



# Code Modification Forum

Hilton Hotel, Kilmainham, Dublin  
Wednesday, 22<sup>nd</sup> April 2015

# Agenda



1. Review of minutes from last meeting dated 4<sup>th</sup> March 2015
2. Review of Action Items from last meeting dated 4<sup>th</sup> March 2015
3. European Network Code Implementation Project Update
4. Code Modification Proposals
  - A062 - *‘Capacity Allocation Mechanisms’*
  - A063 – *‘Nominations, Imbalance Charges & Allocations: EU Network Code Implementation’*
  - A065 – *‘Financial Security Policy amendments arising from introduction of Capacity Allocation Mechanisms (Regulation 984/2013) ’*
  - A066 - *‘EU Network Code Implementation: Transitional Arrangements’*
  - A067 – *‘Congestion Management Procedures’*
  - A064 - *‘Virtual Reverse Flow: Enhanced flexibility and compliance with EU Network Codes’*

# Agenda



## 5. Other EU Updates

- Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)

## 6. AOB

## 7. Agree date of next Code Modification Forum Meeting

- Proposed Date Wednesday 27<sup>th</sup> May 2015 – Cork.



- 1. Review of minutes from last meeting  
dated 4<sup>th</sup> March 2015**



# Proposed Change to Minutes from last meeting

## Query

- *A request was made to include a reference to a question raised by a Producer on the progress of a physical connection on domestic Irish production with Northern Ireland to enlarge the market for Irish production. The CER indicated that one of the proposed PCI's for 2015 involves Physical Reverse Flow on the South North Pipeline which will look at Physical Reverse Flow between Ireland and Northern Ireland.*
- *It was agreed that this would be included in the minutes of this meeting and the minutes of the March would be approved as is.*



## **2. Review of Action Items from last meeting dated 4<sup>th</sup> March 2015**

# Actions – Forum 4<sup>th</sup> March 2015

## Completed Actions



ID	Action	Responsibility	Status
C381	The Transporter is to review the process of moving from Annual to Monthly cash-out disbursements as proposed in the business rules for Code Modification A063 – ‘Nominations, Imbalance Charges and Allocations’.	Transporter	Ongoing – To be included in the new Modification A068
C387	The Transporter is to report to the next Code Modification Forum regarding the status of (Balancing) trading platform options.	Transporter	Completed – To be presented at the Forum Meeting on 22 <sup>nd</sup> April 2015

# Actions – Forum 4<sup>th</sup> March 2015



## Completed Actions

ID	Action	Responsibility	Status
C393	The Transporter is to prepare indicative examples demonstrating the 'Available VRF Capacity' calculation.	Transporter	Completed
C394	The Transporter is to provide Industry with information relating to the FS / Credit rules which are to be applied by adjacent Transporters at Interconnection Points.	Transporter	Completed
C395	The Transporter is to arrange for a standard copy of the market assurance re-qualification form to be sent to shippers now to allow them to prepare for the actual form in May.	Transporter	Completed Custom Form – therefore a sample is not available



# Actions – Forum 4<sup>th</sup> March 2015



## Completed Actions

ID	Action	Responsibility	Status
C396	The Transporter is to check on whether validation will be required for each shipper location multi-location operations as part of the Market Assurance process.	Transporter	Completed
C397	The Transporter is to check with National Grid on the alignment with National Grid and the latest time for completion of secondary capacity trades.	Transporter	Completed
C398	The Transporter is to issue the Balancing Interim Measures Report to Industry.	Transporter	Completed

# Actions – Forum 4<sup>th</sup> March 2015



## Ongoing Actions

ID	Action	Responsibility	Status
C259	The Transporter is to issue letters to all End Users requesting that they sign End User Agreements.	Transporter.	Ongoing. Scheduled to occur after Gas Networks Ireland (GNI) becomes the TSO.
C356	The CER is to endeavour to ensure that metering errors will be addressed under the implementation of the Interoperability and Data Exchange Network Code.	CER	Ongoing
C383	The Transporter is to consider issuing an NDM Accuracy of Forecasting Report before October 2015.	Transporter	The Transporter will deliver an 'Accuracy of Forecasting' Report by 1 October 2015.
C402	The Transporter is to plan to upgrade the existing VRF product to ensure CAM compliance by October 2015.	Transporter	Ongoing

# Actions – Forum 4<sup>th</sup> March 2015



## Open Actions

ID	Action	Responsibility	Status
C380	The Transporter is to proceed with the development of legal drafting for Code Modification A062 'Capacity Allocation Mechanisms at Interconnection Points'.	Transporter	In Process
C399	The Transporter is to look at the existing VRF product to identify if more VRF capacity could be provided in the interim period before systemisation of the Enhanced VRF product is complete and whether or not a change could be made to the current situation where the Transporter interrupts to zero.	Transporter	In Process
C400	The Transporter is to provide a cost estimation to the CER for systemisation of the Enhanced VRF.	Transporter	In Process
C401	The Transporter is to identify the date that systemisation of Enhanced VRF will be complete.	Transporter	In Process



### **3. EU Network Code Implementation Project Update**

# EU NC Project Communications and Training



## Update

- One to One meetings have now been held with the majority of Shippers and Gaslink is endeavouring to meet with the remaining few;
- Version 1 of the Frequently Asked Questions (FAQ) have been published on the Gaslink website and will be updated on a regular basis;
- The first Shipper Workshop was held on Tuesday 21<sup>st</sup> April;
- The next Shipper Workshop is tentatively scheduled for late June or early July;
- PRISMA demonstrations are currently being held for Shippers on a one to one basis and will continue on an as needed basis.



## **4. Code Modification Proposals**



## ***A062 – ‘Capacity Allocation Mechanism’***

# Code Modification A062:

## Current Status

## CAM at Interconnection Points



- Business Rules approved by CER in October 2014.
- Legal Drafting currently in development - intend to merge A062 legal drafting with legal drafting for interlinked modifications:
  - A066 '*Transitional Arrangements*' (launched in January 2015).
  - A065 '*Financial Security*' (launched in January 2015).
- Legal drafting consultation capturing the three modifications above scheduled for May 2015.
- Legal drafting for CMP (Mod A067) to be incorporated at a later date.



# Code Modification A062:

## Proposed Changes

## CAM at Interconnection Points



### Within-Day Capacity booking window closing time at *non-IPs*:

- Not included in business rules
- Clarify that current ***closing time of 03:00 D will remain*** (and will not be moved back to 02:00 D with gas day change)

### Closing time of secondary capacity

- Previous timing in business rules was 01:45
  - Propose ***changing this to 03:00*** to align with adjacent TSOs
- 
- Both items to be reflected in business rules.



