

Code Modification Forum Agenda

Wednesday, 13 April 2022

Ashling Hotel, Dublin

Time: 10:30

<u>No.</u>	<u>Item</u>	<u>Duration (minutes)</u>	<u>Time</u>
1.	<i>Review of Minutes from last meeting</i>	5	10:30 - 10:35
2.	<i>Review of Action Items from last meeting</i>	5	10:35 - 10:40
3.	<i>GNI Scheduled Maintenance Update</i> <ul style="list-style-type: none">- <i>Operational Maintenance</i>- <i>IT Maintenance/updates</i>- <i>Update on Beattock Bay Compressor Station Upgrade Project</i>	10	10:40-10:50
4.	<i>Gas Quality – Proposed Changes Update</i>	10	10:50-11:00
5.	<i>Update on GTMS</i>	5	11:00-11:05
6.	<i>Code Modification Proposal A104- Amendment to Code of Operations to transfer Capacity Overrun Charge revenues to allowed revenues and removing the maximum annual caps on overrun charges (For mention)</i>	5	11:05- 11:10
7.	<i>Code Modification Proposal A104A– Amendment to Code of Operations to transfer Scheduling Charge revenues to allowed revenue (For mention)</i>	5	11:10 -11:15
8.	<i>Code Modification Proposal A106- Deletion of Entry Point Transfer Provisions from the Code of Operations (For mention)</i>	5	11:15-11:20
9.	<i>Code Modification Proposal A107- Amendment to Code of Operations to remove annual caps on non-SPC Capacity Overrun Charges</i>	10	11:20-11:30
10.	<i>Code Modification Proposal A108- Shrinkage Gas Cost Recovery</i>	5	11.30-11.35
11.	<i>Status of Code Modification Proposals</i>	5	11:35-11.40
12.	<i>Disbursement Account Adjustment Charge Query</i>	10	11:40- 11:50
13.	<i>Gas and Electricity Interaction</i>	5	11:50-11:55
14 .	<i>SPC Charging regime review- interim report presentation</i>	15	11:55-12:10
15.	<i>Physical Reverse Flow Exemption – Market Assessment Papers Notification</i>	5	12:10-12:15
16	<i>Security of Supply – GNI Presentation</i>	10	12:15- 12:25
17	<i>AOB Items – Textual and Numerical Changes to Version 5.04 of the Code of Operations / Next Meeting</i>	5	12:25-12:30

Code Modification Forum

Minutes of Hybrid Meeting – 13 April 2022

The Transporter opened the meeting and referred to the 17 item Agenda.

1. Standing Items

1.1 Approval of minutes of previous meeting

The minutes of the Code Modification Forum (“CMF”) Meeting of 16 February 2022 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the 13 April 2022 Zoom Meeting.

1.2 Review of action items

The actions from the previous CMF Meeting of 16 February 2022 were reviewed and discussed.

The Transporter gave an update on open actions as per slide 4 of this meetings presentation pack.

Action Item C572 would remain open, the Transporter confirmed that it would monitor, on an ongoing basis, the initial 25% Tolerance for RNG Entry Points.

Action Item C575, which requires the Transporter to furnish data to the CRU in connection with a review of SPC Settings for CNG Offtakes, would remain open.

Action Items C572 and C575 would remain open.

1.3 GNI Scheduled Maintenance Update

The Transporter referred to Slide 5 which detailed the updated Maintenance Plan for the 2021/22 Gas Year. Two dates were detailed for proposed maintenance activities at Bellanaboy with the Kinsale Field now fully decommissioned. The first date specified was on 22 March 2022 with planned maintenance of the odorant injection equipment. The second date is now 5 July 2022 (amended to align with the annual Corrib Operator planned maintenance shutdown) when there will be Pressure System Regulations (PSR) testing of the station control system at Cappagh South and Emergency Shutdown (ESD) valve testing at the Corrib Terminal

The Transporter then made an updated presentation in relation to the ongoing Beattock Station Upgrade Project which involves the replacement of the existing suction and discharge header valves allowing a station split if an integrity issue arises or for maintenance purposes. Further there will be a modification to the station Volume Control System which will allow the Transporter control inlet pressure facilitating the operation of compressors at an optimum level.

