



Gas
Networks
Ireland

Code Modification Forum

Clayton Hotel,

Cork

Wednesday, 12 June 2019

Agenda

1. Review of minutes from last meeting
2. Review of open actions
3. Update on Maintenance Activities
4. Code Modification Proposal A087- New Framework for Suppliers in PPM Market
5. Code Modification Proposal A096 – Data Sharing Agreement
6. Code Modification A097 – Amendment of Final Allocation Date
7. Code Modification Proposal A098 – Reduction of Capacity Overrun Multipliers
8. Status of Code Modification Proposals
9. Brexit and ROI Gas Market
10. Gas and Electricity Interaction
11. GNI Presentation – Gas Networks Ireland Growth Initiatives Update
12. GNI Presentation – CCS and Hydrogen
13. GNI Presentation – Gas Quality/Wobbe Index Increase Proposal
14. AOB

1. Review of minutes from last meeting

- Minutes of CMF meeting of 27th March 2019 were issued on 15 April 2019
- No comments were received

2. Review of open actions

ID	Action	Responsibility	Status	Priority
C567	Transporter to carry out development work on its Website to make it more user friendly for Shipper	Transporter	Open	Medium
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	Open	High
C571	Transporter to issue letters to Shippers indicating each respective credit position, issue Report to CRU, and settle each credit position through the Disbursement Account	Transporter	Open	High
C572	Transporter to monitor on ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	Open	High

3. Update on maintenance activities

Maintenance Programme Gas Year 2018/2019

Date	Duration	Entry Points	Commentary
7th March 2019	1	Bellanaboy	Station testing, valve check and validations at Cappagh South. Deferred and combined with September date.
9th May 2019	1	Inch	Odourant injection system planned maintenance. Deferred to 13 th August but not expect to interrupt flow
4th Jul 2019	1	Moffat	Station testing, valve checks and validations at Beattock and Brighthouse Bay compressor station. Complete ahead of schedule as no interruption to the entry point was required
12th Sep 2019	1	Bellanaboy	ESD testing at the Corrib Terminal. Combined with the Corrib operator shut-down

3. Update on maintenance activities (contd.)

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..
17 th June 2020	1	Inch	Odourant injection system planned maintenance. Deferred to 13 th August but not expect to interrupt flow
9 th Sep 2020	1	Bellanaboy	ESD testing at the Corrib Terminal (will be coordinated with the annual Corrib planned maintenance)

4. 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
- A new agreement between GNI and suppliers will be required to ensure compatibility of such services with the back office system, to ensure the necessary information flow from the meter to the GNI system and ensure GNI has the ability to coordinate resolution of any industry wide issues.
- This agreement will not address commercial terms related to front office services.

4. Code Mod A087- New Framework for Suppliers in PPM Market (contd.)

- It is proposed to establish a working group to discuss and analyse the impacts of the proposed solution and develop the appropriate regulatory framework and procedures, implementation plan and system changes to ensure the proposed solution is implemented.
- Draft of proposed Terms of Reference for working group were circulated to the GMARG forum on 19th Feb with GMARG documentation.
- GNI requested comments from the GMARG forum on circulated Terms of Reference for proposed Workgroup and nominated workgroup representatives by 7th March.
- GNI are reviewing comments and initial call with supplier working group representatives to be arranged.
- Cod Mod related requirements will be brought to the Cod Mod forum as required.
- **First Meeting of Workgroup in Finglas on 13 June 2019 - deferred**

5. Code Mod A096 Data Sharing Agreement

- Requirement Initially raised at GMARG in Feb 2015 as a Data Processing Agreement
 - Specification changed with GDPR
 - Code mod raised June 2018
- 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)
- Transporter has consulted with Industry on the provision through the GMARG and Code Modification Fora particularly in relation to an amended Clause 9 (Confidentiality and Data Protection) of Part I (*Legal and General*) of the Code of Operations
- Joint GMARG and CMF teleconference with Industry in relation to draft Clause 9 provision was convened on 12 March where it was agreed that Shippers were to submit written comments on draft Clause 9 by late March, GNI to reply to comments
- GNI collated comments from 4 Shippers and responded on 11 April to all points raised
- A further joint teleconference was then convened 30 April for further review of Clause 9

