

# Code Modification Forum Agenda

Wednesday, 15 February 2023

Teams Meeting

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> <i>- Operational Maintenance</i> <i>- IT Maintenance/updates</i>	5	10:40-10:45
4.	<i>Gas Quality – Proposed Changes Update- UK</i>	10	10:45- 10:55
4a	<i>Gas Quality- Proposed Changes Update-Renewable Natural Gas</i>	5	10.55-11:00
5	<i>Gas and Electricity Interaction – EAI Presentation</i>	15	11:00-11:15
6.	<i>Code Modification Proposal A106 – Deletion of Entry Point Transfer Provisions from Code of Operations (For mention)</i>	5	11:15 - 11:20
7.	<i>Code Modification Proposal A109- Calculation of Charges in respect of a Meter Quantity Adjustment (For mention)</i>	5	11:20-11:25
8.	<i>Code Modification Proposal A110- Amendment of Code of Operations to reduce the Annual Caps for certain SPC Capacity Overruns at LDM Supply Points and DM Supply Points and to delete the Supply Point Capacity Account such that Overrun Revenue is treated as part of the Transporter’s allowed revenue (For mention)</i>	5	11:25-11:30
9.	<i>Status of Code Modification Proposals</i>	5	11:30-11:35
10.	<i>DECC Presentation on EU Legislative Developments</i>	15	11:35-11:50
11.	<i>Overview of GNI Company Strategy</i>	40	11:50 -12:30
12.	<i>NGEM Exercises – GNI Presentation Update</i>	10	12:30-12:40
13.	<i>Code Modification Improvements</i>	15	12:40-12:55
14.	<i>AOB Items -/ Next meeting</i>	5	12:55-13:00

Code Modification Forum

## Minutes of Virtual Meeting – 15 February 2023

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

## 1. Standing Items

### 1.1 Approval of minutes of previous meeting

The Minutes of the meeting of 14 December 2022 were approved

### 1.2 Review of action items

Action Item C572 would remain open for the January 2023 meeting.

In relation to Action Item C575 (Transporter to monitor on ongoing basis the adequacy of the initial 25% tolerance for RNG Entry Points) the Transporter reported to the meeting that, as flagged at the last Code Modification Forum Meeting, it had made a Data Analysis Presentation to the CRU with a proposed rolling average SPC setting methodology. The Transporter is presently preparing responses to subsequent CRU queries.

The CRU stated that while it had not decided on its attitude to this proposal it required further data supporting a rationale as to why CNG stations should get the benefit of a less onerous SPC setting methodology.

### 1.3 GNI Scheduled Maintenance Update

The Transporter referred to Slide 5 which detailed that it does not plan to undertake any maintenance activities during the Gas Year 2022/23 which will interfere with gas flows. Any maintenance activities on Transporter infrastructure/equipment relating to the Bellanaboy Entry Point will be coordinated with planned maintenance shutdowns by the Corrib Operator.

### 1.4 Gas Quality Update

#### **GAS QUALITY – EU/UK**

Michael Crowley, Asset Policy & Performance Manager at the Transporter, presented an update on UK Gas Quality developments, referring to Slides 7 and 8.



He reported that the HSE consultation process had been delayed with its analysis more protracted than anticipated and Ministerial sign off delayed because of the political situation in UK. The HSE expected to announce changes to UK gas quality and subsequently amend the GSMR Regulations by the end of 2022 but now it seemed that the end of Q1 of 2023 was more realistic. This would mean that the National Gas Grid will not initiate a Unified Code Modification to effect this gas quality change in their Code until the second quarter of 2023 a process which will take a minimum of three months. After this a further three months will be expended in amending Network Entry Arrangements, resulting in an end-2023, at the earliest, timeline in completing the regulatory requirements for implementation of the gas quality change. At this stage it would be early 2024 before all legal and regulatory hurdles are overcome. The Transporter intended to initiate an aligning Code Modification Proposal in tandem with the NGG UNC Modification.