The Transporter reported that the project was now complete with all pipework completed and isolators in place. The testing of the control system and integration of suction control valves were now planned to take place over forty five days between April and beginning June 2022. The Transporter referred to the High-Level Indicative Schedule slide which detailed the planned test dates over the period. The use of the Station Split valves would be prioritised as much as possible so that testing can cease, and half the station brought back online with little notice.

1.4 GTMS Securing Communications Project Update

The Transporter reported that from the 25th of April 2022 the GTMS application connections from web browsers and back-end systems (via web services) will support only TLSv1.2 connections with the ciphers listed in Slide 11. Communications will be issued by the GTMS Application in the coming weeks to Shippers confirming the date and time the changes would be made. The Transporter confirmed that there would be service outage to the GTMS services while the changes are applied.

1.5 Gas Quality Update

GAS QUALITY – EU/UK

On behalf of the Transporter, Michael Crowley, Asset Policy and Performance Manager, presented Slide 13 in respect of a UK Gas Quality update. He referred to the HSE public consultation which closed on 21 March and to which GNI had responded by letter and survey questionnaire. GNI had indicated that it was broadly in favour of the proposals to reduce the WOBBE Index lower limit and the increased Oxygen (O₂) limit as it would enhance security of supply and encourage renewable gases. The Consultant to the CRU queried whether concerns to these proposed gas quality changes had been voiced by end users outside the powergen sector. The Transporter responded that none were received.

On behalf of EAI, Mr. Tony Diccio from ESB, presented a number of slides giving the context of the issue for the EAI and reporting on EAI's discussions with the HSE where it concluded that the UK government's ultimate decision on the proposals would be driven by strategic considerations rather than safety concerns. He reported on discussions with National Grid which indicated that it was unlikely, at least in the short term, that gas with an altered gas specification would be transported through Moffat. The presentation specified the impacts on Irish gas users and the EAI



concern that there would be an adequate lead-in time of at least four years between a decision and implementation of changes to gas quality specifications. He stressed that it was important that there was a coordinated response to these proposals by all stakeholders.

The CRU confirmed that it had discussed the matter with the HSE highlighting concerns raised by the EAI and that this led to an interview opportunity between EAI and the HSE.

GAS QUALITY- Renewable Gas

The Transporter reported that the third-party analysis of the studies commissioned by the Transporter will soon be completed. This be followed by internal review and Industry consultation. At this stage the Transporter was reporting an estimated commission date for the Mitchelstown CGI as late 2023/early 2024. The Transporter indicated that it would be circulating details of a separate industry update in the near future.

2 Code Modification Proposals

2.1 A104- Proposal to amend Code of Operations to transfer Capacity Overrun Charge revenues to allowed revenues

The Transporter reported that the consultation period for the proposal and legal text was complete and the proposal was under review by the CRU

2.2 A104A-Proposal to amend Code of Operations to transfer Scheduling Charge revenue to allowed revenues

The Transporter reported that the consultation period for the proposal and the associated legal text had completed and the matter was under review by the CRU.

2.3 A106- Proposal to delete Entry Point Transfer Provisions from Code of Operations

The Transporter reported that it had issued and circulated the Proposal with an Explanatory Memorandum, on 10 January. The rationale for the Proposal is that the provisions are no longer relevant in a short-term capacity regime, a new gas source is a remote prospect and the fact that it only referred to unbundled IP Capacity. The removal of these provisions would allow the Transporter to remove their systemisation from its GTMS IT system where it was causing

unnecessary complexity and maintenance issues. The industry review date for the Proposal ended on 31 March with no submissions. The Transporter now would proceed to circulate the associated legal text for review.