5. Code Mod A096 Data Sharing Agreement (contd.)

- Following the 30 April call it was agreed on the call that GNI would issue a note outlining our positions on five key issues within 2-weeks;
 - Liability/indemnity provisions on Data Sharing
 - Summary of why the data sharing provisions should in the Code rather than ancillary agreement
 - Summary of the “double jeopardy issue”
 - Commentary on definition of “Permitted Purposes”
 - Rationale for Data Controller/ Processor relationship
- Shippers had a 2-week period to submit written comments on the note
 - 3 shippers returned comments

5. Code Mod A096 Data Sharing Agreement (contd.)

Issue	Shipper 1	Shipper 2	Shipper 3	GNI
Liability/indemnity provisions on Data Sharing	Want GNI to have a higher cap	Proposed striking some text in Clause 9.6.24	Shippers liability should be capped as the same level as GNI's (i.e. €3.8M) in the interests of fairness.	To place a cap on that liability would place a large unlimited liability in relation to such issues on GNI.
Summary of Code versus ancillary agreement	Supportive of including the data sharing provision as a modification to Section 9 of the Code of Operations	No comment, suggested edits to existing drafting	Should be in the code, and agrees with the reasoning set out by GNI	Code as it is a contract/most appropriate place, DP already addressed in code, one code modification process/transparency.
Summary of the "double jeopardy issue"	Suggested alternative wording for clause 9.3.3 to better address the concern relating to potential dual regulation	No comment	Does not consider that the issue of "double jeopardy" is a material issue.	Cannot restrict the ability of any regulatory authority to carry out its statutory function
Commentary on definition of "Permitted Purposes"	Issue removed if the text relating to "other purposes permitted by Data Protection Law" is retained	The parties should clearly understand the relationships they are entering into and what obligations are placed on whom.	Personal data should only be used for the purposes of the Code/basis upon which it is collected,	GNI had agreed to a suggested amendment from 1 Shipper.
Rationale for Data Controller/ Processor relationship	Does not agree that GNI acts as a Data Processor for Shippers	Agree that who is a processor/who is a controller of personal data is not decided by the labels parties agree, but at least states the intention of the parties.	Shipper 3 considers that it is appropriate to provide for the controller to processor relationship	Q re processor/controller is not decided by the labels parties agree. Real risk to both shippers and GNI of breach if they are not considered.

6. Code Modification A097 – Amendment of Final Allocation Date

- **Proposal by GNI:**
 - To amend the Final Allocation Date in respect of Exit Points from D+5 to M+5
 - i.e. 5 calendar days after month end
- **Current position:**
 - Sect.2.9.2 of Part D of Code provides that “ *The Transporter shall make available to Shippers the Final Allocation in respect of a Shipper’s LDM Offtake(s), DM Offtake(s), NDM Supply Point(s), and/or the Sub-Sea Offtake by 16:00 hours on D+5*”
 - Meter cleansing takes place at the start of a calendar month for a preceding month which is after D+5
 - Transporter cannot correct metering issues uncovered after D+5 other than as a cumulative month end adjustment which is not date specific and hinders Shippers in detailing their customer invoices

6. Code Modification A097 (contd.)

- **Procedure going forward**

- GNI will be able correct metering issues as they arise, adjust the metered quantity for the day, reallocate and issue more accurate monthly allocation statements/invoices to Shippers
 - Shippers will be able to issue accurate statement/invoices to customers and will not have to obtain subsequent account adjustments.
1. Grid Control identify a requirement for a MDC action
 2. Re-run allocations for the affected days.
 3. Grid notifies Shipper Operations of details.
 4. Shipper Operations will notify affect Shipper