# ***A063 – ‘Nominations, Imbalance Charges & Allocations: EU Network Code Implementation’***

**&**

**Operational balancing**



# Introduction:

Following a review of imbalance charge proposals and operational balancing options, it is proposed that '***interim measures***' be progressed as a means to:

- Imbalance charge proposals as included in the business rules are to be reviewed and will be deferred until the end of the interim period (1 – 5 years)
- In the meantime, an 'interim imbalance charge' will apply to reflect the balancing arrangements in place during the interim period
  - Imbalance charge methodology to be based on existing regime (with amendments)
  - Retention of tolerances on an interim basis may be possible - to be phased out by end of interim period
- IBP 'balancing' and 'trading' platforms to be considered as part of interim and enduring solutions respectively



# **Interim Measures Report**

**Pöyry**



## **INTERIM MEASURES AND MODIFICATION A068**

22 April 2015

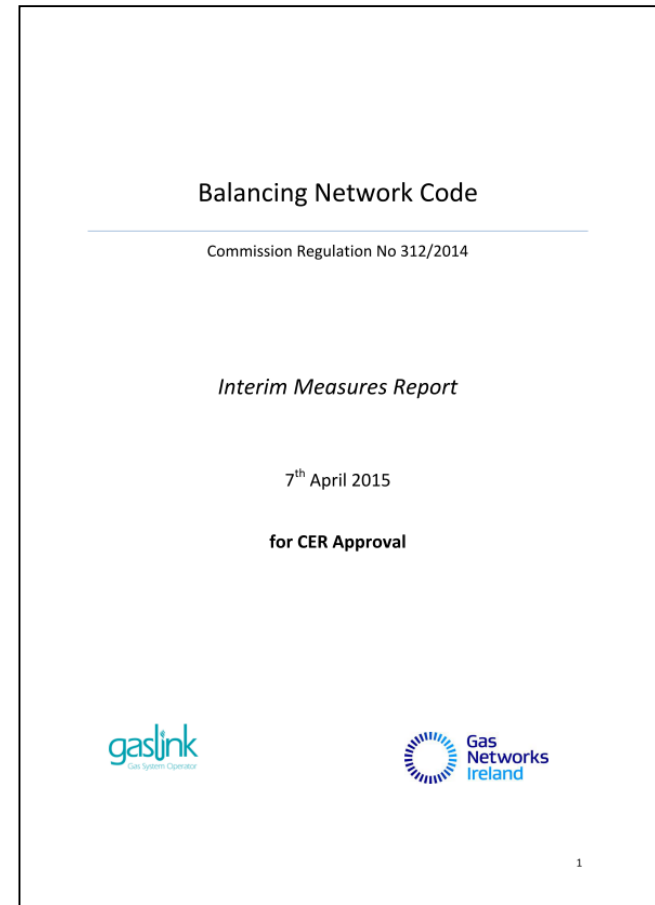
John Williams

# INTERIM MEASURES REPORT

The Interim Measures are permitted by the Balancing Network Code where there is insufficient liquidity in the short term market to enable the full code to be implemented

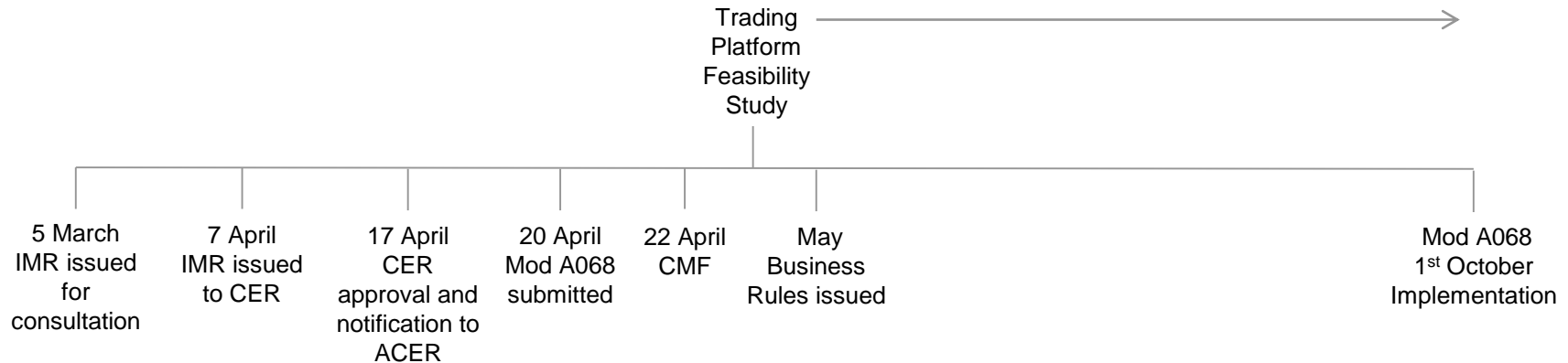
- Interim Measures are designed to facilitate the development of liquidity
- Interim Measures to be applied in three main areas
  - Balancing Services
  - Tolerances
  - Interim Imbalance Cashout
- Transition period to 2019
- Annual reports to be required
  - Setting out progress to date
  - Development of the Interim Measures

Code Modification required to take forward Interim Measures proposals



# INTERIM MEASURES STATUS

The interim Measures Report has now been approved by the CER



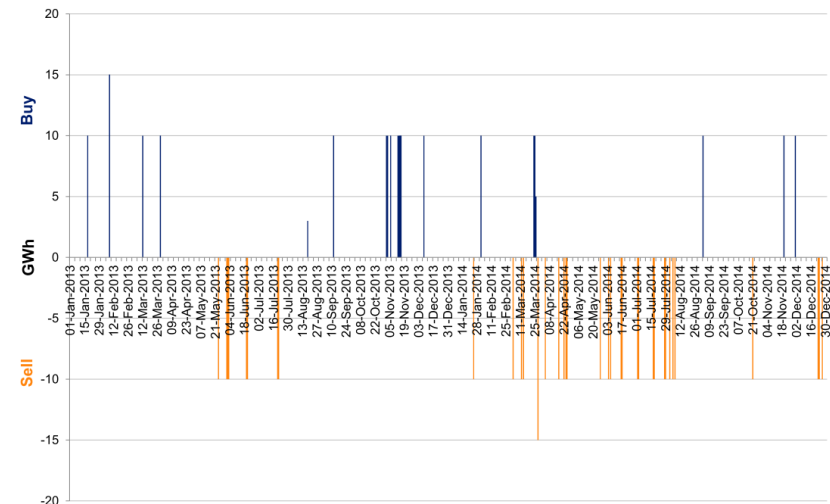
- 3 responses received to the consultation with mixed views
- Respondent 1 was broadly supportive
  - Urged that some of the proposed changes could be made sooner than proposed
  - Simplified balancing platform could be put in place for October 2015
- Respondent 2 considered that the NBP will continue to be the focus of trading and balancing services
  - Stressed the importance of a full consideration of the available options prior to a decision being made on a Trading Platform
  - Opposed any changes to the cashout regime
- Respondent 3 raised the uncertainty faced by generators and the issues raised with balancing in the last few hours of the Gas Day