2.4 A107 - Proposal to delete from Code of Operations annual caps on non-SPC Capacity Overrun Charges

The Transporter reported that it had issued and circulated, with an Explanatory Memorandum, this Proposal on 10th February. The rationale for the Proposal is that the provisions are no longer relevant as there is no realistic prospect of them being reached since the introduction of Daily Capacity Products, the calculation of Capacity Overrun Charges by reference to the Daily Capacity Tariff, the reduction of the overrun charge multiplier and the extended Capacity Booking Window. The removal of these provisions would allow the Transporter to remove their systemisation from its GTMS IT system where it was causing unnecessary system complexity and maintenance issues. The industry review date for the Proposal ended at this meeting with no submissions and the Transporter would now proceed to circulate the associated legal text for review

2.5 A108 - Proposal to amend Code of Operations to reflect change in Shrinkage Gas cost recovery to tariff income

The Transporter reported that it intended to imminently issue a Code Modification Proposal to reflect in the Code of Operations the change in Shrinkage Gas cost recovery, implemented in 1 October 2020, from tariff income rather than directly from Shippers. This cost recovery change was implemented in compliance with a direction of the CRU in Decision Paper dated 11th June 2019 on Harmonised Transmission Tariff Methodology for Gas (CRU/19/060) which provided that, from the start of Gas Year 2020/21, the procurement of Shrinkage Gas by the Transporter was to be classified as a transmission service and should be cost-recovered through tariffs rather than a separate charge to Shippers

2.6 Status of Code Modification Proposals

Number	Proposal	Proposer	Status
A099	CNG Supply Point Capacity Setting	GNI	In abeyance
A104	Proposal to transfer Capacity Overrun Charge revenues to allowed revenues	GNI	Consultation complete/Under CRU review
A104A	Proposal to amend the Code of Operations to transfer Scheduling Charge revenue to allowed revenue	GNI	Consultation complete/under CRU review
A106	Proposal to delete Entry Point Transfer Provisions from Code of Operations	GNI	Industry consultation of Proposal complete subject to review of legal text
A107	Proposal to delete annual caps on non-SPC Capacity Overrun Charges from the Code of Operations	GNI	Industry consultation of Proposal complete subject to review of legal text
A108	Proposal to amend Code of Operations to reflect change in cost recovery of Shrinkage Gas to tariff income	GNI	Proposal to issue after the meeting

4. Other Agenda Items

4.1. Disbursement Account Adjustment Query

The Transporter reported that the extension of the industry review period to 23rd February last did not yield any further submissions. The Transporter further confirmed that it had drafted a Code Modification Proposal with accompanying Explanatory Memorandum and legal text as discussed with the CRU.

While a Shipper Representative contended that the CRU could make a decision on the query at this stage and that any change in the billing process could be retrospectively applied the CRU stated that the next step in the query resolution process was the issue and subsequent review of the Code Modification Proposal. The Transporter confirmed that the Proposal would issue as indicated.

4.2. Gas and Electricity Interaction

The Transporter reported that it was agreed with EAI in advance of the meeting that their presentation in response to Proposed Changes in UK Gas Quality would be presented at Agenda Item No.5 – Gas Quality -Proposed Changes Update

4.3. SPC Charging Regime Review – interim report

The Transporter reported that, after a number of internal consultations/workshops it is proposed to initiate a Code Modification Proposal to effect two changes to, 1) reduce the annual cap on multipliers from 3 to 1.5 (reducing Shippers /End Users exposure while retaining incentive for Shipper to ensure appropriate level of capacity is booked) and 2) transfer revenue from SPC Capacity overruns from Disbursement Account to allowed revenues (eliminating unnecessary billing administration requirements).

The Transporter confirmed that the review would continue with consideration of two further complex issues;

- a) review of the Capacity Reduction Periods, and,
- b) removal of the multi shipper option at LDM Supply Points

4.4. Physical Reverse Flow Exemption- Market Assessment Papers Notification

The Transporter presented Slide 39 in relation to this Agenda Item referring to Art.5 of Regulation (EU) 2017 which obliges TSOs to enable physical capacity to transport gas in both directions ('bi-directional capacity') except in the case of (a) connections to production facilities, LNG facilities and to Distribution networks or (b) where an exemption from that obligation has been granted. In the case of the South North Pipeline and the Moffat IP, GNI and GNI(UK) have been granted exemptions which expire on the 28th September 2022. Under the Regulation both TSOs are obliged to issue Market Assessment papers to market participants to determine if there is a requirement for bi-directional capacity on the SNP and at the Moffat IP. The Market Assessments were planned to issue before the end of the month and market participants would have four weeks to respond. The Transporter would be pleased to deal with any queries with regard the Market Assessments once they have been issued.

