Draft Notes from 1st workshop on the implementation of the EU Gas Network Codes and single system operation in NI - 28th July 2014

Present:

Organisation	Name	Organisation	Name
UR	Roisin McLaughlin	PNG	Lisa McCarthy
	Christine Gilmore		Joanne Quinn
	Richard Hume	SSE	Connor Powell
	Sean Murphy		Sharon McCahey
	Tanya Hedley	AES Ballylumford	Donald Murray
DETI	Irene McAllister		Dennis McBride
	Fred Frazer	Mutual Energy	Stephen English
	Gail Anderson		Lauren Skillen-Baine
BGE(NI)	Andy McCrea		Weibke Heilmann
	Colm O' Duibhir		Mark Raphael
	Aidan Hogan		Paddy Larkin
firmus	Michael Parry		Marcus McFarlane
	Mary O' Kane	SONI	Sarah Friedel
ESB	Jag Basi	LCC Power	David Arias

Via teleconference:

ESB	Kirsty Ingham

Agenda Items

1.   Welcome and Introduction

The Utility Regulator welcomed everyone to the meeting.

2.   Presentation by TSOs on EU Code Requirements

PTL gave a presentation on EU Code requirements on behalf of the TSOs. It was confirmed that PTL will take the lead on the network Code development.

The changes required by October 2015 and October 2016 were outlined including an update on the status of the various EUNCs as summarised in the table below:

EU Network Code (EUNC)	Current status	Implementation date
Congestion Management (CMP)	Implemented	1st October 2013
Capacity Allocation Mechanism (CAM)	Approved for EU wide implementation at relevant EU IPs.	1st November 2015
Balancing (BAL)	Approved for EU wide implementation.	1st October 2015
Interoperability & Data Exchange (INT)	In Comitology.	Q4 2015 (estimated)
Tariffs	Under development. Code to be submitted 31st December 2014.	Estimated Mid January 2017 Applicable from October 2017.
Incremental Capacity	Under development. Code amendment to be submitted 31st December 2014.	Applicable from March 2017.

Capacity Allocation Mechanism (CAM) Code

An overview was provided on the requirements of CAM. Changes to the Gas day to facilitate the implementation were discussed, with Suppliers encouraged to check compatibility with existing IT systems. It was highlighted that NI will be introducing Entry Capacity as a separate product for the first time. Initial Shippers entitlements of entry capacity were also outlined.

It was noted that new capacity products must be offered at the IPs:
- Annual;
- Quarterly;
- Monthly;
- Daily;
- Within Day.

The TSOs also propose that an Exit capacity review will take place in 2016.

A worked example was provided for the CAM Bundled / Unbundled Capacity concept. This outlined how there will be one product / trade for Entry and Exit. It was confirmed that the bundled capacity sales will start from 1st November 2015 and that bundled capacity will be sold via PRISMA. It was specifically highlighted that Shippers purchasing bundled capacity must:

a) Have a Shipper and/or Supplier license granted from the relevant RA on either side of an IP;
b) Be a registered Shipper with both TSOs either side of an IP.

Furthermore it was stated that there will be no unbundled NI Firm Capacity available from November 2015.

A brief overview was provided of the PRISMA system. It was confirmed that PTL became a shareholder in PRISMA in 2013 and that a PRISMA workshop will be held for Shippers in 2014. [Date for this workshop subsequently confirmed for 27th November]

Action 1: Agree the date for the PRISMA workshop to be held.

Under CAM it was noted that auctions will be held for annual, quarterly, monthly, day ahead and within day capacity. Concerns were highlighted as to how the process would work. These issues will be discussed in subsequent workshops, notably the upcoming PRISMA workshop in November. Tariff issues arising from the introduction of auctions would be addressed by the UR as part of the entry Tariff work stream.

Nominations for New Entry Products

Examples were provided for the nominations process for new Entry Products. There will be single sided entry nominations for bundled capacity products and double sided entry nominations for unbundled capacity products. Confirmation was provided that Shippers may have both bundled and unbundled capacity at an IP.

Interoperability Code

The interoperability code requirements cover matters such as gas quality, nominations matching process, allocation rules and data exchange rules. It was confirmed that an Operational Balancing Agreement (OBA) will be implemented at IPs. The OBA approach means that Shipper gas allocations will be 'held whole' to their nominations (i.e. Shippers 'get what they nominate').

Balancing Code

Further consideration will need to be given to how the code will be implemented but an NI trading platform may not be appropriate.

In terms of the forecasting party the UR stated that who will perform this role is yet to be decided, but the DSOs are likely best placed to fulfill this role.

3. **Presentation by TSOs on proposed High Level Principles for Entry Capacity Transition and Registration Rules.**

A second presentation was delivered by PTL on behalf of the TSOs. This focused on the Entry Point Registration Rules. These arise from the introduction of entry capacity from November 2015.

All new Shippers will be required to complete an Entry Point Registration form which will be available upon request or as part of the Code Accession pack from the relevant TSO.

The standard registration process will only be applicable to new shippers. Shippers will also have the option to de-register. PTL confirmed that existing shippers will not be required to do anything further; if they are currently registered as NI Shippers they will automatically be registered at the entry point. Should Shippers wish to use the South/North in the future, they will however have to register for that point.

The TSOs also presented on the Entry Capacity Transition Rules High Level Principles.
The TSOs propose that shippers will be given initial entitlements for entry capacity.
The TSO's next step is to consult on the Entry Capacity Transition Business Rules for four weeks staring 4th August 2014. Shippers were encouraged to engage in the consultation process and give their view points.

As NI does not currently have a monthly product in place which is a requirement under CAM there is the need to address this for 1 October 2015. As capacity will not be available to book on PRISMA until 31st October the NI TSOs will need to provide a short term service for Shippers who wish to buy Entry Capacity for the month of October 2015 only. A number of options were presented and the TSOs requested that the Shippers provide views on this issue.

4.   Summary of work to date.

UR provided an update on work which to date which focused on 4 areas:
1) Implementation of Congestion Management Procedures in licences and codes in 2013;
2) TSO detailed assessment of the EUNCs;
3) Ongoing input into the code development process at European level;
4) Discussion with CER/Ofgem as to how the EUNCs already agreed would be implemented at Interconnection Points.

In relation to item four there has been much interaction with the other Regulators but little with industry pending the start of the code development process. A priority for the UR is to maintain the existing link which NI has to NBP.

5.   Presentation and discussion of project work plan

UR presented the EU Network Codes TSO UR combined plan which covered 2014 to 2016.

It was noted that interaction with DSOs was not highlighted in the work plan but that the plan would be updated to include DSO interactions.

Concerns were raised over the duration of consultation which was allowed for (4 weeks). Where possible more time will be given for more complex consultations but flexibility is limited given the tight timescales involved in order to meet the October 2015 deadline.

It was also confirmed that there will be a designated area within the UR website where all relevant documentation will be uploaded.

Action 2: UR to develop dedicated EU Network Code and single system operation area of the UR website.

6.   Next Steps

Date of the next meeting is to be confirmed which will focus on tariffs.

	Action	Responsibility	Complete by
1	Agree the date for the PRISMA workshop to be held.	UR	Next meeting.
2	UR to develop dedicated EU Network Code area within the UR website.	UR/TSOs	Next meeting.
3	Schedule next workshop on entry tariffs.	UR	Next meeting.
4	Circulate notes from 28th July workshop.	UR	Next meeting.

7. AOB

None discussed.