In relation to the expected physical effect of the proposed change on the Irish system Mr. Crowley repeated his comments made at the December meeting, i.e. that NGG have published the results of a NTS Penetration Analysis study which indicates that at present some low WOBBE gas is currently delivered to the St Fergus Terminal in Scotland which supplies Moffat. This gas is blended with gas from adjacent fields and terminals to ensure it meets the current GSMR specification. Under the new regime NGG expect this situation to continue during normal operation, however if there is an outage on adjacent fields/terminals in the future, then low WOBBE gas might enter the National Grid system at St.Fergus with consequent penetration to Moffat. NGG have indicated that this might occur on approximately 18 days a year during the period 2023-2027.

A Shipper Representative queried whether the consultative delay was due more to Industry stakeholders, and, in particular, the Powergen Sector, raising concerns on the impact of lower Wobbe gas on their equipment rather than political logjams. Mr. Crowley replied that, at this remove, it was difficult to differentiate but both factors were the cause of the delay. Mr. Crowley confirmed the willingness on the part of the Transporter to discuss this issue with concerned Shippers, particularly those in the power generation sector.

### **GAS QUALITY – Renewable Natural Gas**

Yvette Jones, Renewable Gas Project Manager at the Transporter, referred to slide 10 and reported that a Code Modification Proposal to increase the upper limit for oxygen for biomethane injected into the transmission network has been drafted and would be circulated in the first quarter of 2023 with a consultant's report on the issue which is due to be received by the Transporter.

An Industry Stakeholder referred to an ongoing failure to observe indicated progress timelines stating that the Transporter's engagement and development of the biomethane industry was unreasonably slow. He stated that a single upper oxygen limit should apply for both the transmission and distribution systems noting that there was an upper oxygen limit of 1% already in place for the distribution system. He asked that the Forum also be updated in relation to the progression of the Safety Case being advanced in respect of this Code Modification.

The Industry Representative also referred to the Note to Code Modification Forum of prospective Code Modification Proposals issued by GNI in 2023 and which was circulated on 11 January 2023. He queried why the proposed review of the business rules related only to the Mitchelstown biomethane transmission entry point and not to all RNG entry points. He stated that any such review should address the rules applicable to all RNG entry points. In response to a question from Yvette Jones on when the Industry Representative had applied for a connection for its facility to the network he stated that the Shipper had made the application over a decade ago, at a time prior to when the GRAZE project at Mitchelstown had even been contemplated. and that they were still waiting for their connection to be advanced. **He further** stated that the Transporter's development efforts in relation to the transmission biomethane injection GRAZE project at Mitchelstown was in stark contrast to a stated lack of cooperation on distribution biomethane injection projects and alleged that the Transporter was prioritizing its own project.

Ms. Jones rejected the contention of discriminatory treatment, and it was stated by the Industry Representative that the issue would be followed up outside the Forum arena.

## 2 Gas and Electricity Interaction

Mr. William Carr of the Electricity Association of Ireland (EAI) presented a slidedeck on the associations' concern with changes in gas quality from its perspective. The slides bulleted background points stressed that this issue required the full engagement of all relevant stakeholders including GNI, EirGrid and CRU to ensure that there is a full understanding of the changes being considered, their potential impacts and associated timelines.

In relation to the UK Gas Quality Changes, Mr. Carr referred to the associations' concerns that some gas-fired generators will need to be modified to cope with a lower Wobbe Index which will entail substantial cost and planning resulting in outages and posing security of supply risks. The EAI required regular updating on implementation timelines and assessment of likely quality change occurrences and development of mitigation strategies.

In relation to changes to biomethane injection, particularly to the transmission system, the EAI required clarity on the level of penetration into the GNI system, what the timelines were, and they would require GNI to share related reports and studies.

In conclusion, EAI request a detailed impact assessment in co-operation with all key industry stakeholders is carried out as a matter of urgency to understand impact of potential changes, both from UK and Ireland, which will focus on relevant impacts on existing, new and emergency gas-fired electricity generation. EAI called for the initiation of workshops on the matter

The CRU suggested a dedicated session at or in tandem with a Code Modification Forum meeting. The Transporter referred to the upcoming hybrid meeting of the Code Modification Forum



scheduled for the Aisling Hotel on 26 April. They expected to organize a Gas Quality Workshop to run in tandem with this meeting. Once the arrangements were finalised the Mailing List would be circularised.