# INTERIM MEASURES PROPOSALS - BALANCING SERVICES

## Towards a Trading Platform?

- Maintain the existing structure of balancing services contracts from October 2015
- Consider a number of changes from April 2016 to further develop the regime
  - Take smaller/more frequent actions informed by Short Term Standardised Products
  - Move delivery point to the IBP
  - Standardised day-ahead/within-day products
  - Signal the intention of an action to stimulate bids/offers
- Further development of balancing tools may include locational tools
- Consider how to use the NBP for balancing gas
- Further consideration of operational balancing as part of the Trading Platform Feasibility Study

Figure 2 – Balancing actions 2013/2014



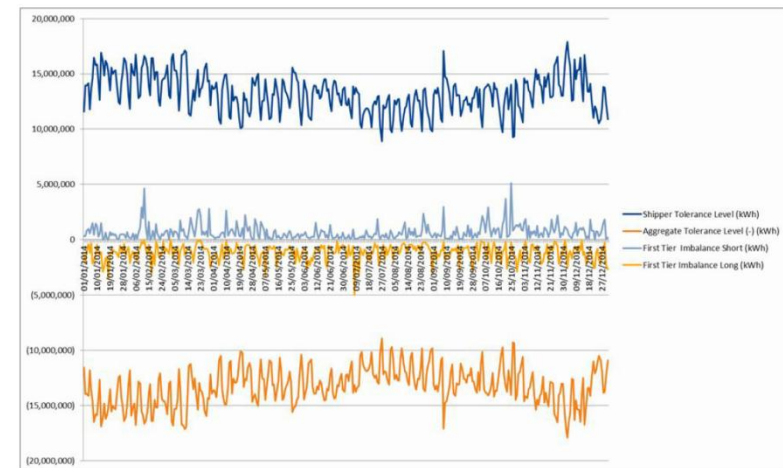


# INTERIM MEASURES PROPOSALS - TOLERANCES

**Tolerances provide protection from marginal priced cashout but reduce incentives to balance**

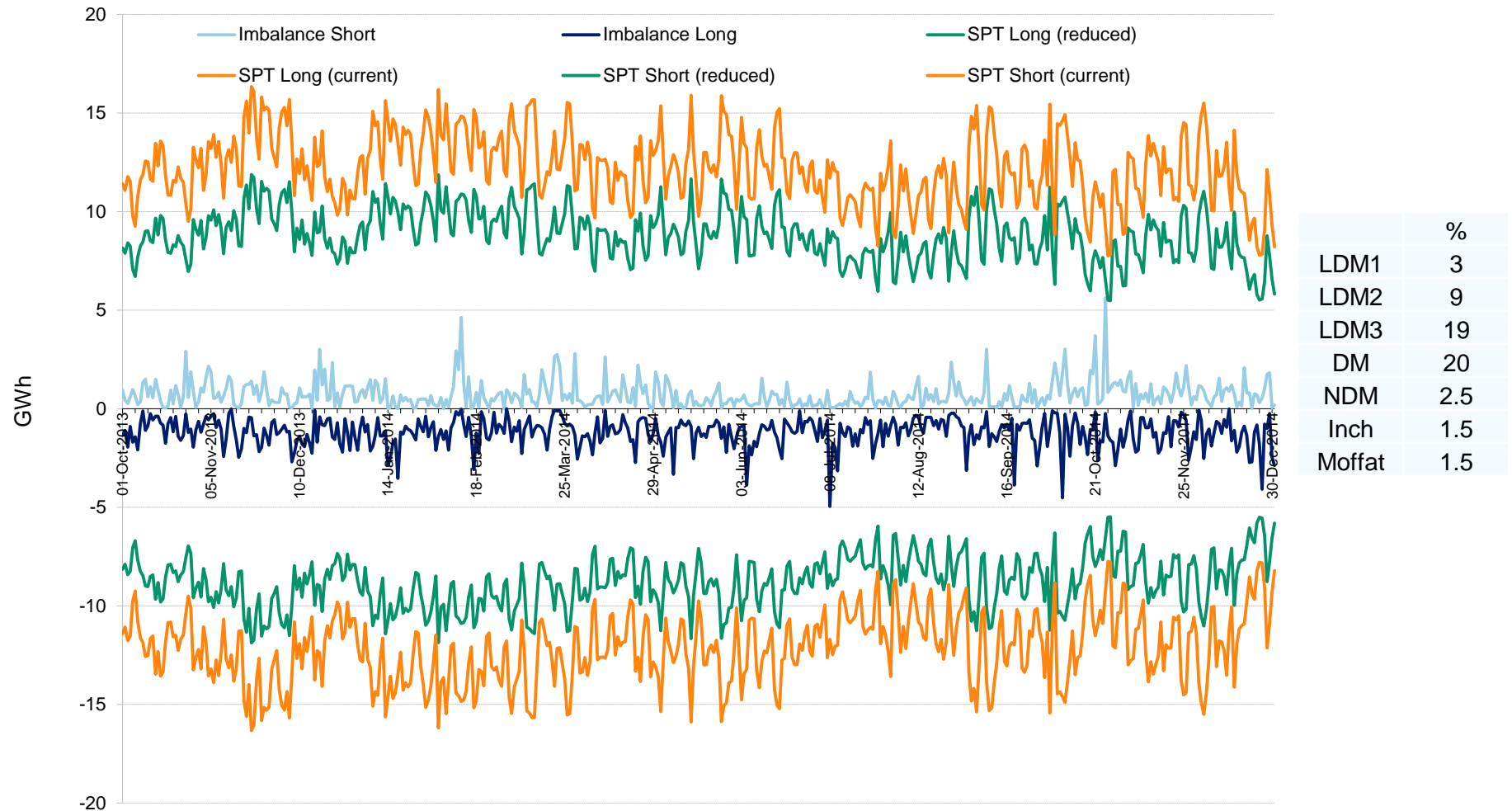
- Tolerances must be reduced to zero over the Interim period
- We have proposed a phased reduction in the IMR
  - LDM1 from 4.5% to [3]%
  - LDM2 from 12% to [9]%
  - LDM3 from 25% to [19]%
  - DM from 40% to [20]%
  - No changes to entry or NDM
- Do these go far enough?
  - Should Moffat entry tolerance be zero due to revised TSO arrangements post November 2015 – allocated whole
  - We are currently evaluating the impact of tolerance reductions on different sectors
  - Will make a proposal in the Business Rules to allow consultation
- Tolerance reduction impact monitored and further reductions in future years to be considered as part of the annual IMR