4.5. Security of Supply – GNI presentation

Aidan Bugler, Network Operations Emergency Response Manager for the Transporter, gave an up-to-date presentation in relation security of supply of natural gas to Ireland. He detailed the current supply situation, the Natural Gas Emergency Plan (NGEP) with its activation steps, the current stakeholder meetings with European TSOs in relation to the impact of European wide gas flows by the Russian invasion of Ukraine, and weekly calls with National Gas Grid, EirGrid, and with the NI TSO. He referenced a UK-Ireland-NI Emergency Planning Meeting held on 6 April.

Mr.Bugler reported that the Transporter would be updating and testing the Emergency Contacts for Shippers and LDM and DM End Users during June where emergency contacts for Shippers and approximately 300 large end users will be updated and confirmed.

A Shipper Representative queried the merit order on the activation of the NGEP and in particular the situation for the pharmaceutical sector whose processes which were not amenable to early shutdowns. In response Mr.Bugler confirmed that GNI was in dealing with all queries/concerns received from this sector in this regard and discussing site specific practical steps which sought to alleviate their concerns. A Shipper Representative raised the question of ultimate payment for gas to a Shipper directed to supply the network under a NGEP and Mr. Bugler responded that this issue remained to be clarified.

4.6. Any Other Business

Textual Changes on new version of the Code of Operations

The Transporter stated that it would be circulating a memorandum on intended textual and numbering changes to the updated version of the Code of Operations now scheduled to issue in the third quarter of 2022. The review of the memorandum would continue until the 31 May 2022.

Next Meeting

The next meeting is proposed to be a hybrid meeting at the Clayton Hotel, Cork, with a zoom meeting option, on 15 June 2022.

5. Open CMF actions

ID	Action	Responsibility	Date Raised	Delivery Date
C572	Transporter to monitor the ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	Ongoing
C575	Transporter to furnish required data to CRU in connection with tariff review in relation to Supply Point Capacity Settings	Transporter/ CRU	25/3/2020	Ongoing

6. Calendar of meetings for 2022

CMF Date	Location
15 th June 2022 (Wednesday)	Cork
17 th August 2022 (Wednesday)	Dublin
19 th October 2022 (Wednesday)	Dublin

7. Attendees

	Name	Representing
1	Kieran Quill	GNI
2	Ike Udobi	GNI
3	John King	DECC
4	Bryan Hennessy	Flogas Enterprise Solutions
5	Andrew Kelly	New Fortress Energy
6	Nicholas Lincoln	Nephin Energy
BY ZOOM		
7	Harry Molloy	Tynagh
8	Jack O'Connell	CRU
9	Tony Dicicco	ESB
10	Kevin Murray	BGE

11	Donovan P.G. Sheridan	PrepayPower
12	Seán Mac an Bhaird	CRU
13	Emerson O'Callaghan	CRU
14	Aidan Bugler	GNI
15	Áine Spillane	GNI
16	Richard Harper	Ceres Energy
17	Peter Colleran	Nephin Energy
18	Paul Hoey	Electric Ireland
19	David Horan i	Aughinish
20	Keith Deacon	AXPO
21	Mark Phelan	Electric Ireland
22	Brian McGlinchy	Vermillion
23	Martin Regan	Marex Spectron



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Code Modification Forum

Wednesday, 13 April 2022

Ashling Hotel, Dublin and via Zoom Call

Agenda

1. Review of minutes from last meeting
2. Review of open actions
3. Update on Maintenance / Update on Beattock Bay Compressor Station Project
4. GTMS Update
5. Gas Quality – Proposed Changes Update
6. Code Modification Proposal A104- Amendment to Code of Operations to transfer Capacity Overrun Charge revenue to allowed revenues a
7. Code Modification Proposal A104A – Amendment to Code of Operations to transfer Scheduling Charge revenues to allowed revenues
8. Code Modification Proposal A106- Deletion of Entry Point Transfer Provisions from Code of Operations
9. Code Modification Proposal A107- Amendment to Code of Operations to remove annual caps on non-SPC Capacity Overrun Charges
10. Code Modification Proposal A108 – Shrinkage Gas Cost Recovery
11. Status of Code Modification Proposals
12. Disbursement Account Adjustment Query
13. Gas and Electricity Interaction
14. SPC Charging regime review- interim report presentation
15. Physical Reverse Flow Exemption – Market Assessment Papers Notification
16. Security of Supply – GNI presentation
17. AOB Items – Textual and Numerical Changes to Version 5.04 of Code of Operations / Next Meeting.