7. Code Mod Proposal A098 – Reduction of Capacity Overrun Multipliers

- **Transporter Proposal:**
 - To reduce Overrun Multiplier from eight times to four times the applicable Daily Capacity Charge
- **Transporter Rationale:**
 - The proposed Overrun Multiplier seeks to strike a balance between incentivizing Shippers to book adequate capacity on the GNI network whilst not unduly penalizing exposed Shippers.
 - The present capacity overage charge calculation predates the introduction of Short Term Capacity products and could be viewed as unduly penal, particularly in shoulder and winter periods.
- A power station Shipper with an overrun of **750,000 kWh** (equivalent to approx. 1 hour of max load at a particular power station) at Moffat Entry and at its LDM Exit in the month of February when the Daily Capacity Charge would be circa. €12,600 would at present attract overrun charges of €101,000. If the Overrun Multiplier was reduced from 8 times to 4 times, the overrun charges would be c. €50,500.

Month	Cost of Daily Capacity	Cost of Overrun @ 8x	Cost of Overrun @ 4x
October	3,553	28,424	14,212.01
February	12,633	101,063	50,531.58
June	268	2,148	1,073.80

8. 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/Consultation
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

9. Brexit and ROI Gas Market

- Verbal update from GNI

10. Gas and Electricity Interactions

- Verbal update from GNI

11. GNI Presentation – Gas Networks Ireland Growth Initiatives Update

Gas Networks Ireland – Update to CMF

Fran McFadden

National Customer Acquisition Manager

Gas Networks Ireland



€3bn

state owned asset

700,000

connections

Over 2 times

the energy transported by the gas network in Ireland when compared with the electricity network

52%

of Ireland's electricity needs powered by natural gas



Biomethane

Will be injected into the gas grid from 2019

20% by 2030

50+% by 2050

1 in 50

Flexibility to meet the harshest weather events as seen in 2010 and more recently in 2018



14,172km

of gas pipeline could wrap around Ireland's coastline 4 times

2nd

most profitable semi-state energy company



100%

Reliability of our gas transmission network, including interconnectors to the UK.

Natural Gas Network In Ireland



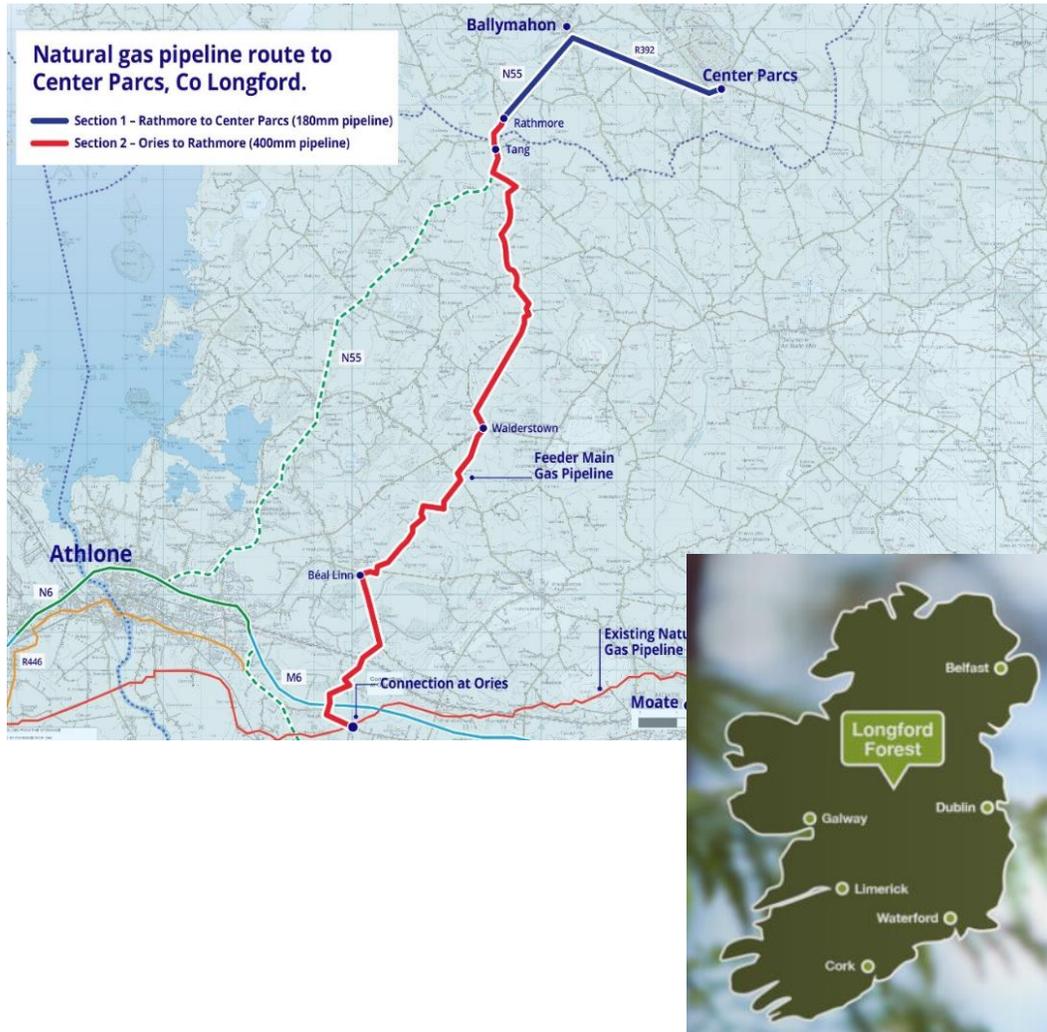
A Growing Network c 14,200 Km:

- Centre Parcs, Listowel, Wexford
- Potential New Ross, Longford

Growing customer numbers:

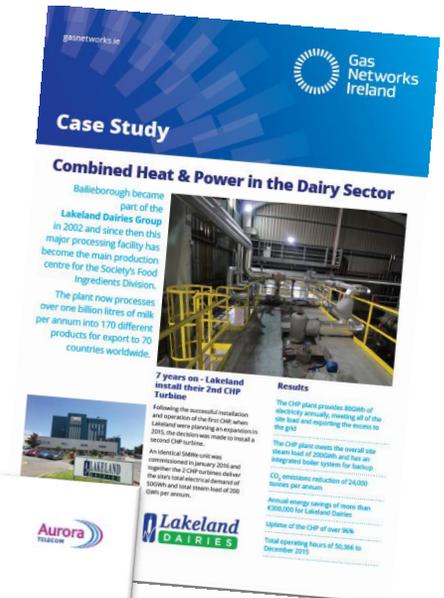
- 700,000 threshold exceeded
 - 670,000 Domestic
 - 30,000 I&C
- Mature Domestic 3,000 PA
- New Housing 6,000 PA
- SME 1,000 PA
- Large I&C 60 (AQ >512GWh PA)

Supporting Job Creation (Center Parcs)

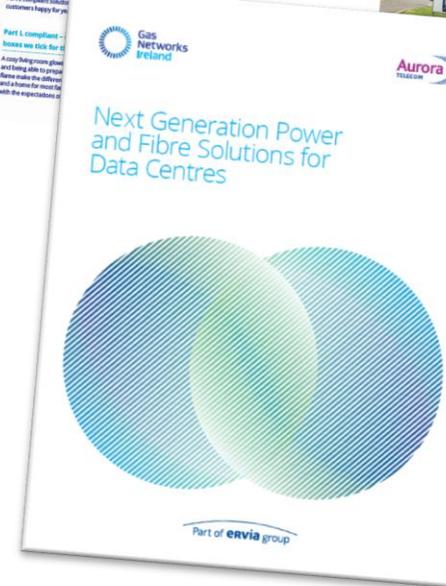


- **28Km Mains Extension from Athlone**
- **Twin-Stream SP2 Skid 4-Bar Supply**
- **20Km Downstream Low Pressure Network**
- **Heating and Hot Water to**
 - **466 Individual Lodges**
 - **Commercial Units**
 - **Tropical Swimming Pool**
 - **Kitchens**
- **Onsite Electricity Generation (3 x CHP Engines)**
- **No fuel storage or deliveries**
- **Secure and reliable**
- **Low Maintenance**
- **Future pathway to renewable gas**