Figure 3 –First Tier Imbalances and Aggregate Shipper Portfolio Tolerance



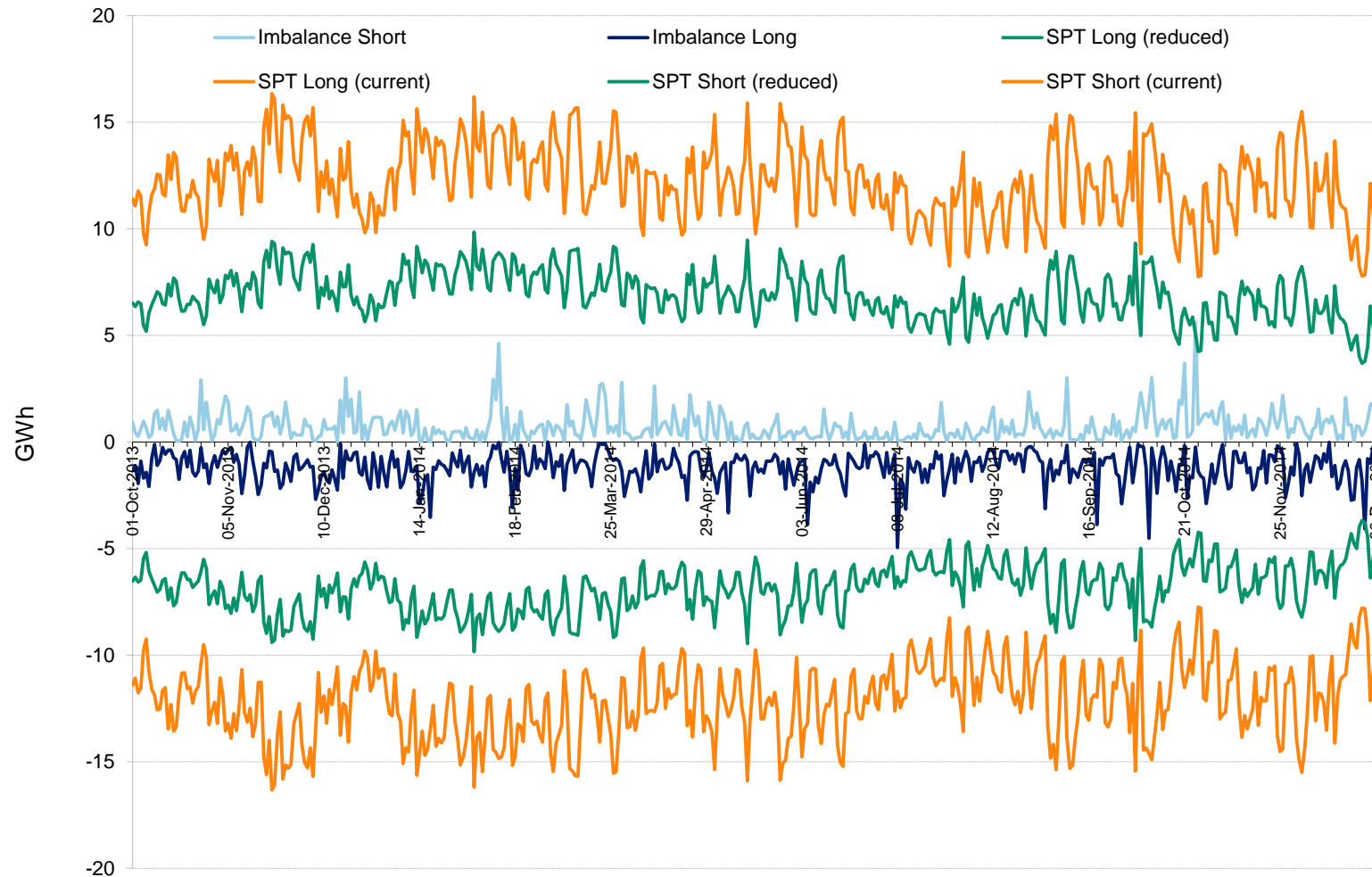
# REDUCING TOLERANCES (1)

Reducing tolerances to levels suggested in the Interim Measures report does not significantly change the overall aggregate tolerance level



## REDUCING TOLERANCES (2)

Reducing the entry tolerance at Moffat has a greater impact



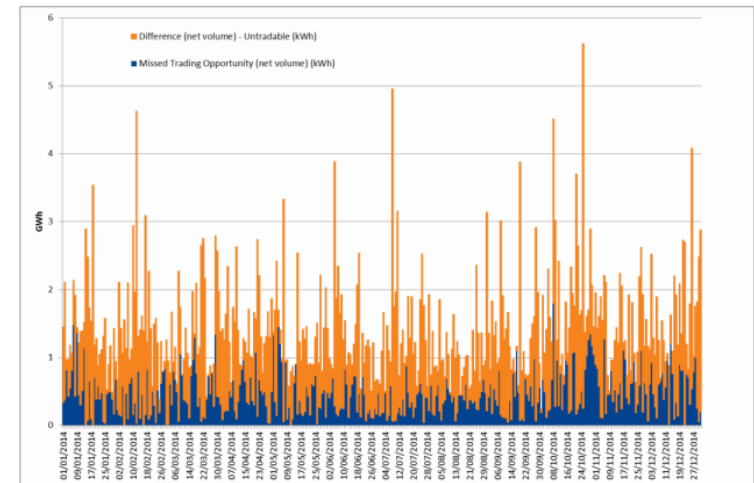
	%
LDM1	3
LDM2	9
LDM3	19
DM	20
NDM	2.5
Inch	1.5
Moffat	0

# INTERIM MEASURES PROPOSALS - IMBALANCE CASHOUT

Interim Imbalance Cashout prices can be based on a market proxy which is the current approach

- To increase the incentives to trade we have proposed a tightening of tolerances AND a first tier imbalance cashout differential
- From October 2015 via Mod A068
  - First Tier Buy Price € SAP + 2%
  - First Tier Sell Price € SAP – 2%
- No change to Second Tier Imbalance price for October 2015
- From April 2016 it may be possible to introduce an element of the cost of balancing actions for Second Tier Cashout
  - If balancing services move to the IBP
- Ultimately the goal would be to move to a IBP derived dual cashout price with zero tolerances
- Further changes considered in future IMRs

Figure 4 – Missed trading opportunities



# INTERIM MEASURES PROPOSALS - TRADING PLATFORM FEASIBILITY STUDY

**The requirement to move towards a competitive and liquid trading platform is one of the main objectives of the Balancing Code**

