

Transmission Workgroup Minutes

Thursday 04 December 2014

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Anna Shrigley	(AS)	Eni
Antony Miller	(AM)	Centrica Storage
Bogdan Kowalewicz	(BK)	Ofgem
Charles Ruffell	(CR)	RWEst
David Reilly	(DR)	Ofgem
Ed Carter	(EC)	National Grid NTS
Fergus Healy	(FH)	National Grid NTS
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Julian Ross	(JR)	National Grid NTS
Julie Cox	(JCx)	Energy UK
Lucy Manning	(LM)	Interconnector UK
Natasha Ranatunga	(NR)	EDF Energy
Nick Wye	(NW)	Waters Wye Associates
Nigel Sisman	(NS)	sisman energy consultancy Ltd
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	E.ON
Ricky Hill	(RH)	Centrica
Roddy Monroe	(RM)	Centrica Storage
Ryan McLaughlin	(RMc)	Ofgem
Sarah Lloyd	(SL)	National Grid NTS
Steve Nunnington	(SN)	Xoserve

**via teleconference*

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/041214>

1. Introduction and Status Review

1.1 Review of Minutes and Action from the previous meeting (06 November 2014)

1.1.1 Minutes

The minutes of the previous meeting were accepted.

1.1.2 Action

TR1101: *Shipper Termination Rules* - Provide an impact analysis of each potential solution for review at the December meeting.

Update: See 4.1, below. **Closed**

1.2 Ofgem Update

In this month's update, DR drew attention to the items relating to REMIT and Permits, and confirmed that Ofgem's publishing moratorium starts on 18 December 2014.

1.3 Pre Modification Discussions

None raised.

2. Workgroups

None.

3. Issues

3.1 New Issues

None.

4. Any Other Business

4.1 Shipper Termination Rules

Responding to Action TR1101, FH briefly recapped on the background and the potential solutions before reviewing the advantages/disadvantages of each in turn. It was noted that though there appeared to be no one ideal solution National Grid can develop any of the options if that was the wish of the Workgroup.

FH had not received any feedback since presenting at the last meeting, and asked if the Workgroup now had any further thoughts as to which, if any, was the most appropriate solution, or if there might be alternative ways to consider.

Asked if a one-off assignment might be a solution, FH explained why this would not work and would result in the same issue.

NW agreed that whilst not completely solving the problem, PARCAs might do much to ease it by lessening the gap. All the currently identified options could in effect be more damaging, and this perhaps was an argument to continue as is.

LJ suggested that, as no conclusion on the best way to proceed or whether a remedy was actually required had been reached in this forum, National Grid NTS consider a consultation to seek industry views to help formulate an appropriate position and establish whether any further action should be taken.

Action TR1201: *Shipper Termination Rules* - Consider a consultation to seek industry views to help formulate an appropriate position and establish whether any further action should be taken.

4.2 Capacity Methodology Statements Updates

Consultation for PARCA Update

SL outlined the background and indicated that the formal consultation will commence fairly soon; an email will be issued via the Joint Office.

Referring to ExCR Availability of Daily NTS Exit (Flat) Capacity, JR gave an overview of some of the points raised in the informal consultation and provided further clarity. The principles that apply on entry also apply on exit. Responding to a question on notification and timescale, JR confirmed that ANS would be used to notify any course of action but would need to confirm and advise separately the notice period. Explanations of any action taken would be given to the Ops Forum and the Transmission Workgroup.

Action TR1202: *ANS Communication timescale* - Minimum notification time to be ascertained

Referring to the additional wording illustrated on Slide 3, JR said it was being put into the methodology statement to make it clearer following feedback received. RF pointed out that National Grid NTS could choose to exercise this option (withhold capacity in the event of expected constraint) first - cost free - whereas buy-back has costs associated with it. RF highlighted a situation whereby generator parties might be relying on short-term capacity as the only cost-effective means of participating in power auctions that is not later released under this arrangement. It was questioned what purpose buy-back would serve if never used and yet continues to attract SO incentives for National Grid NTS. It was suggested that wider interactions with the electricity market should be given serious consideration, as the example quoted could lead potentially to power shortages. DR questioned if the inclusion was appropriate and SL confirmed it could be removed again if participants indicated it should not be there.

JCx observed that greater explanation of the issues was required and consideration given to impacts on customers if capacity was not released. If National Grid NTS was to seek to release capacity it might get more buy-back offers/interest. RF added it would be helpful to know if capacity was not going to be released well before parties had to contract in the electricity market. DR questioned had the existing mechanisms been working up till now.

JR noted the views expressed and would discuss internally.

RF offered to provide further illustration of the constraint issue, from a Shipper's point of view, to the next meeting.

Action TR1203: ExCR Availability of Daily NTS Exit (Flat) Capacity - RF to provide further illustration of the constraint issue, from a Shipper's point of view, to the next meeting.

Moving on to Slide 4, it was noted that, since the informal consultation, Licence updates had occurred and these were briefly explained.

