

Code Modification Forum Meeting Minutes

13 June 2018

Location: Clayton Hotel, Cork..

Attendees		
	Name	Representing
1	Andrew Kelly	GANI
2	Kieran Quill	GANI
3	Catherine Philpott	GANI
4	Yvette Jones	GANI
5	Rodger O'Connor	GANI
6	Anthony Foody	Electric Ireland
7	Kirsty Ingham	E.S.B
8	Keith Deacon	Tynagh
9	Andrew Prangley	ElectroRoute
10	Dolores Sanchez	ElectroRoute
11	Martin Regan	EBI
12	Wayne Mullins	GANI
13	Liam Murphy	GANI
14	Jim Wynne	Electric Ireland
15	Colm O'Gormain	SSE
16	Bryan Hennessy	Vayu
17	Chris George	GAZPROM
18	Mark Cosgrove	Equinor
19	Christiane Sykes	Shell
20	Kim Kennington	Manx Utilities
21	Hank Kreuze	Vermilion
22	Brian McGlinchy	Vermilion
23	Mike Kelleher	BGE
24	Kevin Murray	BGE
25	David Horan	Aughinish
26	Sarah McCauley	CRU
27	Cahir O'Neill	CRU

28	Jack O'Connell	Advisor to the CRU
29	Cathy Lawless (by conference call)	Ceres Energy

1. Approval of Previous Minutes

The minutes of the Code Modification Forum of 2 May 2018 were agreed and approved.

- For supporting information, to be read in conjunction with these minutes, please see the slides presented at the June 13 meeting.

2. Review of Action Items

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

The Transporter gave an update on open actions and those completed, as per the accompanying slide 6

- It was agreed that, as proposed, action item C561 would be closed.
- In relation to Action Item C559 a Website redesign project to make it more user friendly for Shippers was ongoing and the Action would remain open
- Action Items C538 and C560 would remain open

3. GNI Scheduled Maintenance Update

The Transporter reported that the proposed SCADA signal validation testing at Corrib on 31 May-1 June had been postponed due to deferment of the SEPIL transition date

The Transporter reported that scheduled fuel gas skid connection at Cappagh South on 4 July had been deferred as it was initially scheduled to tie-in with maintenance which had now been deferred

The Transporter referred to Slide 10 which details the Maintenance Programme for Gas Year 2018/2019 and stated that the details therein would be updated at each successive CMF Meeting

4. Biogas/ CNG Update

- The Transporter initially presented to the Meeting in relation to the National CNG Study (i.e. Causeway Study) reporting on each of the items detailed on Slide 14. The Transporter pointed that relevant Shippers had a responsibility to register with Revenue as excise duty here was levied at the respective CNG filling stations. Details of the project were available at www.causewaystudy.eu and the Transporter contact for any queries is Rodger O'Connor (021/4534856 / rodger.oconnor@gasn Networks.ie)
- The Transporter then presented on the Cush RNG Injection Project (Slides 16-36). The presentation followed the agenda items as per Slide 17 with an overview of the Biomethane potential in Ireland, specific details of the Cush RNG Injection Project which is the first biomethane injection into the network system, the associated legal, safety, market and regulatory provisions, and possible future scenario for biomethane injection. In response to Shipper queries the Transporter confirmed that:
 - the transporter is proposing an interim tariff which should be a set fee, and an enduring tariff would be considered under the upcoming tariff review (both subject to review by the CRU).
 - the Cush RNG Injection was into the Distribution System, and while it was possible that, in the interim, further injections would be into the Distribution System, it was envisaged that, in time, there would be injections into the Transmission System
 - in relation to monitoring off-spec gas at the Cush Injection Facility, the Transporter will be able to monitor the parameters and will receive signals via its Remote Telemetry Unit. Should the Delivery Facility Operator's divert valve fail the GNI Remotely Operated Valve will automatically close; once closed, only the Transporter will be able to open it and will necessitate a GNI operative to investigate on-site.