- But how realistic is this since Rol is connected to the NBP?
  - Balancing Code requires that the development of liquidity within the balancing zone is addressed
- Gaslink/GNI will carry out a Trading Platform Feasibility Study that will assess
  - How a Trading Platform may be established in Rol
  - Whether a Balancing Platform is an option to transition to the Trading Platform
  - How the liquidity at the NBP may be used
- The assessment will consider the practicality, costs and benefits of establishing a Trading Platform
- To consider the balancing tools that are required
  - Including the definition of Short Term Standardised Products
- Feasibility study to report by September/October 2015
- Potential implementation in October 2016
  - Depending on the feasibility

# TIMESCALES FOR INTERIM MEASURES TO 2019

Table 3 – Indicative transitional plan to consider Trading Platform implementation from October 2016

Element	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	
<b>1 Trading Platform Faesibility Study</b>																				TPFS to be carried out during Q2 and Q3 to consider Trading Platform, Balancing Platform and use of Adjacent Trading Platform.
<b>2 Platform Implementation (if proved faesible)</b>																				This could be a Balancing Platform, Trading Platform . Either approach could be combined with use of an Adjacent Trading Platform
Decision on Approach																				Decision expected October 2015
Development of Platform																				
Implementation of Platform																				Implementation of platform October 2016
<b>3 Balancing services contract</b>																				
Refine current arrangements for Gas Year 15/16																				Terms to be refined to enhance competition in procurement process
Operation 15/16 Contract																				
Refine arrangements for April 2016																				To develop processes for Delivery Point at the IBP
Operation at IBP as delivery point																				Move delivery point to IBP
<b>6 Evolution of TSO balancing action</b>																				
Balancing Contract use																				
Use of Platform																				Either Trading Platform or Balancing Platform if faesibility established
Use of Adjacent Trading Platform																				Use of Adjacent Trading Platform to support Rol Platform
Use of Balancing Services																				Balancing Services in some form may be continued if required
<b>7 Imbalance cash-out revision</b>																				
FTIP differential introduction																				Introduce a differential for long and short imbanaces within tolernace
STIP development																				To develop STIP to include balancing gas cost element
STIP Implementation																				
Single Dual cashout based on IBP trades																				Marginal based cashout price to coincide with zero tolerance by Oct 2019 or before
<b>8 Phased reduction of tolerances</b>																				
Step 1 reduction																				First step to be sufficient reduction to encourage an improvement in overall network user balancing; later steps to be defined in respect of observed performance and assessment of ease of access to short term flexibility
Step 2 reduction																				
Step 3 reduction																				
Step 4 reduction																				Aspiration to be at zero tolerance levels by Oct 2019 or before
<b>9 Interim Measures Reports</b>																				Subsequent IMRs to be published in Q3 to permit winter experience to be analysed

# CRITERIA TO ASSESS LIQUIDITY

In order to assess the development of liquidity we will monitor the following and report in the annual Interim Measures Reports

Criteria	Expected direction of movement (increase/decrease)
Number of trades at the IBP	Increase
Number of counterparties at the IBP	Increase
Volume of trades at the IBP	Increase
Average trade size	Tbc reflective of STSPs
Missed trading opportunities	Decrease
Untradeable quantities	Decrease
Aggregate First Tier imbalance	Decrease
Aggregate Second Tier imbalance	Decrease
Number and volume of ADTs	No increase
Number and volume of Balancing Buy Actions	Increase (number) Decrease (volume)
Number and volume of Balancing Sell Actions	Increase (number) Decrease (volume)
Net balancing Gas Costs	Decrease
Net Disbursements Account figure	Decrease

Are there any others to consider?

# MODIFICATION A068 – EU NETWORK CODE IMPLEMENTATION

## Considers changes required as a result of Interim Measures and other areas

- Interim Measures
  - Reduction of tolerances
  - Daily imbalance cashout price
- Other items (originally in Section 5 A063)
  - After Day Trades
  - Scheduling Charges
  - Disbursements Account
  - Trade notifications / IBP Nominations
- Mod A068 raised on 20 April
- Business Rules to be developed and consulted upon

CODE OF OPERATIONS MODIFICATION PROPOSAL				
				
MODIFICATION DETAILS				
<b>Modification Number:</b> A068		<b>Modification Title:</b> Balancing: EU Network Code Implementation		
<b>Modification Proposer:</b>	<b>Modification Representative:</b>	<b>Modification Representative Contact Details:</b>	<b>Date Submitted:</b>	<b>Proposed Implementation Date:</b>
Transporter	Aidan Hogan	marketarrangements@gaslink.ie aidan.hogan@gasnetworks.ie	20 April 2015	1 October 2015
<b>Proposal:</b>				
<p>The proposed modification intends to incorporate those aspects of <a href="#">Regulation EU 312/2014</a> (Balancing Network Code) which relate to operational balancing (Chapter 3 of the Regulation), daily imbalance charges (Chapter 5 of the Regulation), and neutrality arrangements (disbursements account) (Chapter 7 of the Regulation). It also engages Chapter 10 of the Regulation 'Interim Measures'. The Regulation has an implementation date of 1 October 2015.</p> <p>The items included in the scope of this modification A068 have been consulted on previously as part of <a href="#">Code Modification Proposal A063: Nominations, Imbalance Charges &amp; Allocations: EU Network Code Implementation</a>. Further to Industry responses and CER feedback, the Transporter subsequently commenced a review of its initial proposals and proposed utilizing the provisions of Chapter 10 'Interim Measures', which facilitates a gradual implementation of the Regulation over an interim period in circumstances where low levels of liquidity are deemed to pertain in a Member State's short term wholesale gas market. The Transporter published its <a href="#">Interim Measures Report</a> for consultation on 5 March 2015. The purpose of the interim measures are to stimulate liquidity in the market through the amendment of tolerances and daily imbalance cash-out prices as the first step towards developing a potentially liquid short-term market over a longer period. The CER issued its decision (<a href="#">CER/15/085</a>) supporting this approach on 17 April 2015.</p> <p>Code Modification A068 will therefore set out the proposals for implementation in the Gaslink Code of Operations for 1 October 2015 in two distinct areas:</p> <ol style="list-style-type: none"><li>Items which are considered 'interim measures' in the context of the Regulation:<ul style="list-style-type: none"><li>Reduction of Tolerances</li><li>Daily Imbalance Cash-out Price - introduction of differential into first-tier cash-out price</li></ul></li><li>Items which are not considered 'interim measures' in the context of the Regulation but which were included in Chapter 5 of <a href="#">Code Modification A063 business rules v2.0, including:</a><ul style="list-style-type: none"><li>After Day Trades</li><li>Scheduling Charges</li><li>Disbursements Account</li><li>Trade Notifications / IBP Nominations</li></ul></li></ol> <p>The following points should be noted in respect of item 1 above:</p> <ul style="list-style-type: none"><li>any proposals put forward as part of modification A068 are contingent upon CER approval, independent of its previous Decision CER/15/085 in respect of the Interim Measures report,</li><li>any proposals put forward as part of modification A068 represent the first step in a series of sequential developments in this area, with each subsequent step subject to annual review, issued via an updated Interim Measures Report, of the effectiveness of the previous iteration. A new code modification proposal is anticipated as an outcome of each annual review.</li><li>The proposals included in the interim measures report provide guidance in terms of the proposals included in this code modification A068 but do not limit them in any way.</li></ul> <p>• <b>Proposed Implementation Date:</b></p> <p>Regulation EU 312/2014, establishing a Network Code on Gas Balancing of Transmission Networks (the 'Balancing Network Code'), specifies an implementation date of 1 October 2015.</p> <p><b>Proposed section of the Code to be modified:</b></p> <p>Part A: Definitions &amp; Interpretations Part E: Balancing &amp; Shrinkage</p> <p>In addition there may be consequential effects on other areas of Code as a result of this modification.</p>				



