

# Code Modification Forum Agenda

Wednesday, 15 June 2022

Zoom 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> <ul style="list-style-type: none"><li>- <i>Operational Maintenance</i></li><li>- <i>IT Maintenance/updates</i></li><li>- <i>Update on Beattock Bay Compressor Station Upgrade Project</i></li></ul>	10	10:40-10:50
4.	<i>Gas Quality – Proposed Changes Update</i>	10	10:50-11:00
5.	<i>Supplier of Last Resort – GNI 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 A107-Amendment to Code of Operations to remove annual caps on non- SPC Capacity Overrun Charges</i>	5	11:20 -11:25
8.	<i>Code Modification Proposal A108 – Amendment of Code of operations to transfer cost recovery of Shrinkage Gas to allowed revenues from tariffs</i>	5	11:25-11:30
9.	<i>Code Modification Proposal A109- Calculation of Charges in respect of a Meter Quantity Adjustment</i>	10	11:30-11:40
10.	<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</i>	10	11.40-11.50
11.	<i>Status of Code Modification Proposals</i>	5	11:50-11.55
12.	<i>NGEM Update – GNI Presentation</i>	10	11:55- 12:05
13.	<i>Gas and Electricity Interaction</i>	5	12:05-12:10
14.	<i>AOB Items – Textual and Numerical Changes to Version 5.04 of the Code of Operations / CRU Updates/ Next Meeting</i>	10	12:10-12:20

Code Modification Forum

## Minutes of Virtual Meeting – 17 August 2022

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

## 1. Standing Items

### 1.1 Approval of minutes of previous meeting

The minutes of the Code Modification Forum (“CMF”) Meeting of 13 April 2022 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the 15 June 2022 Zoom Meeting.

### 1.2 Review of action items

The actions from the previous CMF Meeting of 13 April 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 outstanding Maintenance Plan for the 2021/22 Gas Year. Only one date was referred to, i.e., 5 July 2022 (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 confirmed that this maintenance item had been completed and no further maintenance item was planned for the remainder of this calendar year. The Transporter indicated that it intended to circulate its Maintenance Plan for the 2022/23 Gas Year before 1 October next



## 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 Final Conclusions Report, expected to issue this summer, was likely to be delayed until October. The delay resulted from a longer than anticipated consideration of issues raised including the expected impact of lower-Wobbe gas on gas-fired power generation and consequent electricity supply. The Conclusions must go through a Business Energy & Industrial Strategy (BEIS) review and subsequently Ministerial sign-off and it was now expected that the GSMR regulations would not be amended until December. Mr. Crowley further reported that GNI proposed to raise a Code Modification Proposal to amend its gas quality specifications to align with the amended UK gas specification as soon as the GSMR regulations were changed, and it was anticipated that the review for this Code Modification Proposal would run in parallel with the equivalent Unified Network Code (UNC) modification in the UK. He expected that National Grid would issue a global UNC modification rather than just changing their indicative gas quality statements. The UNC modification process would usually take at least 6 months. Thereafter National Grid would be reviewing /amending the gas quality provisions in its Network Entry Agreements, a process which would be expected to take a further twelve months.

While National Grid had indicated that, in the short to medium term, after the implementation of the new quality specification, it was unlikely that gas with an altered specification would flow through Moffat, they did report that producer(s) had expressed an interest in flowing limited amounts (small volumes for short periods) of low-Wobbe gas into the St. Fergus Terminal in Scotland. If this transpires it is possible, because of there may be insufficient blending gas available at the time of such flow of low-Wobbe gas due to planned shutdowns or operational upsets, that gas with low-Wobbe gas could be imported through Moffat.

Mr. Tony Diccio, on behalf of EAI, stated that there was a perception that the statutory stakeholders were not being sufficiently proactive in advancing Irish industry's concerns in this matter and particularly that of the powergen sector, that there was insufficient analysis of the potential impact of lower Wobbe gas on powergen equipment, and that there were insufficient efforts to delay the implementation of any change to allow Industry sufficient time to make required adaptations.