### 3 Code Modification Proposals

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

The CRU reported that the issue of an Instruction in relation to the Proposal was imminent. At the request of a Shipper Representative, it was agreed that one of the bullet point reasons for the Proposal, i.e., that a new gas source was a remote prospect, was deleted as part of the rationale for the Proposal.

#### 2.3. A109 - Proposal to amend Code of Operations to specify basis of calculation of charge in respect of an adjustment to a meter quantity (Meter Quantity Adjustment)

The Transporter reported that the Instruction and accompanying Rationale had issued. Ancillary to this Proposal the CRU had instructed the Transporter to draft and circulate a Monthly Meter Data Cleanse Process document. This was circulated on 1 February. At present the Transporter was preparing responses to queries and submissions raised by the CRU in relation to the document. There had been no response to date from Industry and it was decided to extend the Industry Review period open until the next meeting.

#### 2.4. A110- Proposal to amend Code of Operations to reduce the Annual Caps on Multipliers for certain SPC Capacity OVERRUNS at LDM Supply Points and DM Supply Points and to delete the Supply Point Capacity Overrun Disbursement Account such that Overrun Revenue is treated as part of the Transporter's allowed revenue

The Transporter referred to this Modification Proposal confirming that the industry review had completed and, at this stage, the CRU was considering responses from GNI in relation to the rationale for the Proposal and any unintended consequences.

### 3.4 Status of Code Modification Proposals

Number	Proposal	Proposer	Status
<b>A099</b>	CNG Supply Point Capacity Setting	GNI	In abeyance
<b>A106</b>	Proposal to delete Entry Point Transfer Provisions from Code of Operations	GNI	Consultation complete/CRU indicated minded to intention
<b>A110</b>	Proposal to amend Code of Operations to reduce the Annual Caps for certain SPC Capacity Overruns at LDM Supply Points and DM Supply Points and to delete the Supply Point Capacity Overrun Disbursement Account specify basis of calculation of charge in respect of an adjustment to a metered quantity (Meter Quantity Adjustment	GNI	Consultation complete/under CRU review

## 4. Other Agenda Items

### 4.1. DECC Presentation on EU Legislative Proposals

Mr. Noel Regan from the Department of the Environment, Climate and Communications presented a slidedeck entitled 'EU Gas Legislative Developments' to the meeting. The Developments in question were;

1. Gas Storage Regulation (EU 2022/1032)
2. Regulation on coordinated demand measures for gas (EU 2022/1369),
3. Regulation on an emergency intervention to address high energy prices (EU 2022/1854)
4. Regulation enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders (EU 2022/2576)
5. Regulation to accelerate renewables (EU 2022/2527)
6. Regulation on market correction mechanism (EU 2022/2578)

In relation to the Gas Storage Regulation Mr. Regan confirmed that this obligation, which set obligatory storage targets for winters 2022/23 and 2023/24 did not apply to Ireland as we did not have any storage facilities.

The Regulation on coordinated demand reduction measures for gas provides for a voluntary gas demand reduction target of at least 15% between August 2022 and March 2023 with a mechanism to make the target obligatory in case of a significant deterioration of gas supply.

The Regulation on emergency intervention to address high energy prices contained provisions for reduction of electricity, a cap on electricity market revenues and a temporary solidarity contribution

The enhancement solidarity regulation provided for long -term contract transparency, demand aggregation and joint purchasing, access to storage, LNG and transmission networks and extension of the gas solidarity mechanism

The renewables regulation promoted accelerating permits for solar infrastructure and heat pumps and repowering of renewable plants

The market correction mechanism is to affect the TTF and Ireland's non-domestic gas is subject to NBP pricing.

Looking ahead Mr. Regan referred to;

1. Electricity Market Reforms – due end of March
2. EU Energy Platform – initially focus on being utilised for securing a portion of gas for storage in winter 23/24



3. Commission seeking more coordinated EU stance on global markets
4. Gas Package comprising Gas Directive/Gas Regulation/Methane Regulation

In response to a Shipper Representative query on the impact of the market correction mechanism at the TTF, Mr. Regan stated that it might have the indirect effect of increasing LNG supplies to the UK where the NBP applies. In relation to the queries on the proposed increased coordination on global markets Mr. Regan considered that the first step would be the establishment of the EU Energy Platform which potentially could begin to effect this coordination. It would probably not impact the Irish Gas Market but DECC would keep Industry informed.