The Transporter contact for any queries is Yvette Jones (021/4534869 / yvette.jones@gasn Networks.ie).

- The Transporter then commented on the two associated Code Modifications; A093 and A090.
- In relation to Code Modification A093-RNG Outline Code Modification, there were no queries raised and the proposal will progress to legal drafting.
- In relation to A090 - Modification of oxygen content limits for RNG injected from RNG Entry Points , the revised Penspen Report will be sent to the CRU and the proposal progressed.

5. Intra-day Nomination Patterns and Profiles/Code Mod Proposal A086 – Incentives for intra-day Balancing

- The Transporter reported that the deterioration in intra-day Shipper Nomination patterns during March, detailed at the May CMF meeting, has continued with a further spike in operational system imbalances during April.
- In this month, had A086 applied, 91% of the charges would have applied to 4 Shippers.
- In Response to Shipper Representative queries the Transporter stated that it could not identify the Shippers involved but would confirm that it was the same small number of Shippers who were repeatedly offending in this matter which was having a financial impact on the entire Industry.
- The Transporter stated that the CRU was being kept aware of the matter, that repeated warnings did not seem to have the desired effect and Industry should be aware that, at this stage, if the nomination pattern did not improve the Transporter would issue and actively pursue the early implementation of Code Modification A086.

6. Code Modification Proposal A087- Implementing a new framework for Suppliers to contract their own payment channels for PPM customers

- The Transporter reported that there was a meeting this week between it and the CRU and it was envisaged that there would be a subsequent review/consultation at the GMARG Forum.

7. New Code Modification Proposal A090 – Proposal from BGE for New Invoice Dispute Resolution Procedure

- The Transporter reported that, after liaison with BGE, the Modification proposer, this Proposal would be parked for the time being.

8. Code Modification Proposal A092 – Adjustment of Daily Imbalance Charges

- The Transporter referred to Slides 51-59. Slides 52 and 53 contain First Tier and Second tier Imbalance Cashout Prices on which the Transporter acknowledged a few typos which the Transporter now clarified. Slides 55- 57 contained worked examples of Daily Imbalance Cashout Prices. Slides 58 and 59 contained summaries of the two responses to the earlier questionnaire on the matter furnished by Transporter.
- The following comments were made by Shipper Representatives:
 - A response suggestion that in the event that no trades occur in a day that a variation of the NBP default rule is adopted, i.e., an average of the last seven days trades is calculated, was recommended by one Shipper Representative. The Transporter considered that this was meritorious but caveated that it would depend on the level of trading activity over that period
 - In response to a Shipper Representative concern over the level of trading experience of the Transporter staff, the Transporter confirmed that its trading activity was for operational balancing purposes and not on a commercial basis. The headline instruction for staff was to use the platform if the prices thereon were more competitive than those available under the Balancing Contracts
 - In response to a concern regarding potential market manipulation the Transporter responded that it was strictly monitoring trading patterns and if it encountered any concerns it would refer them to the CRU
 - In response to a Shipper Representative that the proposed small adjustment figure of 5% was excessive. Transporter responded that this figure was just a suggestion and perhaps a lower figure could be considered.
 - A concern that the Transporter was proceeding too quickly with its proposed change was countered by the Transporter who referred to the prolonged and extensive consultative process already undergone, the legislative requirement to have interim measures removed by April 2019, and its desire, for administrative purposes, to have the new cashout price regime in place for the start of the new Gas Year, i.e., 1 October 2018. Notwithstanding the above the Transporter would again circulate a further questionnaire which would issue to the CMF Mailing List with the Minutes of this Meeting. The next CMF Meeting was scheduled for 8 August and responses to the questionnaire were to be received by COB on 27 July.