1. Review of minutes from last meeting

- Minutes of CMF meeting of 16 February 2022 were issued on 5 April 2022.

2. Review of open actions

ID	Action	Responsibility	Status	Priority
C572	Transporter to monitor on ongoing basis the adequacy of the initial 25% tolerance for RNG Entry Points	Transporter	Open	Medium
C575	Transporter to furnish required data to CRU in connection with the tariff review in relation to SPC Settings for CNG Offtakes	Transporter	Open	High

3. 2021/2022 Maintenance Days

Maintenance Programme Gas Year 2021/2022			
Date	Duration	Entry Points	Commentary
22 nd March 2022	1	Bellanaboy	Functional safety and Original Equipment Manufacturer (OEM) maintenance of the Moneynieran Odorant injection equipment. This should not affect flow.
5 th July 2022	1	Bellanaboy	Pressure System Regulations (PSR) testing of the station control system at Cappagh South, Emergency Shutdown (ESD) valve testing at the Corrib Terminal. This has been moved to align with the planned shut-down at the terminal.

Imports at Inch have ceased so there is no requirement for maintenance days at the entry point



GNI (UK)
Ltd.

Beattock Station Upgrades Project Update 2022, Code Mod Forum

April 2022

Beattock Station Upgrade Project Status

- Background: Installation of ability to Split Beattock Compressor Station, and also Suction Control Valves to assist management of high inlet pressures is mechanically complete.
- Next Stage: Integration of mechanical works with the Station Control Systems.
- As previously indicated testing of the Control System and integration of Suction Control Valves planned to take place over 45 days between April and beginning June 2022.
- Following slide gives an over view of works on certain days of interest to the Forum. It includes planned outages which are intended to be of less time duration than those that took place last year. It also includes partial station shutdowns where the station will maintain the provision of gas supply through one side of the station while testing occurs on the opposite, off line side.

High Level Indicative Schedule

Similar to last year the appropriate risk assessments, documented NROs and planning of works has and will continue to take place. Last year for context we completed 5 outages between six and eight hour planned durations:

- April 19th to 21st April a NRO will cover the activity including a three hour shutdown to take place on 20th April at some point between the hours 9am to 3pm;
- 26th to 28th April installation of new Control Panel door panels and completion of electrical upgrades: likely on 27th April a 3 hour outage approx. 11am to 2pm subject to works on April 26th going to plan;
- Week Commencing 16th May: testing over two weeks by Control System designers and operations of ESD functionality (full station ESD test etc) and other tests will take place. Approximately 18th May 6 hours of testing with station offline followed by on either Friday 20th or Monday 24th additional NRO and testing with 6 hours offline (likely 24th May);
- Potential a further NRO may be needed to resolve and retest snags but this will become clear as above develops and testing gets completed;
- Testing will be ongoing into early June.

As indicated agreed controls will be in place. We have planned and continue to endeavour to complete tests local to an area avoiding full or partial station outages. We then prioritise the use of the Station Split valves during this testing as much as possible which means testing can cease and half the station brought back on line with little notice, however, this will not be possible in all cases. The timings of the NRO's are less than last year and this allows for monitoring following the NRO for the remainder of the relevant day. Contingency planning as per last year (or for any NRO) will be in place.

Questions?