A Shipper Representative queried when the CRU N-1 (National Risk Assessment) Report would be available, commenting that a 'hope for the best' attitude would not be sufficient if we get severe winters with further gas shortages. He wanted it noted that New Fortress Energy had offered to provide long term gas supply contracts and storage capacity. The CRU responded that this issue was being dealt with by a separate internal team where there had been a change in personnel, but the query would be referred on

### 4.3 Overview of GNI Company Strategy

Mr. Brian Mullins, Acting Director of Strategy and Regulation made a presentation to the meeting outlining the GNI Company Strategy for a rapidly changing external environment. He listed the **challenges**: 1. Energy Policy, 2. Energy Geopolitics, 3. Shareholder Value, 4. Competition, 5. Customer Sentiment and 6. People Capabilities.

He then proceeded to enumerate the Company's **opportunities**: 1. Security of Supply, 2. Biomethane, 3. Hydrogen, 4. Hydrogen Storage and 5. CNG.

Mr. Mullins proceeded to detail GNI's Purpose, its Vision and Strategic Direction of Travel. In slide 11 he set out GNI's transformative roadmap between 2022 and 2050 with milestone delivery targets on the way. In the later point of the presentation, he described GNI's Strategic Ambitions and Initiatives.

Finally, he described the following conclusions;

- GNI vision to be at the heart of Ireland's energy system
- GNI commitment to development of sustainable energy services and realising an integrated energy system in Ireland
- GNI making a fundamental shift to a decarbonised network, underpinned by a resilient network, excellence in operations, strong financials and energised people
- GNI acknowledging that customer/shipper engagement playing a key role in strategy delivery

#### 4.2. NGEM Update

Mr. Stephen O’Riordan, standing in for Aidan Bugler, GNI Network Operations Emergency Manager at the Transporter, presented an NGEM Update to the meeting referring to Slides 21 – 24. He referred to the fortnightly “Winter Call” with National Grid and GB GDNs. The last call on 7<sup>th</sup> February reported that GB storage was at 60% and a 15% reduction in domestic demand. High winds delayed the docking of some LNG ships at Milford Haven in January but Norwegian gas imports were steady even with prospect of higher prices in Europe.

The thrice weekly EntsoG ReCo calls with European Gas TSOs were ongoing with reports of generally milder weather, reduced demand and strong LNG imports. Storage levels across Northwest Europe remain high at 70%, higher than the 32% level last year and well above the five year average . LNG deliveries continue into UK and Europe with operators of the Freeport LNG (USA), which accounts for 20% of US output, resuming production in March or April 2023.

The 2022 NGEM Emergency Exercise ‘Dara’ was carried out on 9<sup>th</sup> and 10<sup>th</sup> September and in this Exercise they considered a 20% reduction in supply at Moffat over a seven-to-ten-day period taking demand data from 8<sup>th</sup> January 2021 which was a cold day with low wind. On Day One they looked at gas and electricity interaction and on Day Two they focused on managing the impact on gas- fired power generation load shedding over the extended period. A presentation on the Exercise was made to the Government Task Force on Emergency Planning on 15 February with input from DEcc, CRU, EirGrid and ESB. GNI will continue to update the Forum.

Mr.O’Riordan reported that GNI has developed some FAQs on the National Gas Emergency Plan (NGEP) which has been published on the GNI website at the following link;

<https://www.gasnetworks.ie/corporate/company/our-network/natural-gas-emergency-plan/index.xml>

Finally, any queries/comments can be emailed to:

[emergencyplanning@gasnetworks.ie](mailto:emergencyplanning@gasnetworks.ie)

In relation to National Grid briefings the daily National Grid Prevailing View website which provides daily data is;

<https://mip-prd-web.azurewebsites.net/>

### 4.3 Code Modification Forum Improvements

The Transporter referred to Slide 26-29, informing the meeting that it had, on 11 January, circulated a Proposed Improvement Document with an altered Proposal Form template and a Note on prospective Proposals in 2023.