Mr. Crowley responded that the Transporter had been actively engaged in the process, had submitted a response to the HSE review, had liaised with the National Grid, and had kept the Industry fully informed and availed of all opportunities to echo the concerns of Irish stakeholders. National Grid were carrying out network analysis and any results would be disseminated by the Transporter to Industry. The Transporter had to balance Industry's concerns in this area with its security of supply concerns for the Irish Gas Market. This overarching security of supply issue was echoed by a Shipper Representative.



The CRU stated that everyone had to realise the relative lack of influence that Irish stakeholders had in this process, that they, the Transporter, and other industry representatives were all doing their utmost to convey the concerns of, in particular, the Powergen sector, to both the proposed gas quality change and its mooted implementation timescale. He reiterated the CRU's commitment to support the Irish Gas Sector in this matter.

In response Mr. Diccio acknowledged the efforts to date of the Transporter and the CRU and looked forward to working in tandem with them on a united front to try and minimize the potential effect of this change on the Irish Gas Industry.

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

Mr. Crowley referred to slide 10 referred to and reported that, following analysis and third party research (commissioned by the Transporter) it had been decided, firstly, in relation a possible lower Calorific Value (CV) parameter, not to raise a Code Modification Proposal to lower the current CV of 36.9 MJ/M<sup>3</sup>. The Transporter reports that its analysis, supported by data from other jurisdictions, would satisfactorily indicate that injecting biomethane at Mitchelstown would not have adverse impacts if managed correctly and, further, biogas to biomethane upgrading technology has advanced significantly producing biomethane with a higher CV than achieved historically.

Secondly, in relation to the upper oxygen limit the Transporter will raise a Code Modification Proposal for an increase in the upper oxygen content for biomethane injected into the transmission network as, in spite of advances in upgrading technology, it would be difficult to consistently meet the upper oxygen limit of 0.2%. While its analysis and modelling used an oxygen limit of 1% to assess impacts it was decided to propose a maximum content of 0.5%. Data from other jurisdictions indicates that upgrading technology should be able to produce biomethane with an oxygen content below 0.5% and any intending producer wishing to avail of this increased oxygen limit will have to provide supporting analysis to the Transporter. It was proposed to circulate further information and proposal details in September. As always, any Industry queries in this matter should be referred to [Yvette.jones@gasnetworks.ie](mailto:Yvette.jones@gasnetworks.ie).

## 2 Code Modification Proposals

### 2.1 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. Subsequently the Transporter circulated the associated legal text on 26 April with a review period running until 20 May. No submissions were received, and the Proposal was now under review by the CRU.

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

The Transporter reported that it had issued Code Modification Proposal A108 on 26 April 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 11<sup>th</sup> 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. An Explanatory Memorandum and the associated legal text issued with the Modification Proposal. No submissions were received by the end of the review period on 30 June 2022 and the Proposal was now under review by the CRU.

### 2.4. 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 referred to this Code Modification Proposal which results from a Disbursement Account Adjustment query received from BGE. At present the Code of Operations does not stipulate the calculation regime for the financial charge payable by or credited to a Shipper in the case of a Meter Quantity Adjustment following verification of secondary instrumentation and or measurement equipment (as the case may be). Under the existing long established custom and practice arrangement the financial charge is based on the Imbalance Price for the month immediately preceding the issue of the monthly invoice. Now, prompted by unprecedented gas price volatility, this modification proposal stipulates that the financial charge will be calculated by reference to the average Imbalance Price (non RNG), over the relevant adjustment period. Code Modification Proposal A109 issued with an Explanatory Memorandum and associated Legal Text on 27 April . At the end of this review period at this Forum Meeting no submissions had been received other than a BGE complaint at what it considered the inordinate delay in rectifying their complaint. The Proposal was now under CRU review.