ID	Action	Responsibility	Date Raised	Delivery Date
C562	Transporter to furnish Questionnaire to CMF Mailing List with the Minutes of this Meeting in relation to proposed changes to the calculation of the cashout price regime	Transporter	13/06/2018	22/06/2018

9.Code Modification A094- Changes to Shipper Portfolio Tolerances

- The Transporter presented Slides 60 and 61, Slide 60 enunciating the Transporter's reasons for the Code modification Proposal and Slide 61 setting out the proposed two-step tolerance removal process. A Shipper Representative pointed out that the Powergen Sector were at a disadvantage as they were subject to central EirGrid dispatch. The Transporter responded that while the cashout data would not indicate a specific difficulty for this Sector the Transporter repeated that it did not want to penalise industry participants in this Sector when they were complying with the instructions of another regulated TSO. As stated in previous meetings the Transporter would be pleased to consider Proposals which would alleviate Powergen Sector operator's difficulties in this matter.
- Shipper Representatives raised the particular difficulty of the DM Sector which did not have access to up to date information. The question was raised as to whether in this particular area the "sufficient information regarding inputs and off-takes" criteria for removal of tolerances as per Art.50.1 of the Balancing Network Code was satisfied. The Transporter replied that it was bound to comply with a literal interpretation of the Article but it welcomed Industry now furnishing an authoritative legal argument in this matter for consideration by the CRU.
- Shipper Representatives welcomed the concept of the stepped approach to the removal proposal but considered that there was not a sufficient gap between the first reduction and the subsequent second and final removal. A Shipper Representative commented that some Shippers with a substantial DM portfolio operated relatively small operations with limited resources and would be affected disproportionately. A Shipper Representative acknowledged that while the removal of tolerances was inevitable, the removal should be more gradual to give end users a full opportunity to get used to a non-tolerance regime.
- The Transporter commented that DM and LDM accuracy figures were good and undertook that it would put together and furnish aggregate data in relation to DM and LDM accuracy and would subsequently, on request, assist any Shipper in analysing their own specific portfolios. The Transporter further undertook to notify KEL in relation to the removal of tolerance i of the Inch Entry Point Tolerance.

ID	Action	Responsibility	Date Raised	Delivery Date
C563	Transporter to furnish DM and LDM accuracy data in aggregate to CMF Mailing List and to subsequently answer specific Transporter queries thereon	Transporter	13/06/2018	29/06/2018
C564	Transporter to inform KEL of the proposal to gradually remove the Inch Entry Point Tolerance	Transporter	13/06/2018	29/06/2018

CODE MODIFICATIONS - LIVE

NUMBER	TITLE OF PROPOSER	PROPOSER	STATUS
A085	Profiling of Gas Flows at Entry Points	IOOA	Live
A086	Intra-day Nomination Incentive Proposal	GNI	Not yet issued
A087	New Framework for Suppliers in PPM Market	GNI	Live
A090	Proposed new Invoice Dispute Resolution Procedure	BGES	Live
A091	Modification of oxygen content limits for Renewable Natural Gas (RNG) injected from RNG Entry Points	GNI	Live
A092	Trading Platform participation and adjustment of Daily Imbalance Charges	GNI	Live
A093	RNG Outline Code Modification	GNI	Live
A094	Changes to Shipper Portfolio Tolerances	GNI	Live

10. Update on GNI participation on EBI Trading Platform

- The Transporter reported that it had commenced trading on the EBI Trading Platform on 1 June last and had completed a number of trades. It had concluded trading agreements with four trading counterparties and was concluding contractual arrangements with four other potential counterparties

11. Modification Rules for IBP 15 Terms

- The Transporter referred to the IBP 15 Terms, which form the legal basis for trades on the EBI Platform, and which were amended twice recently to align with EFET General Agreement provisions. The amendments had been facilitated by EBI on a consultation basis and the Transporter now considered that an agreed Modification process should be agreed using the Code Modification Forum process. A Shipper Representative considered this a sensible suggestion. It was agreed that the Transporter would organise a telco where interested Shipper Representatives would contribute their suggestions