# MODIFICATION A068 – COMPARISON TO A063 PROPOSALS

## Main areas to be developed in the A068 Business Rules

Mod A063 reference	Mod A063	Mod A068	Comment
5.2 Tolerances	Removal of tolerances	Phased reduction of tolerances to commence in October 2015	Tolerances to be removed by 2019 at the latest
5.4 Applicable Price	Dual marginal cashout based on buy/sale of title products or multipliers	Differentials for first tier imbalance cashout	Changes to second tier imbalance cashout to be considered once balancing services delivery moves to the IBP
5.6 Disbursements Account	Monthly settlement and monthly neutrality charge	As A063	
5.7 After Day Trades and Scheduling Charges	Removal of ADTs Removal of scheduling charges at IPs	No change to ADTs from October Scheduling charges as A063	Use of ADTs will be monitored and proposal to remove may be considered in future
5.8 Trade Notifications / IBP Nominations	IBP Nominations matched within 0.5 hour Removal of requirement to hold Active Capacity	As per A063	



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## **Pöyry Management Consulting**



***A065 – Financial Security Policy amendments  
arising from introduction of Capacity Allocation  
Mechanisms (Regulation 984/2013)***



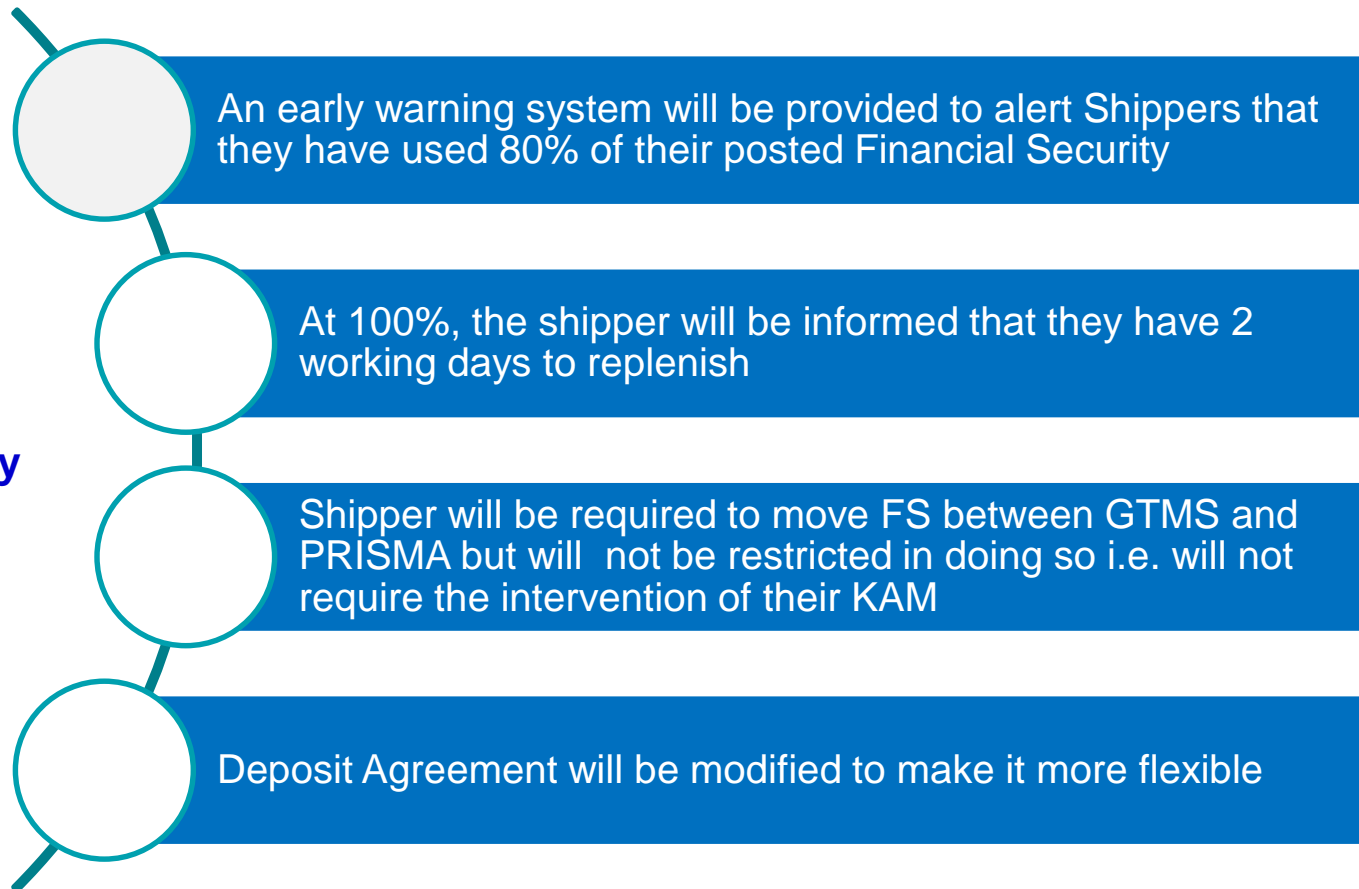
# Financial Security Proposal review:

Product	FS Required at time of Auction ?	Level of FS Required
Annual*	✗	0 %
Quarterly	✗	0 %
Monthly	✓	100%
Day-Ahead	✓	100%
Within-Day	✓	100%