To date there has been two Shipper responses to this documentation which were synopsised in the Slides and to which the Transporter suggested that meeting minutes would, as a compromise, be circulated within 15 working days and will, in addition to furnishing a Prospective Proposals document at the first meeting of each calendar year, furnish at the last meeting each year a report on the Proposals issued during the year, their progress and any lessons learned. The Transporter would look at the format of legal text changes with its advisors.

A Shipper Representative referred to the length of time it took to process a Code Modification Proposal instancing A109 stating that it should take no longer than six months to process a Proposal. Shippers usually only engaged in a Proposal review if they felt it materially affected them particularly if it affected them adversely. The Forum should accept that silence from Shippers on a review should be deemed to indicate their consent or, at least, their acceptance. The CRU stated that non-engagement on the part of Industry on a review did not preclude them from carrying out a comprehensive study of the Proposal and it considered that the benefit analysis now required of the Transporter when issued a Proposal would substantially reduce its review workload. There would be more emphasis at the initial presentation of a Proposal of agreeing a process review timeline which would subsequently be tracked.

The CRU directed that the documentation would, after the meeting, be re-circulated to Industry with a review period extended to COB on Friday, 3<sup>rd</sup> March

### 4.4 Any Other Business

Ongoing SPC review

The Transporter referred to four main review issues :

1. Caps and multipliers associated with Supply Point Capacity at LDM Supply Points
2. Potential removal of SPC Capacity Overrun Disbursement Account



3. Review of aspects of the Code of Operations
4. Multiple Shipper option for distribution connected LDM Sites ( LDM Supply Points)

Items 1 and 2 have completed resulting in Code Modification Proposal A110. There is substantial complexity, shipper interest and potential unforeseen consequences in relation to Items 3 and 4 and it is hoped to have a discussion document for presentation to CRU/Industry by the end of Q2

### **Next Meeting**

The next meeting is scheduled to be held at the Aisling Hotel, Dublin on 26 April 2023. It will be hybrid, the first of three hybrid meetings in 2023. Participants are urged to enter this date in their diaries and, if at all possible, attend in person. GNI intend to host a Biomethane Workshop in tandem with the Meeting and will circulate details of this event in due course.

## 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 2023

CMF Date	Location
14 February 2023 (Wednesday)	Virtual
26 April 2023 (Wednesday)	Ashling Hotel Dublin/Hybrid
21 June 2023 (Wednesday)	Clayton Hotel Cork/ Hybrid
16 August 2023 (Wednesday)	Virtual
18 October 2023 (Wednesday)	Ashling Hotel Dublin /Hybrid
13 December 2023 (Wednesday)	Virtual

## 7. Attendees

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	Name	Representing
1	Kieran Quill	GNI
2	Stephen O'Riordan	GNI
3	Brian Mullins	GNI
4	Conor Murphy	GNI
5	Andrew Kelly	New Fortress Energy
6	Colm Griffin	GMO-NI
7	Brian McGlinchey	Vermilion Energy
8	Keith Deacon	AXPO
9	Theresa Lennon Crean	SSE
10	Seán Mac an Bhaird	CRU
11	Emerson O'Callaghan	CRU
12	Michael Crowley	GNI
13	Donovan P.G. Sheridan	Prepaypower
14	Ian Mullins	BGE
15	Paul Murphy	ESB
16	Yvette Jones	GNI
17	Kevin Murray	BGE

18	Mark Phelan	Electric Ireland
19	Martin Regan	Marex Spectron
20	Nicholas Lincoln	Nepkin Energy
21	Richard Harper	Ceres Energy
22	Tom Nolan	Ormonde Organics
23	William Carr	ESB



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# Code Modification Forum

**Wednesday, 15 February 2023**

**via Teams**



# Agenda

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1. Review of minutes from last meeting
2. Review of open actions
3. Update on Maintenance Plan
4. Gas Quality – Proposed Changes Update- UK/ Renewable Natural Gas
- 4a Gas Quality – Proposed Changes Update- Renewable Natural Gas
5. Gas and Electricity Interaction – EAI Presentation
6. Code Modification Proposal A106 – Deletion of Entry Point Transfer Provisions from Code of Operations (For Mention)
7. Code Modification Proposal A109 – Calculation of Charges in respect of a Meter Quantity Adjustment (For Mention)
8. Code Modification Proposal A110 – Reduction of Annual Caps for certain SPC Capacity Overruns at LDM Supply :Points and DM Supply Points and deletion of Supply Point Capacity Account to allowed revenues (For Mention)
9. Status of Code Modification Proposals
10. DECC Presentation on EU Legislative Developments
11. Overview of GNI Company Strategy
12. NGEM Exercises – GNI Presentation Update
13. Code Modification Forum Improvements
14. AOB Items / Next meeting

# 1. Review of minutes from last meeting

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- Minutes of CMF meeting of 14 December 2022 were issued on 26 January 2023.