Gas Networks Ireland Growth Initiatives

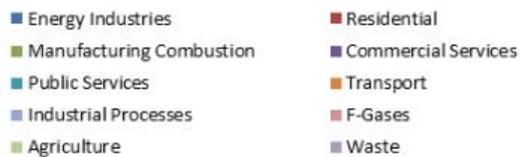
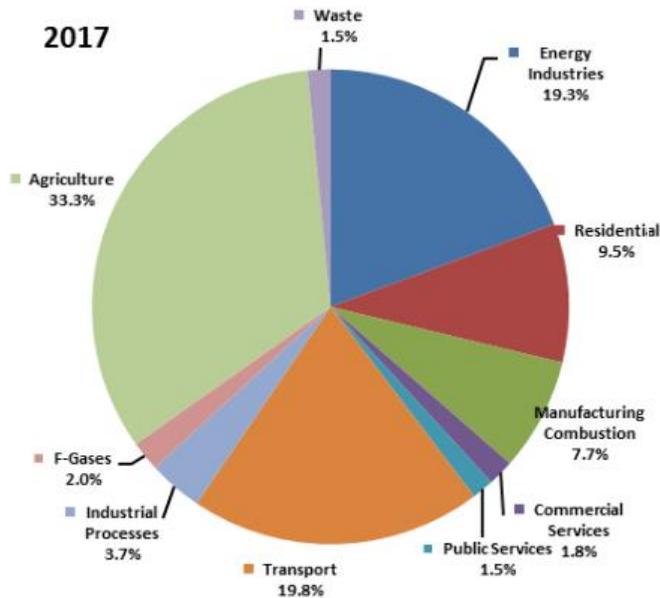


- Targeted Marketing Campaigns
- Stakeholder Engagement incl. Large Energy User Engagement
- Public Sector Bodies
- Developer Account Management
- Application research incl. case studies



Climate Change Challenges

~61MT CO₂ per Annum (EPA)



- Agriculture ~33%
- Transport ~20%
- Electricity ~20%
- Manuf/Industrial ~11%
- Residential ~10%
- Other ~6%



Critical to Enabling Renewables

52%
of Ireland's electricity needs
powered by natural gas

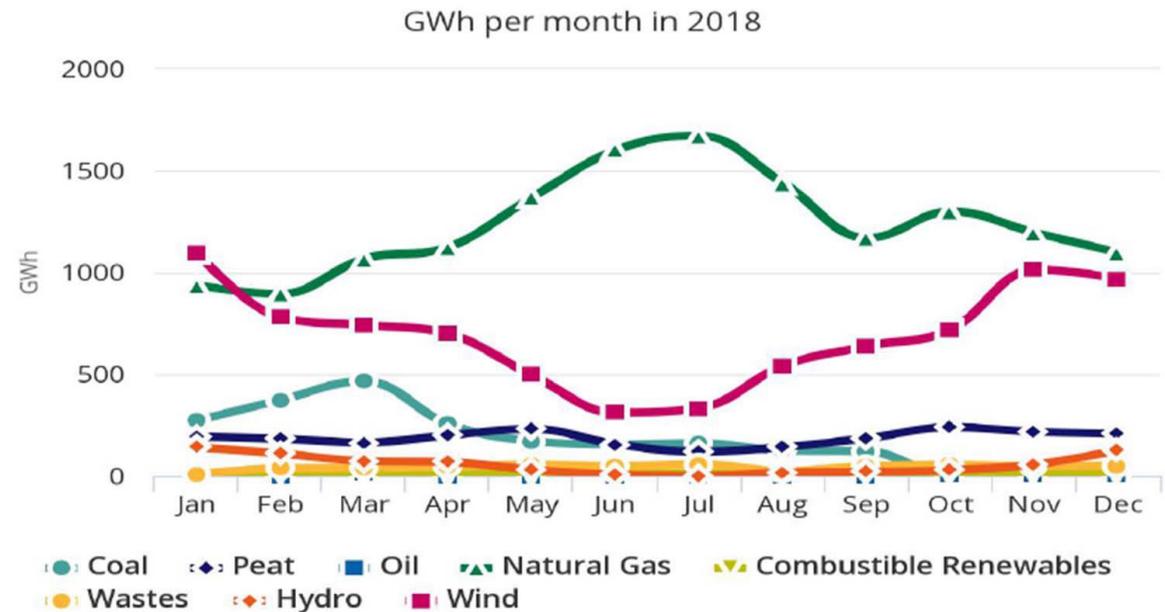


Electricity production 2018 - June & July:

Natural gas accounted for:

- Up to 90% peaks
- Average for period 70%

Renewable Electricity - 2018



Compressed Natural Gas

Natural Gas is cleaner

Emission type	Reduction in emissions from CNG vs diesel E6 Limits
NO _x	70%
NMHC	90%
Particulates	99%

Emission Type	Reduction relative to comparable diesel model
CO ₂	16-22% - 100% when renewable
Noise	10%



- 3% of vehicles account for 20% of emissions
- 30 CNG HGV's currently operational in Ireland
- 1st Public station commissioned in Dec 18
- Rolling out 14 public stations in partnership with EU & CRU
- Up to 150 public & private stations by 2030
- Renewable CNG is the goal!

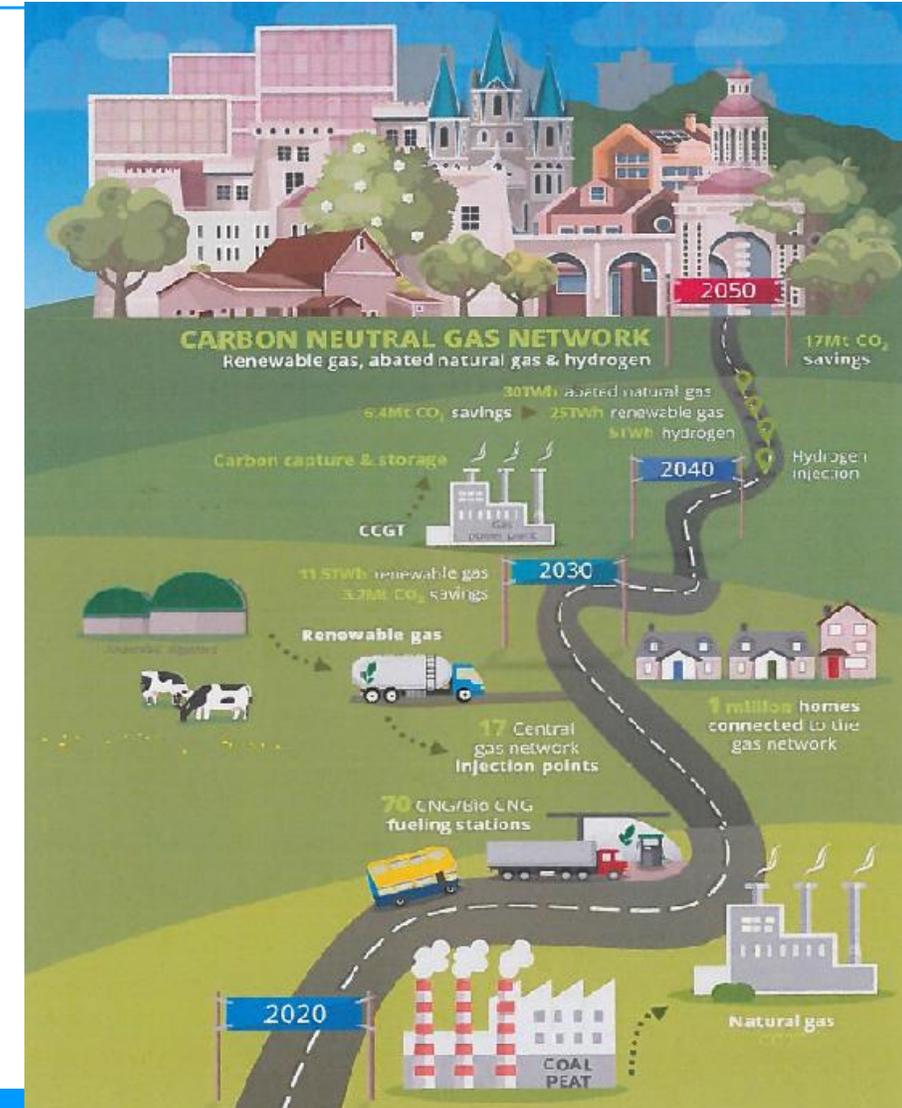
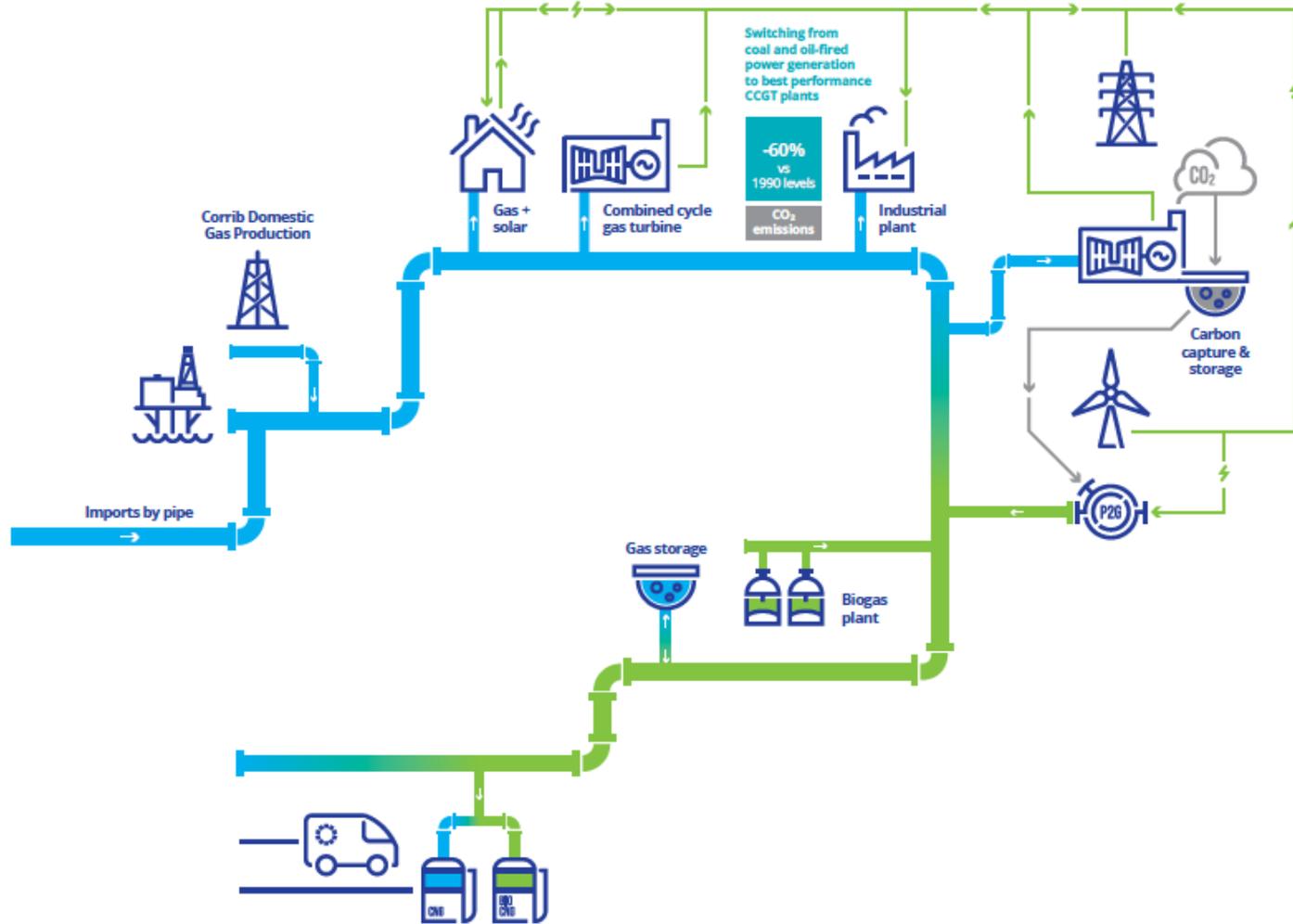
10,000 NGVs = 0.86MT Reduction