#### **2.5. 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 Disburse Account such that Overrun Revenue is treated as part of the Transporter's allowed revenue**

The Transporter introduced this Modification Proposal which arose from the ongoing SPC Charging regime review and which had been flagged at the April meeting. The Proposal which issued on 28 April proposes to firstly, reduce the Annual Caps for certain SPC Capacity Overruns at LDM Supply Points and DM Supply Points, and, secondly, 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 Shipper's 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 a DM Supply Point is not subject to a reduction period where the multiplier and cap remain at 1 and the Transporter keeps the all of the overrun charge. Reducing the multiplier for the Distribution Connection Overrun from 3 to 1.5 would significantly reduce the cost of an overrun for the Shipper. Overruns at Distribution Connected LDM sites tend to be rare with the Transporter keeping one portion of the overrun charge with the remainder being disbursed between the Shippers based on Capacity and no consequent effect on tariffs.

The proposal to delete the Supply Point Disbursement Account is based on the relatively small amounts involved and will reduce the required systemisation and billing functions associated with Account and associated queries regarding calculation of Overrun Charges apportioned to the Disbursement Account. At the end of the review period at this Forum Meeting no submissions/queries had been received. The Proposal was now under CRU review

## 2.4 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/Under CRU review
<b>A108</b>	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	GNI	Consultation complete/under CRU review
<b>A109</b>	Proposal to amend Code of Operations to specify basis of calculation of charge in respect of an adjustment to a metered quantity (Meter Quantity Adjustment)	GNI	Consultation complete/under CRU review
<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. NGEM Update

Mr. Aidan Bulger, Network Operations Emergency Manager at the Transporter, presented Slides 18 -30. Slide 20 referred to the Natural Gas Emergency Plan (NGEP) quoting the link on the Transporter website and referring to an updated version which aligned NGEP stages to EU Regulation (EU) 2017/1938 (“the regulation”) Crisis Levels which it was hoped would receive the formal approval of the CRU in the coming weeks. Slide 21 provided the link to the Regulation and noted that the



Department of the Environment, Climate and Communication (DECC) had designated the CRU as the Competent Authority for the Regulation. Slide 22 referred to the definition of Protected Customers (also defined in the CRU National Preventative Action Plan 2018-2022). It was noted that there were no Protected Customers in the LDM sector. Slide 22 contained a graphic detailing the Crisis Levels contained in the above specified Regulation. At present the Transporter was dialing into EntsoG RECU Group meetings on Mondays, Wednesdays and Fridays each week where the status of gas supplies across the EU were monitored. Slide 24 contained a graphic of the Natural Gas Emergency Classification in the NGEP currently under review by the CRU and which aligns Crisis Levels in the Regulation. Mr. Bugler pointed out that the load shedding arrangements referred to therein (and specified in Slide 25) were unchanged from the current version of the NGEP.

Mr. Bugler reported that the Transporter was currently updating emergency contacts for Shippers, LDM and DM End Users with email addresses stored on the Transporter GTMS system. Any updates or any queries/concerns should be directed to the Transporter at [emergencyplanning@gasnetworks.ie](mailto:emergencyplanning@gasnetworks.ie)

Mr. Bugler referred to the upcoming annual National Emergency Coordinator assurance exercise with National Grid on managing a Network Gas Supply Emergency in Great Britain. He emphasized that this was an annual exercise and did not indicate that National Grid expected gas supply shortages this winter. He further referred to the NGEM Emergency Exercise 2022 which was taking place over two days, on 9<sup>th</sup> and 16<sup>th</sup> September and which would involve Gas Emergency Response Team (GERT) – DECC, CRU, Eirgrid, ESB and the National Oil Reserve Agency were all participating. It was clear that there was considerable government interest and the Transporter intended to make a subsequent presentation on the exercise to the Forum members in due course.