## 2. Review of open actions

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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

In relation to C575 the Transporter has made a Data Analysis Presentation to the CRU with a proposed rolling average SPC setting methodology. The Transporter is presently preparing responses to subsequent CRU queries

### 3. 2022/2023 Maintenance Days

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**GNI DOES NOT PLAN TO UNDERTAKE ANY MAINTENANCE ACTIVITIES DURING THE GAS YEAR 2023 WHICH WILL INTERFERE WITH GAS FLOWS.**

**ANY MAINTENANCE ACTIVITIES ON GNI INFRASTRUCTURE/EQUIPMENT RELATING TO THE BELLANABOY ENTRY POINT WILL BE CO-ORDINATED WITH PLANNED MAINTENANCE SHUTDOWNS BY THE CORRIB OPERATOR**



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# 4. Code Modification Forum Update

UK Gas Quality Changes

15<sup>th</sup> February 2023

# UK Gas Quality – December 2022 update

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- Publication of HSE response to their public consultation on proposed changes to UK gas quality arrangements has been **further delayed**:
  - HSE had difficulty getting access to Ministers to review their proposals, due to recent changes in Prime Minister and associated cabinet reshuffles
  - HSE now has access to the relevant Ministers, but there is still significant concerns about potential impact of low WOBBE gas on power generation & electricity supplies
  - Target is to finalise proposals before year-end, but may be challenging and Q1 2023 may be more realistic?
- National Grid Gas (NGG) have front-loaded work associated with potential Unified Code Modification (UNC) for low WOBBE gas – with Network Penetration study
  - But still expect protracted UNC process due to need to mitigate Power Generation concerns – e.g. provision of advanced information warnings on low WOBBE gas

# UK Gas Quality update ... (continued)

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- NGG expect to implement any low WOBBE UNC in phases:
  - Entry Terminals that have expressed an interest in flowing low WOBBE gas will be processed first;
  - St Fergus which supplies gas to Moffat, is expected to be in first phase of any such UNC
- GNI plan to raise a matching Code Modification once the HSE proposals are finalised (assuming they proceed with proposal to reduce the lower WOBBE limit)
  - Expectation remains that gas flows under any revised UK gas quality arrangements are unlikely until the end of 2023



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# 4a Gas Quality – Renewable Natural Gas



# Gas Quality – Renewable Natural Gas

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Code Modification to increase upper limit for oxygen for biomethane injected into the transmission network has been drafted

Drafting will be circulated for consultation in Q1 2023

Delay is due to completion of oxygen report



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## 5. Gas and Electricity Interaction



ELECTRICITY  
ASSOCIATION  
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# Code Mod Forum February 2023

A decarbonised future powered by electricity

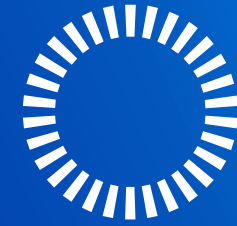


ELECTRICITY  
ASSOCIATION  
OF IRELAND

## KEY ASKS ON GAS QUALITY CHANGES

- Clarity on **Process** timelines for implementing changes to Gas quality (Wobbe Index), renewable gases (O<sub>2</sub> Content)
- Need for appropriate timelines given a) delay in HSE decision b) requirement to assess resulting risks and development/implement mitigations.
- Initiation of **Workshops** with industry on introduction of Renewable gases.
- Change to Charging Schema for introduction of renewable gases.
- A detailed impact assessment in co-operation with IGEM/HSE and GNI/MEL. This study should be conducted in connection with both the IGEM/HSE process and GNI/MEL given that potential changes are being considered in both GB and Ireland.
  - Potential impacts on newer CCGT plant.
- GNI implementation of 2022/2576 Article 14 Re. More effective use of transmission capacities. Proposal of increasing short term capacity from long term capacity (Potentially increasing domestic costs).





