submissions.

The Transporter stated that the matter would be discussed at a high level at the upcoming GMARG Meeting on 20 June.

The CRU noted that the consultative process for this Proposal had been lengthy and had generated extensive Industry comment. In light of same the CRU may require further clarification from the Transporter after receipt of its submission paper and may direct further consultation through the Code Modification Forum and GMARG processes. In light of this a Direction in this matter may not issue until after the date of the next Code Modification Forum Meeting on 14 August.

2.3 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. The legal drafting for the Proposal had been circulated and Industry had, until end of business next Friday, 14 June to submit comments.

2.4 A098 – Reduction of Capacity Overrun Multipliers

The Transporter stated that 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, had been through the review process and the Transporter was now requesting the CRU to issue a formal implementation Direction. The legal drafting for the Proposal had been circulated and Industry had, until end of business next Friday 14 June, to submit comments.

2.5 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.

Number	Proposal	Proposer	Status
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A087	New Framework for Suppliers in PPM Market	GNI	Under review
A096	Data Sharing Agreement	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

3 Other Agenda Items

3.1 Brexit and ROI Gas Market

Aine Spillane, the Transporter's Brexit Programme Manager, spoke to the Meeting reporting that the Revenue had indicated that, in the event of a no-deal Brexit, it will be necessary for Shippers to make custom declarations in relation to gas imported into ROI. This was communicated in a telephone conversation on the previous day and the Revenue indicated that it would be firming up on the required documentation in due course. The Transporter confirmed Industry's desire for early clarity on this matter and would, as soon as Revenue were ready, facilitate a meeting(s) between Revenue and Shippers, in particular representatives of Shippers finance departments. The actual reporting periods are yet to be decided, it was likely to be monthly but it could be quarterly. The Transporter considered that VRF would not be a complicating factor in the declaration process as it did not involve actual physical transportation of gas. The Transporter undertook to update Shippers via the CMF Mailing List.

3.2 Gas and Electricity Interactions

There was a Meeting discussion in relation to this standing Agenda Item. A Shipper Representative referred to an earlier Action Item wherein the Transporter was to finalise and circulate the LDM GFPS Tolerance Application Procedure and circulate it to Shippers. The Transporter confirmed that there had not been any application to date and it considered that a Shipper would easily substantiate a claim by reference to an Eirgrid Dispatch and the SEMO website. It was involved in ongoing discussions with the PowerGen sector and would reinstate the Action Item until the next Meeting

3.3 GNI Presentations

3.3.1 Gas Networks Ireland –Growth Initiatives Updates

Fran McFadden, National Customer Acquisition Manager at the Transporter, delivered a presentation to the Meeting presenting Slides 19-28, profiling the Transporter's existing market share, detailing recent growth initiatives and outlining the future challenges for the business. There followed a general discussion on the challenges for the natural gas sector with a general consensus that the entire sector needed to focus on trying to influence energy policy decisions. The need for a support for Renewable Natural Gas was critical and a representative from RGFI indicated that he would forward a memorandum on upcoming initiatives to the Transporter for circulation with these Minutes.

3.3.2 GNI Presentation on CCS and Hydrogen

Henry Smyth, Ervia Head of Regulations & Technical (Gas) gave a presentation on these topics based on a separate meeting slide deck. There followed a general discussion on the topics.

3.3.3 GNI Presentation on Gas Quality – Wobbe Index Increase Proposal

The Transporter referred to meeting slides 30-32. It noted that this issue was of direct concern to the technical divisions of all Shippers and while it was intended to proceed to continue to include the matter as an Agenda item it was proposed that all queries in the matter would be dealt with by the appropriate division within the Transporter and the relevant contact details would be separately circulated. The Transporter pointed out that this proposed change was being driven by the ongoing UK consultation process and UK based Shippers should address their concerns to this consultation.

3.4 AOB Item No. 1 – Systemisation of Gormanston IP on GTMS

The Transporter referred to Slide 34 confirming that systemisation of the Gormanston IP is scheduled to be completed by the end of June with details of all technical communications. The Transporter's GTMS system would interface with Prisma and Delphi (under a drop down option).

3.5 AOB Item No. 2 – CMF Administrative updates

A Shipper Representative queried the updating of the existing Code of Operations on the GNI website and the uploading of CMF Proposals and Minutes. The Transporter confirmed that it was intended that, as soon as Code Modification Proposals A097 and A098 were complete, which was envisaged to be in the next two/three weeks an updated Version 5.03 of the Code would issue. The Transporter confirmed that it was now publishing the daily average balancing prices after receiving same from EBI.

The next CMF meeting will take place at the Ashling Hotel Dublin on Wednesday, 14 August 2019 starting at 10.00am. The Transporter invited all Meeting attendees to contact the Market Development Division of the Transporter in advance if they requested any specific gas industry item to be put on the Agenda for the meeting or if they wanted to make a Presentation about any item.

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 circulate Shrinkage Gas Report to Industry to facilitate commentary thereon	Transporter	26/9/2018	12/6/2019
C572	Transporter to monitor on ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	12/6/2019
C574	Transporter to finalise and circulate the LDM GFPS Tolerance Application procedure and circulate it to Shippers	Transporter	26/9/2018	12/6/2019

5 Calendar of meetings

CMF Date	Location
16th January 2019 (Wednesday)	Dublin
27 th March 2019 (Wednesday)	Dublin
12 th June 2019 (Wednesday)	Cork
Next Meeting 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	Paul Crowley	GNI
4	Mark Phelan	Electric Ireland
5	Colm O'Duibhir	GNI
6	Douglas O'Brien	GNI
7	David Mitchell	GNI
8	Aine Spillane	GNI
9	Danny Howland	Manx Utilities
10	Kevin Murray	Bord Gais Energy
11	Kim Kennington	Manx Utilities
12	Peter Colleran	Nephin Energy
13	Martin Regan	EBI
14	P.J.McCarthy	RGFI
15	Gearoid Fitzgerald	Ervia
16	Artem Stopnevich	Aughinish
17	Kirsty Ingham	ESB
18	David Horan	Aughinish
19	Jack O'Connell	Advisor to CRU
20	Brian McGlinchey	Vermilion
21	Sarah McCauley	CRU
22	Sean Mac An Bhaird	CRU
23	Henry Smyth	GNI
24	Fran McFadden	GNI
25	Terry Hughes (by conference call)	Equinor
26	Sean McParland (by conference call)	Energia
27	Stacy Feldman (by conference call)	SSE