A Shipper Representative voiced the concerned of end users in the particularly the pharmaceutical and It sectors who were particularly vulnerable to a load shedding measure and queried whether they could be ring-fenced. The Transporter acknowledged these concerns and, while it was governed by the NGEP provisions, it was always available to discuss these concerns with the relevant end users. The Transporter would further discuss the load shedding implications arising from the NGEM Emergency Exercise at the specified presentation.

Finally, Mr. Bugler, in slide 30, referred to EU Regulation on coordinated demand reduction measures for gas wherein member States were to achieve 15% demand reductions. As Ireland was now not connected to another Member State network had a derogation from this Regulation but the government was very interested in exploring demand reduction strategies

#### 4.2. Gas and Electricity Interaction

There was no presentation made at this item with all contributions made at the UK Gas Quality item which is the main concern of the Powergen sector at this time

#### 4.3. Any Other Business

##### Textual Changes on new version of the Code of Operations

The Transporter referred to the 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 had expired on 30 June 2022 and the changes would be incorporated in the new version of the Code which was expected to issue in the fourth quarter of 2022

##### Shipper Nomination Behavior

The Transporter wished to remind Shippers of their responsibilities regarding prompt and accurate Nomination behavior. It had been necessary to remind Shipper/s with regard their responsibilities in this area in the recent past.

##### Next Meeting

The next meeting is scheduled to be a meeting at the Ashling Hotel, Dublin, with a zoom meeting option, on 19 October 2022. However as there appeared to be little interest among participants for a physical meeting the Transporter would be circulating the CMF Mailing List requesting that any intending attendee at the physical meeting would confirm his/her intention. Unless significant responses were received the 19 October meeting would be virtual (zoom) only

## 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
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## 6. Calendar of meetings for 2022

CMF Date	Location
19 <sup>th</sup> October 2022 (Wednesday)	Dublin
14 <sup>th</sup> December 2022 (Wednesday)	Dublin

## 7. Attendees

	Name	Representing
<b>1</b>	Kieran Quill	GNI
<b>2</b>	Áine Spillane	GNI
<b>3</b>	Doug O' Brien	GNI
<b>4</b>	Yvette Jones	GNI
<b>5</b>	John King	DECC
<b>6</b>	Harry Molloy	Tynagh
<b>7</b>	Jack O'Connell	CRU
<b>8</b>	Tony Diccio	ESB

<b>9</b>	Kevin Murray	BGE
<b>10</b>	Donovan P.G. Sheridan	PrepayPower
<b>11</b>	Seán Mac an Bhaird	CRU
<b>12</b>	Emerson O'Callaghan	CRU
<b>13</b>	Michael Crowley	GNI
<b>14</b>	Stephen English	GMO
<b>15</b>	Richard Harper	Ceres Energy
<b>16</b>	Tzern Toh	ESB
<b>17</b>	Paul Hoey	Electric Ireland
<b>18</b>	David Horan i	Aughinish
<b>19</b>	Keith Deacon	AXPO
<b>20</b>	Brian McGlinchy	Vermillion
<b>21</b>	Martin Regan	Marex Spectron



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# Code Modification Forum

**Wednesday, 15 June 2022**

**via Zoom Call**

# Agenda

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1. Review of minutes from last meeting
2. Review of open actions
3. Update on Maintenance / Update on Beattock Bay Compressor Station Project
4. Gas Quality – Proposed Changes Update
5. Supplier of Last Resort – GNI Presentation
6. Code Modification Proposal A106- Deletion of Entry Point Transfer Provisions from Code of Operations
7. Code Modification Proposal A107- Amendment to Code of Operations to remove annual caps on non-SPC Capacity Overrun Charges
8. Code Modification Proposal A108 – Shrinkage Gas Cost Recovery from allowed revenues from tariffs
9. Code Modification Proposal A109 – Calculation of Charges in respect of a Meter Quantity Adjustment
10. 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
11. Status of Code Modification Proposals
12. NGEM Update – GNI Presentation
13. Gas and Electricity Interaction
14. AOB Items – Textual and Numerical Changes to Version 5.04 of Code of Operations / CRU Updates/ Next Meeting.