FH observed that previously views had been expressed that methodology statements needed to be reviewed alongside the modifications, eg Modification 0500. NW added that reviewing the substitution methodologies alongside Modification 0501 and its alternates was the most critical, and explained how this might inform views on the consultation. FH and SL agreed this could be delayed to match.

Informal Consultation for EU Updates

It was suggested that parties review Slides 8, 9 and 10 and an update will be provided at the next meeting.

Moving to Slide 11 (Timetable), clarification was sought on the timetable for the PARCA consultation. Once an Ofgem decision had been received on Modifications 0452V and 0465V it should be issued within 1 or 2 days. GJ suggested delaying the consultation until after the New Year period, or extending the timescale further into January. NR questioned if there would be any consequences if the Licence Conditions and methodology statements were not aligned. It was reiterated the industry need at least 4 weeks to review and would like some certainty of timescales.

Action TR1204: BK and SL to clarify as soon as possible the timeline and interactions between the PARCA modifications approvals and the capacity release methodology statements approvals.

4.3 Congestion Management Principles: Long Term UIOLI Report

RMc confirmed that Ofgem had now received the first report; no congestion had been reported at Interconnector Points (IPs) and no withdrawal proceedings had been invoked. It was noted that monitoring would continue but that it was not proposed to provide an update every 6 months as withdrawal procedures could potentially be underway at anytime if circumstances warrant. It was noted that the new process worked.

Referring to the publication of a guidance document, RMc confirmed that this was being developed in co-operation with the Dutch, Belgian and German Regulators, and was anticipated to be available in January. RMc confirmed that the Irish Regulator was also being kept informed.

Responding to questions RMc confirmed this was currently monitoring bundled capacity.

4.4 National Grid LNG Storage Consultation - Cessation of Avonmouth Facility

Giving a brief presentation outlining the background and reasons for the action, EC drew attention to the start of National Grid LNG Storage's stakeholder consultation process regarding the cessation of operational activities at Avonmouth LNG Storage site from 30 April 2016. This date was based on the assumption that Avonmouth LNG storage could continue to offer and operate a liquefaction service during the 2015/16 season.

JC asked what would be the impact on the South West if this facility were withdrawn. EC responded that it was planned to put in place replacement pipeline; discussions were taking place with the Operating Margins team and it was believed there was no impact on the Safety Case. Asked about the effects on pressure, EC said this would be dealt with by the local networks - Avonmouth had not exported for the last 4 years - and that National Grid Gas might be better placed to answer this. PH indicated that he would establish what the future plans were for Avonmouth and the South West and provide an update to the January Workgroup.

Action TR1205: Cessation of Avonmouth Facility - Establish what the future plans are for Avonmouth and the South West reinforcement.

EC reiterated the intention to close the facility as services could no longer be guaranteed until 2018 (original closure date) and the reputational and reliance risks were too great. Industry views were being sought through this consultation to ascertain if anything else needs consideration.

The consultation runs between 27 November 2014 and 16 January 2015, and further information is available from: <http://www2.nationalgrid.com/UK/Services/LNG-Storage/consultation/>

Contacts: Ed.carter@nationalgrid.com (01634 273203) and Nicola.Hill@nationalgrid.com (01634 273217).

4.5 Gemini Consequential Change

SN gave a short presentation on the background to the changes required and highlighting the main areas affected (Nominations and Allocations). It was in build phase at the moment, and the detail of modifications to existing screens/additional screens, etc was not yet available. All was currently on track.

It was suggested that SN also provide updates to the Ops Forum and consider joining with the National Grid NTS Technical Workshop event(s) to communicate progress/developments and to reach the most appropriate/wider audiences.

In the meantime any questions can be directed to the Gemini Consequential Workstream using the following email address: box.xoserve.geminichange@xoserve.com.

5. Diary Planning

These meetings will immediately follow the proceedings of the UNC European Workgroup unless otherwise notified.

Date	Location
------	----------

Thursday 08 January 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
Thursday 05 February 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR1101	06/11/14	4.1	<i>Shipper Termination Rules</i> - Provide an impact analysis of each potential solution for review at the December meeting.	National Grid NTS (FH)	Closed
TR1201	04/12/14	4.1	<i>Shipper Termination Rules</i> - Consider a consultation to seek industry views to help formulate an appropriate position and establish whether any further action should be taken.	National Grid NTS (FH)	Pending
TR1202	04/12/14	4.2	<i>ANS Communication timescale</i> - Minimum notification time to be ascertained	National Grid NTS (JR)	Pending
TR1203	04/12/14	4.2	<i>ExCR Availability of Daily NTS Exit (Flat) Capacity</i> - RF to provide further illustration of the constraint issue, from a Shipper's point of view, to the next meeting.	E.ON (RF)	Pending
TR1204	04/12/14	4.2	BK and SL to clarify as soon as possible the timeline and interactions between the PARCA modifications approvals and the capacity release methodology statements approvals.	Ofgem (BK) and National Grid NTS (SL)	Pending
TR1205	04/12/14	4.4	<i>Cessation of Avonmouth Facility</i> - Establish what the future plans are for Avonmouth and the South West reinforcement.	National Grid NTS (PH)	Pending