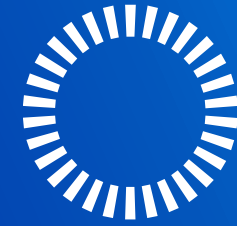


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4. GTMS Update

GTMS – Securing Communications –

- From the **25th April 2022** the GTMS application connections from web browsers and back-end systems (via web services) will support only TLSv1.2 connections with the following ciphers etc.
 - ECDHE-ECDSA-AES256-GCM-SHA384
 - ECDHE-RSA-AES256-GCM-SHA384
 - ECDHE-ECDSA-AES128-GCM-SHA256
 - ECDHE-RSA-AES128-GCM-SHA256
 - ECDHE-ECDSA-AES256-SHA384
 - ECDHE-ECDSA-AES128-SHA256
- **Communications will be issued by the GTMS Application support team in the coming weeks to shippers to confirm the date and time these changes will be made.**
- **There will be no service outage to the GTMS services while the changes are applied.**
- **Shippers are kindly requested to communicate these upcoming changes with their respective internal IT teams to ensure continued access to the application.**
- **These changes are currently deployed to the GTMS test environments, shippers are strongly advised to use these environments to validate their connections.**



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5. Code Modification Forum meeting

UK Gas Quality Changes

13th April 2022

UK Gas Quality – March 2022 update

- HSE Consultation on UK Gas Quality arrangements closed on Monday 21-Mar-21
 - GNI formally responded by both letter and to survey questionnaire:
 - GNI was broadly in favour of proposals to reduce WOBBE Index lowe limit and increased Oxygen (O2) limit as they should enhance security of supply and encourage renewable gases
 - However, GNI also highlighted that there may be additional costs, operational and commercial issues - particularly for the larger end-users and the power generation sector
 - GNI engaged with Electricity Association of Ireland (EAI) to ensure that their concerns were reflected in the GNI response
 - HSE is expected to finalise their response to the public consultation in the Summer with a view to amending GSMR regulations in October 2022
 - Code Modification may need to be considered before end of year to ensure that Irish and UK gas quality specifications remain aligned with each other?



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EAI Response to HSE Consultation on Proposed Changes to the GSMR

EAI GAS WG

A decarbonised future powered by electricity



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EAI Response to Proposed Changes in UK Gas Quality

March 21st 2022

EAI responded to the HSE
Consultation
**CD291 –Revision of the
Gas Safety
(Management)
Regulations 1996**



Context

Current pipeline infrastructure means Ireland is highly reliant on UK gas import

Impact Ireland's transition to net-zero –e.g Gas is due to replace Ireland's coal fired power

Much higher reliance on gas fired generation in Ireland than UK to ensure Security of Supply

The highly constrained nature of the SEM relies directly on several gas fired generators.





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Meeting with HSE

Prior to the response, EAI held a meeting with the HSE

Key Takeaways

1. The proposed changes are driven by **strategic considerations**, not safety concerns
2. **Benefits** will be largely felt **upstream** and **costs** largely felt **downstream**
3. **Benefits recognised** by the UK government are: opportunity to **diversify** energy supply, potential **economic** benefit to communities, marginal benefit in **reduction of emissions** due to less need for gas processing.
4. It is still **unclear** whether changes in gas quality will **actually permeate** the Irish gas system
5. **Strategic benefit** will likely influence the UK government's decision due to **geopolitical tensions**.



Impact on Gas Users in Ireland

Impacts Where Gas Quality Does Change

Emissions

Changes to emission levels per unit of production due to new Wobbe index range will have implications under EU emissions directives and EPA licencing

Outages

Long maintenance outages pose serious risks to security of supply and generation costs.

Commercial

Risk of affecting delivery on System Service contracts due to increased maintenance outages (increased wear and tear) which will also increase costs.

Security of Supply

Changes in composition risk tripping units. High risk of cascading in the SEM.

Equipment

Any potential breach of OEM's acceptable range risks guarantee of equipment performance and invalidate equipment warranties

Regulation

Implementation period would need to ensure ample time for RAs and market participants to collaborate, assess and mitigate.