ID	Action	Responsibility	Date Raised	Delivery Date
C56 5	Transporter to organise a telco with the CRU and Industry to consider a Modification procedure for the IBP 15 Terms	Transporter	13/06/2018	20/07/2018

12. Gas / Electricity Interaction

- The Transporter repeated that it would welcome any Code Modification initiatives from the PowerGen sector. It referred to correspondence received from a PowerGen Sector Shipper which it said referred to a tariff issue and should be raised with the Network Tariff Liaison Group (NTLG). In this regard the Regulator stated that it had now appointed consultants to act on its behalf in the matter. It is planned that there will be an initial NTLG meeting in early August with a second meeting in September.

13. Brexit and ROI Gas Market

- The Transporter stated that it had no update on this subject since the last meeting. The Meeting would be aware of the present political situation regarding the Brexit project.

14. Transparency Data Update

- The Transporter confirmed that the Transparency Platform had now gone live and noted that it was attracting very considerable interest. It confirmed that cashout prices would, by the start of the upcoming Gas Year, issue quicker and until the new cashout price regime was agreed and implemented it proposed to publish a shadow price based on IBP trade prices which would correlate with the existing NBP trade price based cashout prices.

15. AOB

- The Transporter reminded the Meeting that Annual PRISMA auction for Moffat IP Entry Capacity on 2 July with the details of this Capacity for the next 15 years published on PRISMA.
- The Regulator confirmed that the Draft Tariffs were the now the finalised Tariffs. The Transporter undertook to circulate to the CMF Mailing List and upload on to Transporter website the Allowed Revenues and Tariffs for Distribution and Transmission for 2018/19.
- It was noted that the first NTLG meeting may be fixed for 8 August, the same day as the next CMF Meeting. It would be beneficial if both Meetings could be aligned for participants. The question of the VRF Tariff was raised by a Shipper Representative and the Regulator responded that this matter would be part of the NTLG remit.
- It was confirmed that the data governance document that had gone through the GMARG process and was now termed the Data Processing Agreement. A Code Modification formalising this document will issue in due course.

ID	Action	Responsibility	Date Raised	Delivery Date
C566	Transporter to circulate to the CMF Mailing List and upload unto its Website the Allowed Revenues and Tariffs for Distribution and Transmission for 2018/19	Transporter	13/06/2018	14/06/2018

16. Administration

It was agreed that the next Code Modification Forum Meeting will take place in the Ashling Hotel, Dublin on 8th August commencing at 10.00 am.

Action Ref	Action	Responsible	Date Raised	Status	Response Date	Expected Delivery Date	Priority
C538	Transporter to continue consultation process surrounding intra-day nomination patterns and profiles	Transporter	06/12/2017	Open		06/06/2018	High
C560	Transporter to draft and circulate to Industry worked examples on capacity charging	Transporter	02/05/2018	Open		06/06/2018	Medium
C562	Transporter to furnish Questionnaire to CMF Mailing List with the Minutes of this Meeting in relation to proposed changes to the calculation of the cashout price regime	Transporter	13/06/2018	Open	22/07/2018	22/06/2018	High
C563	Transporter to furnish DM and LDM accuracy data in aggregate to the CMF Mailing List and to subsequently answer specific Transporter queries thereon	Transporter	13/06/2018	Open		29/06/2018	High
C564	Transporter to inform KEL, under their OBA , of the proposal to gradually remove the Inch Entry Point Tolerance	Transporter	13/06/2018	Open		22/06/2018	High
C565	Transporter to organise a telco with the CRU and Industry to consider a Modification for the IBP 15 Terms	Transporter	13/06/2018	Open		20/07/2018	Medium
C566	Transporter to circulate to the CMF Mailing List and upload unto its Website the Allowed Revenues and Tariffs for Distribution and Transmission for 2018/19	Transporter	13/06/2018	Open		14/06/2018	High