# 1. Review of minutes from last meeting

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- Minutes of CMF meeting of [13 April 2022](#) were issued on 13 June 2022.

## 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



### 3. 2021/2022 Maintenance Days

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#### Maintenance Programme Gas Year 2021/2022

Date	Duration	Entry Points	Commentary
5 <sup>th</sup> 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.



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# Beattock Station Upgrades Project Update 2022, Code Mod Forum

**June 2022**

# Beattock Station Upgrade Project Status

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- Background: Installation of ability to Split Beattock Compressor Station, and also Suction Control Valves to assist management of high inlet pressures is mechanically complete.
- Mechanical works now integrated with the Station Control Systems.
- Testing of the Control System and integration of Suction Control Valves took place from April into June. Review ongoing of information from testing and commissioning. Fine tuning taking place as parameters and flows vary and will continue through June 2022.
- No further planned outages from this project currently expected.

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# Questions?



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# 5. Supplier of Last Resort.

# Supplier of Last Resort Event

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- On 3<sup>rd</sup> June the CRU issued a SoLR direction to appoint;-
  - Bord Gáis Energy as the Supplier of Last Resort for gas to supply
  - Electric Ireland as the Supplier of Last Resort for electricity supplyFor the customers of Iberdrola Ireland
- SoLR event effective from Wednesday 8<sup>th</sup> June
- SOLR customers required to stay with the SoLR until 31<sup>st</sup> August as per CRU direction
- Industry working group convened with GNI/BGE/ESBN/EI/SEMO/CRU
  - Regular meetings since this event commenced

# Supplier of Last Resort Event

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- There were approx. 9,400 Iberdrola (IB) gas customers on 3<sup>rd</sup> June
  - All Residential (no IC sites)
  - All Credit (no PrePayment sites)
- In the period to Tuesday 7<sup>th</sup>, 400 sites were able to CoS away from IB
  - Cut off point was 5pm on the 7<sup>th</sup> to ensure a final file for transfer to BGES
- Customer detail file issued to BGE on the evening of the 7<sup>th</sup>
  - This was incorporated into their Customer Management system
  - Market Messages subsequently issued to BGES on the evening of the 9<sup>th</sup>

# Supplier of Last Resort Event

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- Gas transfer event officially complete 10<sup>th</sup> June
- 9,001 GPRNs
- 360 Vulnerable sites
- SoLR transfer using a GNI generated estimate read
  - There will be amendments required as actual reads come in
- Very few operational issues encountered
- GPRO ran continuous reporting – reads/jobs/VC



# Supplier of Last Resort – Day 2

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- Lessons learned exercise to be done
  - Revisions to Customer data file
  - Comms with exiting Supplier
  - Comms to end-users
  - Timeframe for SOLR event

# Supplier of Last Resort – Day 2

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- Following the lessons learned exercise and in order to finalise the existing SOLR process document
  - GNI will look at Code Modification Proposals to give effect to the required procedures when compared to the existing SoLR clauses in the Code
- Code Modifications will look at:
  - Billing has to be done in full calendar month
  - For DM/LDM no mid-month transfer available
  - Minimise IT expenditure



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# 4. Code Modification Forum meeting

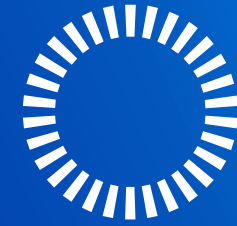
UK Gas Quality Changes

13<sup>th</sup> April 2022

# UK Gas Quality – March 2022 update

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- 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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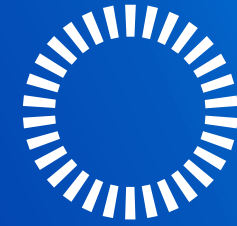
# 5a Gas Quality – Renewable Natural Gas

# Gas Quality –Renewable Natural Gas

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## Oxygen and Calorific Value Code Modification Proposals Update