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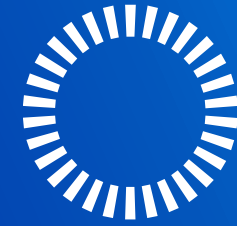
Conclusions

Clear and Precise communication from the HSE is essential

EAI is concerned that there is insufficient awareness and consideration being given to the HSE to changes in gas quality specifications on gas users in Ireland

EAI suggests a lead time of minimum 4 years

Time will be needed to ensure necessary to ensure safe use by directly connected users, without causing disruption or damage to operations



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5a Gas Quality – Renewable Natural Gas

5. Gas Quality – Renewable Natural Gas

- GNI is considering parameters for oxygen and CV for biomethane entry points on the Transmission Network
- 3rd party/ internal analysis will soon be completed
- Current estimated commissioning date for Mitchelstown CGI is late 2023/early 2024
- GNI will give details of separate Industry update meeting in the near future



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Code Modification Proposals

6. Code Modification Proposal A104

- Proposal to amend Code of Operations to transfer Capacity Overrun Charge revenues to allowed revenues
- Consultation period for proposal and legal text complete
- After CRU review GNI confirmed at the CMF Meeting on 16 December that the proposal does not extend to SPC overruns. The final legal text was being circulated for clarification with a review completion date of 21st January 2022. One clarification query was received and answered
- GNI have now issued Code Modification A107 seeking an amendment to the Code of Operations to delete annual caps on non-SPC Capacity Overrun Charges

7. Code Modification Proposal A104A

- Proposal to amend Code of Operations to transfer Scheduling Charge revenues to allowed revenues
- Consultation period for the proposal and legal text complete
- Under review by CRU

8. Code Modification Proposal A106

- Proposal to delete Entry Point Transfer Provisions from Code of Operation
- Issued by GNI on 10 January 2022 with Explanatory Memorandum
- Rationale; these provisions were incorporated in an era of long term capacity products when there was the prospect of a new indigenous gas source (Corrib). The provisions are now irrelevant as ;
 1. A new gas source (i.e. an offshore gas field and associated facilities) is a remote prospect
 2. There is now a new capacity regime with short term products
 3. The only other Entry Points are IP Entry Points and the transfer provisions are only available for unbundled IP Capacity

INDUSTRY REVIEW ENDED ON 31 MARCH 2022- NO SUBMISSIONS

9. Code Modification Proposal A107

- Proposal to delete from the Code of Operations annual caps on non-SPC Capacity Overrun Charges
- Issued by GNI on 10 February 2022 with Explanatory Memorandum
- Rationale – There is no realistic prospect of Shippers breaching these caps due to;
 1. The introduction of Daily Capacity Products
 2. The calculation of Capacity Overrun Charges by reference to the Daily Capacity tariff
 3. The reduction of the overrun charge multiplier
 4. The extended Capacity Booking Window

NO SUBMISSION RECEIVED TO DATE UNDER INDUSTRY REVIEW

10. Code Modification Proposal A108

- Proposal to amend Code of Operations to reflect change implemented in 1 October 2020 where GNI recover the cost of Shrinkage Gas from tariff income rather than directly from Shippers.
- Change was implemented in line with direction of CRU in Decision Paper dated 11/6/2019 on Harmonised Transmission Tariff Methodology for Gas (CRU/19/060) which provided that, from the start of Gas Year 2020/21 the procurement of Shrinkage Gas by the Transporter was to be classified as a transmission service and should be cost-recovered through tariffs rather than a separate charge to Shippers
- This change has to be reflected in amended text to the Code of Operations

11. Status of Code Modification Proposals

Number	Title of Proposal	Proposer	Status
A099	CNG Supply Point Capacity Setting	GNI	In abeyance
A104	Transfer Capacity Overrun Charge revenue to allowed revenues	GNI	Under review by CRU
A104A	Transfer Scheduling Revenues to allowed revenues	GNI	Under review by CRU
A106	Delete Entry Point Transfer provisions from Code of Operations	GNI	Under review by CRU
A107	Delete non-SPC annual caps on Capacity Overrun Charges	GNI	Under review
A108	Shrinkage Gas Cost Recovery	GNI	Under review



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12. Disbursement Account Query Adjustment

12. Industry Questionnaire responses

- 4 Shippers responded to the Industry questionnaire

Question 1

(a) Do you want existing calculation regime to remain

(b) Do you want average monthly imbalance price to calculate the charge for relevant months

(c) Other

RESPONSES

All four Shippers preferred the (b) option with one Shipper stating that the relevant charge should be appropriated to each corresponding month