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# Code Modification Proposals

# 6. Code Modification Proposal A106

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- 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 COMPLETE - NO SUBMISSIONS

THE CRU HAS INDICATED THAT IT IS MINDED TO ISSUE AN INSTRUCTION IN THIS MATTER

# 7. Code Modification Proposal A109

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Instruction and Rationale issued

Draft Ancillary document – GNI Monthly Meter Data Cleanse Process circulated for Industry review on 1 February

Queries on document from CRU relate to:

- **Field Operation Activities**
- **Disbursement Account arrangements**
- **Notifications to Shippers**
- **Valuation of Adjustment Quantity**
- **Question of referring to Process Document in the Code of Operations**

## 8. Code Modification Proposal A110

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- Amendment to Code of Operations to reduce the Annual Caps for certain SPC Capacity Overruns at LDM Supply Points and DM Supply Points and to delete the Supply Point Capacity Overrun Disbursement Account such that Overrun Revenue is treated as part of the Transporter's allowed revenue.
- The proposed reduction in the annual cap is considered a substantial reduction in Shippers financial exposure as a result of certain overruns; there are no changes to the multiplier and cap at Supply Points where the Transporter Recommended Capacity is booked or where DM Supply Point is not subject to a reduction period where the multiplier and cap remain at 1.
- In association with the reduction in the cap it is proposed to remove the Supply Point Capacity Overrun Disbursement Account such that revenue from SPC Capacity Overruns will no longer be attributable to a Disbursement Account.



# Code Modification Proposal A110 (cont.)

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The Code Modification Proposal:

- (i) reduces the financial exposure of Shippers in the event of relevant Supply Point Capacity Overruns, and,
- (ii) reduces the required systemisation and billing functions associated with the Disbursement Account and reduces the associated queries regarding calculation of Overrun Charges and the Disbursement Account.

INDUSTRY REVIEW COMPLETED WITHOUT SUBMISSION .

CRU CONSIDERING RESPONSES FROM GNI IN RELATION TO CLARIFICATION QUERIES CONCERNING THE BENEFIT OF PROPOSAL AND ANY UNINTENDED CONSEQUENCES

## 9. Status of Code Modification Proposals

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Number	Title of Proposal	Proposer	Status
A099	CNG Supply Point Capacity Setting	GNI	In abeyance
A106	Delete Entry Point Transfer provisions from Code of Operations	GNI	Under review by CRU
A110	Reduction of Annual Caps for certain SPC Capacity Overruns at LDM Supply Points and DM Supply Points and delete Supply Point Capacity in favour of allowed transporter revenues	GNI	Under review by CRU



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# 12. Security of Supply (SoS) / NGEM Update

- **CMF & GMARG (February 2023)**

# National Grid Briefings Ongoing

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- Fortnightly ‘Winter Call’ ongoing with National Grid and GB GDN’s.
  - Latest call was Tuesday 7<sup>th</sup> February; no significant issues arising.
  - GB storage level was 60% last week (approx. 5 days of storage deliverability).
  - GB is experiencing on average a 15% reduction in domestic heating demand.
  - High winds in January delayed the docking of some LNG ships at Milford Haven.
  - Norwegian gas exports to GB as expected – some increased flows from Norway to Europe have been seen if prices in Europe are higher than in GB.
  - During the period of high demand in December, NTS daily demand exceeded 400mcm for a number of days; current demand is <300mcm; margins notice is >500mcm.

# ENTSOG ReCo Calls Ongoing

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- Mon/Wed/Fri morning call with European Gas TSO's ongoing:
  - No new SoS issues arising – generally milder winter weather, reduced demand, strong LNG imports
  - Storage levels across Northwest Europe remain high at 70%; higher than the 32% full seen this time last year and well above the five year average
  - LNG deliveries continue into GB and Europe; operators of Freeport LNG (USA) expect to resume production in March or April 2023 (20% of USA output).

# Exercise Dara - Update

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- Presentation on Exercise Dara findings to Government Task Force on Emergency Planning on 15/02/2023
- Addressing feedback from DECC and Government agencies
- DECC, CRU, GNI, EirGrid, ESB presenting
- GNI will continue to update this forum.