- GNI has been assessing whether we need to raise Code Modification Proposals to request changes to the lower limit for calorific value and upper limit for oxygen for **biomethane injected into the transmission network at the Mitchelstown Central Grid Injection facility**
- The driver for this is, historically, biomethane often had lower CV and higher oxygen content than natural gas
- Following GNI analysis and third party research (commissioned by GNI) we have decided the following:
  - **Calorific Value Lower Parameter**
    - We do not plan to raise a Code Mod Proposal to lower current CV parameter of 36.9 MJ/M<sup>3</sup>
    - While our analysis shows that injecting biomethane at Mitchelstown with a CV lower than 36.9 MJ/M<sup>3</sup> would not have adverse impacts if managed correctly, data from other jurisdictions indicates that biogas to biomethane upgrading technology has advanced significantly and produces biomethane with higher CV than achieved historically
      - GNI has engaged with biomethane producers and TSOs in UK, France, Germany and Denmark who have provided feedback supporting the above point
  - **Oxygen Upper Limit**
    - GNI will raise a Code Mod Proposal for an increase in the upper oxygen content for biomethane injected into the transmission network
      - Despite advances in upgrading technology, we believe that it will still be a challenge for biomethane to consistently meet the current upper limit of 0.2%
      - Our analysis and modelling used an upper oxygen limit of 1% to assess impacts
      - Despite results showing that 1% would not result in negative impacts (if managed correctly), we have decided to propose a maximum content of 0.5%
      - Data from other jurisdictions indicates that upgrading technology should be able to produce biomethane with an oxygen content below this threshold of 0.5%
      - However, should a transmission biomethane injection facility wish to avail of this proposed increase to oxygen content limit (0.5%), analysis supporting its implementation at that particular injection facility will need to be carried out
    - Proposal to be circulated before the end of June 2022
- Please contact Yvette Jones [yvette.jones@gasnetworks.ie](mailto:yvette.jones@gasnetworks.ie) with any comments/questions



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# Code Modification Proposals

# 8. 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 ENDED ON 31 MARCH 2022- NO SUBMISSIONS



# 9. Code Modification Proposal A107

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- 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

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- 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. Code Modification Proposal A109

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- Proposal to amend Code of Operations to specify basis of calculation of charge in respect of an adjustment to a metered quantity (Meter Quantity Adjustment).
- Part G(Technical) of the Code of Operations provides for adjustment to a meter quantity (“Meter Quantity Adjustment”) by increasing or decreasing the metered quantity of natural gas following verification of secondary instrumentation and or measurement equipment (as the case may be) .
- GNI historically calculated the amount of the financial charge referable to the Meter Quantity Adjustment in accordance with established custom and practice. It is now proposed that the amount of the financial charge resulting from a Meter Quantity Adjustment will be calculated by reference to the average Imbalance Price (non RNG) , positive or negative (as the case may be), over the relevant adjustment period

# 10 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.

## 11. Status of Code Modification Proposals

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
A107	Delete non-SPC annual caps on Capacity Overrun Charges	GNI	Under review by CRU
A108	Insert Shrinkage Gas Cost Recovery provision in Code	GNI	Under review
A109	Calculation of Charges in respect of a Meter Quantity Adjustment	GNI	Under review
A110	Reduction of Annual Caps for certain SPC Capacity overruns at LDM Supply Points and DM supply Points and delete Supply Point Capacity Account in favour of allowed transporter revenues	GNI	Under review



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# 12 . NGEM Update

**GNI Presentation deferred to 17 August Meeting**



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# 13. Gas and Electricity Interaction





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17. AOB

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

## 2. Next Meeting

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- Memo on intended textual, grammatical and numbering changes to issued with review date of 30 June 2022
- CRU Updates
- Next Meeting scheduled for 15 June 2022 in Dublin – substitute for virtual meeting?

# 15. Code Modification Forum Meetings in 2022

**Next Meeting**



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



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Thank you for your participation