Renewable Gas



- Potential to reduce carbon CO2 emissions by 3.2 million tonnes
- Well established with over 17,000 Anaerobic digestion plants across Europe
- By 2030, 20% of the gas on our network will be renewable
- Over next 4 years plan to construct 3 injection points
- Green gas certification will give peace of mind when purchasing renewable gas

Future Energy System



12. GNI Presentation – CCS and Hydrogen

13. GNI Presentation – Gas Quality/Wobbe Index Increase Proposal

- Current specification for UK gas quality is defined in GS(M)R 1996. The GNI Code of Operation specification is closely aligned with GS(M)R specification.
- There is a requirement to change the specification to align the UK standard with the European standard – focus is on widening the Wobbe Index (WI).
- Why – to permit low carbon alternatives to natural gas e.g. the current WI requires the addition of propane to some biomethane products.
- IGEM have confirmed GNI's participation in the GQWG.
- Information about this and the GQWG are available on the IGEM website.

13. GNI Presentation – Gas Quality/Wobbe Index Increase Proposal

- Original timelines presented by UK HSE Consultation Report:
 - *March 2019 industry consultation on IGEM GQ standard*
 - *April 2019 conclusion of GSMR impact assessment*
 - *July 2019 IGEM GQ standard finalised*
 - *April 2020 revised GSMR comes into force in UK*
- Indications from UK that events have overtaken these timelines and April 2020 is now April 2021 (likely to slip further however GNI will continue to monitor).

13. GNI Presentation – Gas Quality/Wobbe Index Increase Proposal

- Changing the UK gas quality specification would not necessarily result in an immediate change in gas quality supplied to ROI at Moffat; the existence of different gas quality specifications at a cross border point would increase the risk of UK supplies not being able to be accepted by GNI either in the short term (perhaps due to extraordinary supply conditions at St Fergus necessitating increased LNG supplies) or in the long term when St Fergus supplies might decline.
- In the event of any change to UK specifications GNI are presented with two options:
 - the existing ROI specification could be retained, which would require installation of nitrogen ballasting facilities. These could be situated in Scotland (e.g. at Brighthouse Bay or Beattock) or in the ROI.
 - the ROI specification could be changed to align with the UK as and when changes are made. In principle, the ROI gas industry is relatively modern, and the domestic appliance population is estimated to be newer and more tolerant of a wider Wobbe range than the UK appliance population.

14. ANY OTHER BUSINESS

AOB 1: Systemisation of Gormanston IP on GTMS

- Systemisation of the Gormanstown IP is scheduled to be completed by the end of June.
- The systemisation will facilitate compliance with obligations set-out in the EU Network Codes (CAM, BAL and INT) and will allow for the following:
 - Creation of an IP Exit (ROI to NI) and IP Virtual Entry Point (NI to ROI) in the GTMS IT system
 - Setting up of Capacity Auction interfaces to PRISMA with associated Financial Security check automation
 - Linkage from GNI's GTMS to GMO-NI's Delphi system and National Grid's Gemini system for the purposes of:
 - Sending, receiving and validating Shipper's single and double sided nominations
 - Creating and sending physical flow profile notices.
 - Interfaces to:
 - ACER's REMIT Portal
 - ENTSOG's Data Transparency Portal
 - GNI's Data Transparency Portal

Code Modification Forum Meetings in 2019

Next Meeting



CMF Dates 2019	Location
16 th January 2019 (Wednesday)	Dublin
27 th March 2019 (Wednesday)	Dublin
12 th June 2019 (Wednesday)	Cork
14 th August 2019 (Wednesday)	Dublin
16 th October 2019 (Wednesday)	Cork
11 th December 2019 (Wednesday)	Dublin



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Thank you for your participation