# NGEP FAQ's

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- NGEP FAQ's are published on the GNI website at:
  - <https://www.gasnetworks.ie/corporate/company/our-network/natural-gas-emergency-plan/index.xml>
- Any comments can be emailed to: [emergencyplanning@gasnetworks.ie](mailto:emergencyplanning@gasnetworks.ie)



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# 13. Code Modification Forum Improvements



# Code Modification Forum Improvements

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- On 9 November the CRU hosted a physical meeting with GNI to consider discussion papers each organisation had prepared and shared regarding proposed improvements to the Code Modification Forum and the Code Modification review process
- A number of initiatives were agreed which should improve Shipper understanding of the complexity of each modification and streamline the review process
- Various initiatives to encourage greater engagement with the Forum are being developed and will be communicated to the Forum in due course
- On 11 January, as indicated at the Forum meeting in December GNI circulated to the Forum Mailing List;

## **1) Code Modification Forum – Proposed Improvement Document**

### **2) Code Modification Proposal (format)**

### **3) Note to CMF of prospective Proposals issued by GNI in 2023**

# Code Modification Improvements – Shipper Responses (1)

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## Shipper A

1. Proposed time limit for circulating meeting minutes too short suggesting 10 working days

*GNI response – suggest 15 working days*

2. Suggest staged review milestones, e.g. pre-public consultation/out for public consultation etc

*GNI response – every modification has its own attributes, e.g., urgency, complexity, Industry interest and the suggested changes to the documents furnished at Proposal issue will inform the CRU in collaboration with the Forum members in deciding on each respective review procedure*

# Code Modification Improvements- Shipper Responses (2)

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3. A lessons learned report on the review process for each Proposal as it is finalised to inform future Proposals

- *GNI Response- GNI are now furnishing, at the start of each calendar year, a note of the prospective Modification Proposal it considers likely to be issued that year. At the final Forum meeting of each year GNI might present a memorandum on the Proposals issued with a note on the review process in each case for consideration by the Forum*

4. Suggest that a similar format to CEN/ISO changes would be used in relation to proposed legal text changes i.e. Clause x deleted “this... was replaced with” ...

- *GNI Response- GNI will consider this in conjunction with its legal advisors*

# Code Modification Improvements- Shipper Responses(3)

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## Shipper B

1. Minutes should be available within 2 working weeks of meeting
  - *GNI Response – GNI offer to circulate them within three working weeks*
2. Code of Operations should be updated at least annually
  - *GNI Response – GNI intend to do this provided a minimum of 5 Proposals have completed within the period*
3. GNI should issue Proposals at least 2 weeks in advance of a Forum meeting
  - *GNI Response- GNI will always, where feasible, do this. The subsequent review process will be influenced by the length of the pre-Forum meeting review period*



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14. AOB

# AOB Item No.1 – Ongoing SPC review

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Review issues;

- 1. Caps and multipliers associated with Supply Point Capacity at LDM Supply Points**
- 2. Potential removal of SPC Capacity Overrun Disbursement Account**
- 3. Review of aspects of the Code of Operations associated with SPC reductions at DM Supply Points**
- 4. Multiple Shipper option for distribution connected LDM sites (LDM Supply Points)**

Items Nos 1 and 2. completed resulting in Code Modification Proposal A110. There is substantial complexity, Shipper interest and potential unforeseen consequences in relation to Items 3 and 4 and it is hoped to have a discussion document for presentation to CRU /Industry by end of Q2.

# AOB Item No.2 – Next Meeting

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- Next Meeting scheduled for 26 April 2023 at Aisling Hotel, Dublin

# Code Modification Forum Meetings in 2023

Next Meeting



CMF Dates 2022	Location
15 February 2023 (Wednesday)	Teams Meeting
26 <sup>th</sup> April 2023 (Wednesday)	Dublin (hybrid)
21 <sup>st</sup> June 2023 (Wednesday)	Cork (hybrid)
16 <sup>th</sup> August 2023 (Wednesday)	Teams Meeting
18 <sup>th</sup> October 2023 (Wednesday)	Dublin (hybrid)
13 <sup>th</sup> December 2023 (Wednesday)	Teams Meeting





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Thank you for your participation