\* Annual Products can be booked for the next 15 years at the PRISMA Auction

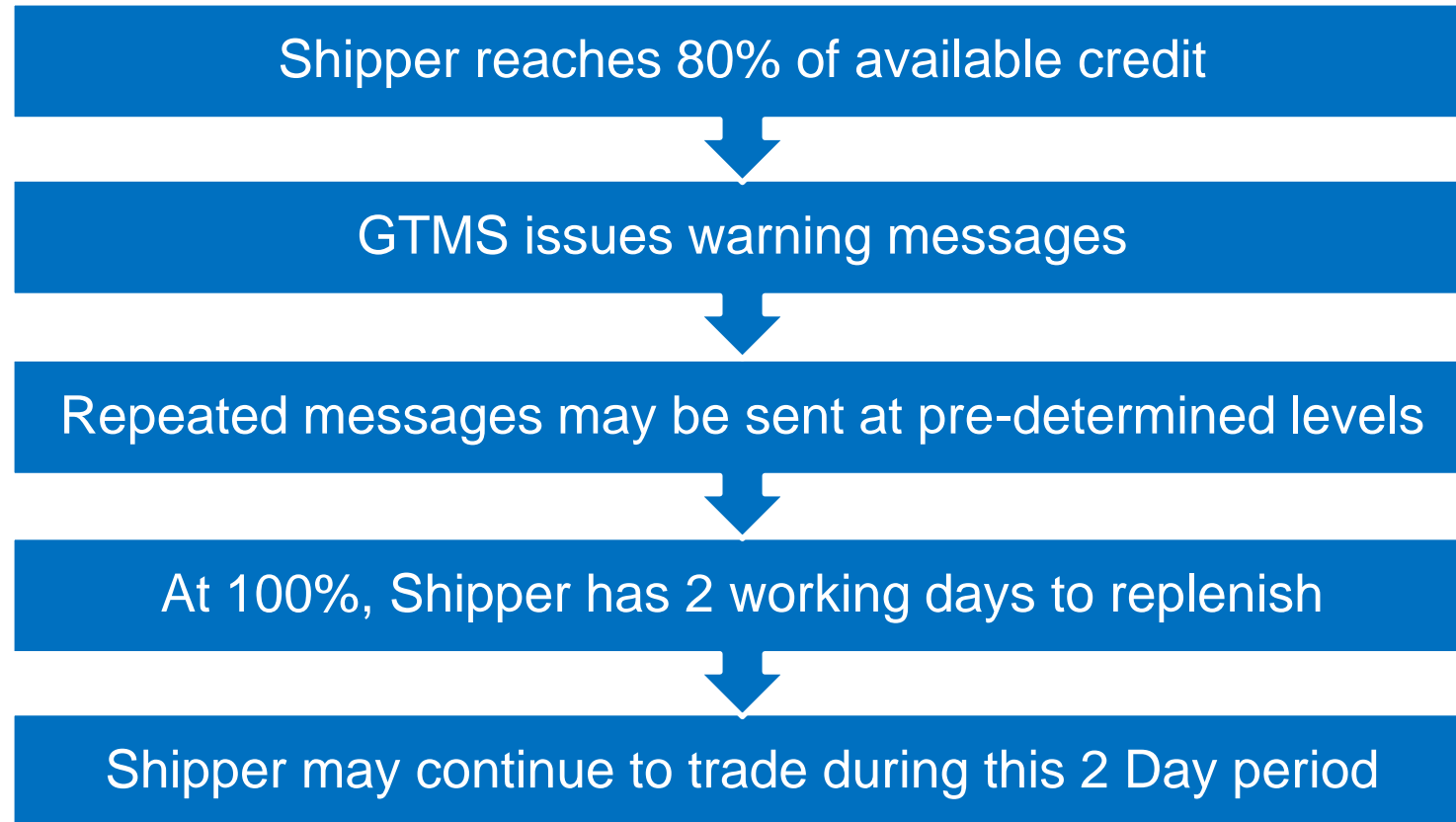


## Financial Security Key Changes



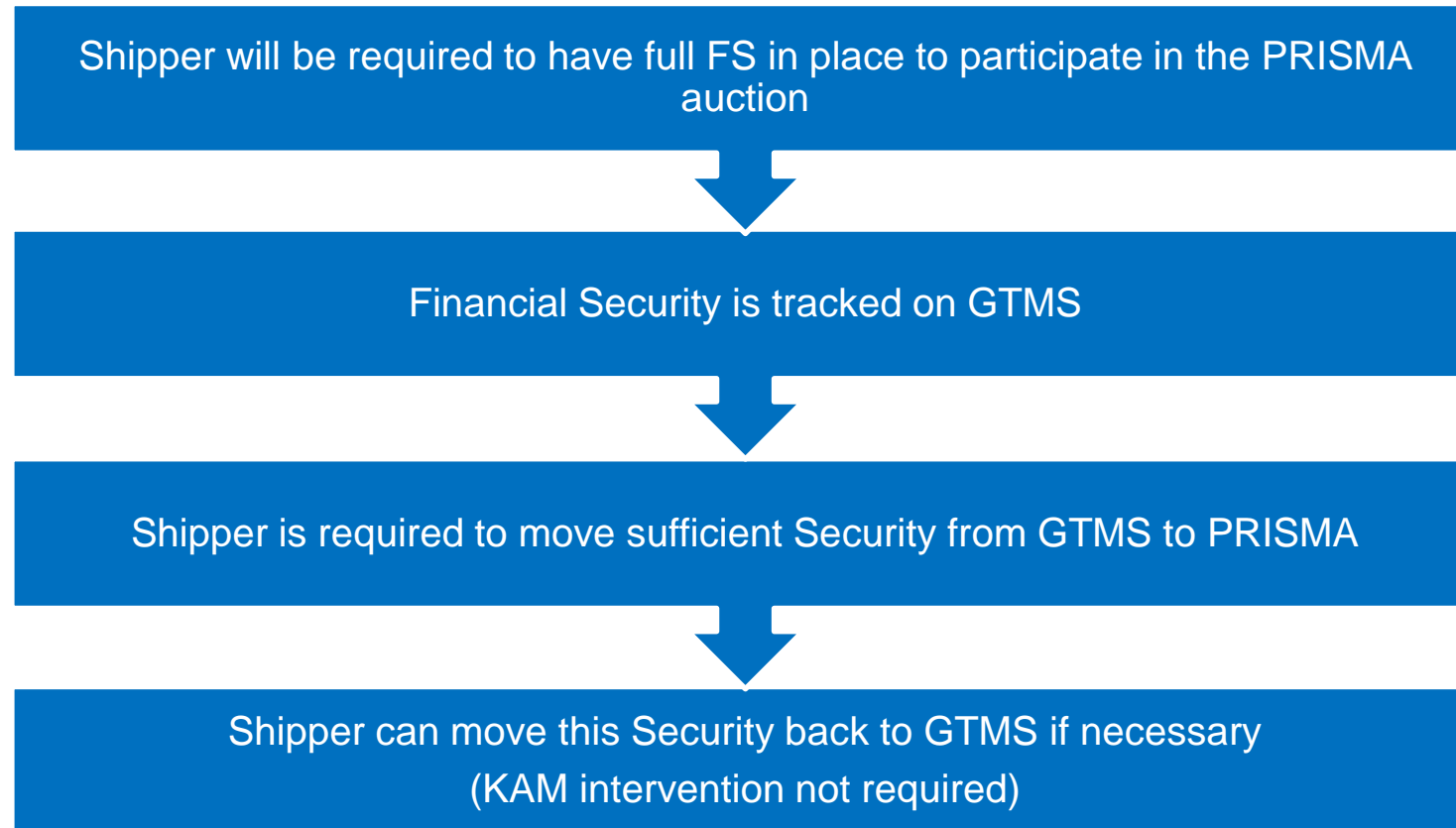


## Early Warning Proposal





## Booking Monthly and Daily Capacity at interconnection Points



## Deposit Agreement Review



- To facilitate shippers in meeting their financial security commitments within two days, it is proposed to change the requirements of the Deposit Agreement as follows:

### Deposit Agreement Proposed Modifications

Only one Deposit Agreement will need to be signed by the Shipper

Shipper will have the option to use a non interest bearing account

Shipper will be able to add/withdraw as necessary

Once the Deposit is confirmed, the Shipper's FS level on GTMS will be updated





# ***A066 – ‘EU Network Code Implementation: Transitional Arrangements’***

# Update



## Progress

- Code Modification A066 Business Rules were issued for consultation on 2<sup>nd</sup> April 2015;
- The consultation period ended on 17<sup>th</sup> April 2015;
- A total of four responses were received by the deadline.

# Responses (slide 1 of 3)



- Four Responses were received:

## Response 1

- supported the changes outlined in the Business Rules

## Response 2

- Requested that the TSO & CER investigate an alternative to the proposed once a year annual capacity booking system
- Suggested that shippers could confirm by Sept 2015 if they wish to extend their annual bookings while having a monthly option to assess reducing / increasing those bookings until September 2016
- Requested that CER examine short term multipliers as part of the transitional arrangements and reduce in line with the quantum in the Tariffs Framework Guidelines
- Noted that it was not in a position at present to comment on phasing out of Unbundled Capacity

## Responses (slide 2 of 3)



### Response 3

- Noted that the booking period between 1<sup>st</sup> Aug 2014 to 23<sup>rd</sup> Sept 2015 for Annual Capacity bookings is ‘restrictive’ and that a Shipper would not be able to gauge in August / September 2015 what “shortened” annual capacity they require from say Jan 2016 to Sept 2016.
- Requested that section 3.1.2 (b) say that annual capacity can be requested 8 days prior to its activation date.
- Welcomed Entry Point Transfers
- Noted a typo in the date in section 3.1.3

### Response 4

#### Transitional Capacity Arrangements at Interconnection Points

- Outlined that misalignment of Entry & Exit annual capacity bookings that arises as a result of the implementation of the CAM NC, is a cause of concern
- Requested that shippers be afforded the opportunity to realign their annual exit capacity bookings (at non-IPs) to the regular gas year i.e. effective 1st Oct.
- Proposed a solution

# Responses (slide 3 of 3)



## Response 4 (Cont'd)

### Voluntary Bundling

#### — Queried:

- Will single-sided nominations will still be facilitated for unbundled capacity, or only for bundled capacity?