12. Industry Queries (cont.)

Question 2

Should a proposed change be applied

(a) retrospectively and, if so, from when

(b) in the future, and, if so, from when

RESPONSES

- **2 Shippers said in the future – in one case from 1 February 2022 and the other from date of approval of Code Modification Proposal implementing the change**
- **2 Shippers said retrospectively - in one case in alignment with FAR Reconciliation timelines and in the other case on the basis of fairness for punitive outcomes**

12. Industry Queries (cont.)

- Question 3

Should any change be incorporated in the Code of Operations

RESPONSES

All four Shippers were positive with three of them stating that it would be important to ensure certainty going forward with the other Shipper stating that while it felt that it was not strictly necessary it could see the benefit of it being included in the Code.

Update

- CRU directed Transporter to prepare draft Code Modification Proposal to be issued as soon as its review was complete.
- Industry was given further opportunity to furnish Submissions on the matter until 23 February 2022. No submissions were received.



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13. Gas and Electricity Interaction

Gas and Electricity Interaction

- Reference slides from EAI at Agenda Item 5 above



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14.SPC Charging Review

Interim Report presentation

SPC Charging Review – Interim Report

- After a number of internal consultations/workshops it is proposed to initiate a Code Modification Proposal to effect to two changes :
 1. Annual cap on multipliers be reduced from 3 to 1.5 (reduces Shippers/End Users exposer while retaining incentive for Shipper to ensure appropriate level of capacity is booked)
 2. Revenue from SPC Capacity overruns to go from Disbursement Account to allowed revenues which will be taken into account in future tariff setting (reducing unnecessary billing administration requirements as part of ongoing GNI administration efficiency drive)
- The review will continue with consideration of two further complex issues;
 - a) review of the Capacity Reduction Periods
 - b) removal of the multi shipper option at LDM Supply Points



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15. Physical Reverse Flow Exemption

Market assessment Papers Notification

Physical Reverse Flow exemptions

- Article 5 of **Regulation (EU) 2017/1938** states that;
 - 4. The transmission system operators shall enable **permanent physical capacity to transport gas in both directions** ('bi-directional capacity') on all interconnections between Member States, except:
 - (a) in the case of connections to production facilities, to LNG facilities and to distribution networks; or
 - (b) **where an exemption from that obligation has been granted**, after detailed assessment and after consulting other Member States and with the Commission
- GNI and GNI (UK) were granted exemptions from the obligation to enable bi-directional capacity by both BEIS and CRU with respect to the South North Pipeline (SNP) and the Moffat IP – these exemptions will expire on the **28th of September 2022**.
- Following on from Brexit, this requirement was effectively **transposed into UK law via SI No. 531 EXITING THE EUROPEAN UNION GAS, The Gas (Security of Supply and Network Codes) Regulations 2019**.
- In the coming weeks the TSOs concerned will issue **Market Assessment papers** to market participants to determine if there is a requirement for bi-directional capacity on the SNP and at Moffat. Papers will be issued on the following basis;
 - The Market Assessment for bi-directional capacity at **the Moffat IP** will be issued **jointly by GNI & National Grid**.
 - The Market Assessment for bi-directional capacity on **the SNP** will be issued **jointly by GNI and GNI (UK)**.
- Market Assessments will be issued in April and market participants will have four weeks to respond.

The TSOs will be happy to deal with any queries you may have on the Market Assessments once these have been issued.



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16. Security of Supply

GNI Presentation



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17. AOB

AOB Items 1. Textual Changes On New Version Of The Code

2. Next Meeting

- Memo on intended textual, grammatical and numbering changes to issue with a review expiry date of 28th January 2022. Proposed to keep review open to 31 May 2022
- Next Meeting at the Clayton Hotel, Cork on 15 June 2022

15. Code Modification Forum Meetings in 2022

Next Meeting



CMF Dates 2022	Location
16 February 2022 (Wednesday)	Zoom Meeting
13 th April 2022 (Wednesday)	Dublin
15 th June 2022 (Wednesday)	Cork
17 th August 2022 (Wednesday)	Dublin
19 th October 2022 (Wednesday)	Dublin
14 th December 2022 (Wednesday)	Dublin



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Thank you for your participation