- What complications arise (if any) from having a mix of bundled and unbundled capacity at an IP from a nominations standpoint?

### PRISMA

- Awaits TSO Set up on platform

### Moffat Agent transitional arrangements

- Awaits further clarification at Workshop

### Agent performing activities on behalf a Shipper

- *NOTE: This topic is not covered in current A066 Modification, but may be included in Legal Drafting or a Modification at a later date.*
- Requested modification of the Code to clarify arrangements where an agent may perform shipping activities on behalf of a Shipper
- “Per section 8 of Part I of the Code, a Shipper must generally interact with Gaslink Independent System Operator Limited (“Gaslink”) (as Transporter) by way of “BGT Systems”
- Shippers are licensed by Gaslink to have access to and use of the “BGT Systems” for these purposes (see 12.4.2(a)(i) of Part I). However, Shippers are not permitted to sub-licence the use of the software, the hardware and any manual or other materials provided by the Transporter in respect of the BGT Systems (see 12.4.7(c)(iii)1.2(b) of Part I)”.



## Next Steps

- Discuss consultation responses with CER
- Propose final version of Business Rules to CER
- Issue Final Modification Report
- Publish final version of Business Rules as soon as approved
- Legal Drafting Consultation due to commence May 15<sup>th</sup>



## ***A067 – ‘Congestion Management Procedures’***

# CMP Overview



- Surrender of Capacity
  - Done through PRISMA.
  - Both TSO's validate Bundled Requests.
  - Submission deadline is 5 days prior to publication of Available Capacity at an auction.
- OS & BB
  - TSO shall notify Adj. TSO when implementing mechanism.
- LT UIOLI
  - For a Bundled Product, TSO shall notify adjacent TSO when initiating Withdrawal Process.
- FDA UIOLI
  - Doesn't need to be implemented until July 2016.
  - National Grid & Ofgem have taken decision not to implement.
  - CER decision on implantation pending.



# CMP Status



- Business Rules distributed on 14 April 2015.
- Consultation period ends 5 May 2015.
- Contractual Congestion Report due April 2015.



## **A064 – ‘*Virtual Reverse Flow: Enhanced flexibility and compliance with EU Network Codes*’**

# A064 Enhanced Virtual Reverse Flow



## Current Status

- ❖ Version 3.0 of the Business Rules to be approved.
- ❖ Correction has been made to the Business Rules regarding the Bookable VRF Capacity Formula to account for physical flow on the South North pipeline;
- ❖ Bookable VRF Capacity = the lesser of ROI Forward Flow Nominations or 22.92 mscm/d and in either case minus the IP CSEP Offtake Quantity
- ❖ The Transporter's IT Department is currently working on developing a cost estimation for Enhanced VRF and an improved date that systemisation of the Enhanced VRF product will be complete.



## **6. Other EU Updates**



# REMIT – Verbal Update



## **9. Any Other Business**



## 9. **Date of next Code Modification Forum**

Proposed Date: **Wednesday 27<sup>th</sup> May 2015**

Location : **Cork**



**Thank you for your participation**