

# Code Modification Forum Agenda

## Wednesday, 21 October 2020

*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 Update re Impact of Covid 19</i>	10	10:40 - 10:50
4.	<i>GNI Scheduled Maintenance Update</i> - <i>Operational Maintenance</i> - <i>IT Maintenance/updates</i>		
5.	<i>Gas Quality – Proposed Change Update</i>	5	10:50-10:55
6.	<i>Code Modification Proposal A087 – New Framework for Suppliers in PPM Market (For Mention)</i>	5	10:55- 11:00
7.	<i>Code Modification Proposal A096 –Data Sharing Agreement (For Mention)</i>	5	11:00-11:05
8.	<i>Code Modification Proposal A101- Extension of Daily Capacity Booking Window (For Mention)</i>	10	11:05-11:15
9.	<i>Status of Code Modification Proposals</i>	5	11:15-11:20
10	<i>GNI review of Code of Operations – redundant / Capacity provisions - notice of proposed Code Modification/s to transfer Capacity Overrun Charge revenues to allowed revenues and removing the caps on overrun charges</i>	10	11:20-11:30
11.	<i>Gas and Electricity Interaction</i>	10	11:30-11:40
12.	<i>Brexit Briefing Update</i>	5	11:40- 11:45
13	<i>AOB/Meeting Schedule for remainder of 2020</i>	15	11:45- 12:00

# Code Modification Forum

Minutes of Zoom Meeting – 21 October 2020



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## 2 Standing Items

### 2.1 Approval of minutes of previous meeting

The minutes of the Code Modification Forum (“**CMF**”) Meeting of 19 August 2020 were agreed and approved.

For supporting information, to be read in conjunction with these minutes, please see the slides presented at the 21 October 2020 Zoom Meeting.

### 2.2 Review of action items

The actions from the previous CMF Meeting of 19 August 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 C572 would remain open.

### 2.3 GNI Update re Impact of Covid 19

The Transporter reported demand on the system was strong with sectors affected by Covid-19 returned or trending to return to normal levels. Any further Covid-19 restrictions would impact more on the retail sector and the Transporter would keep Industry informed through the GMARG Forum.

### 2.4 GNI Scheduled Maintenance Update

The Transporter referred to Slide 6 which listed the two scheduled maintenance activities for the Gas Year 2020/21. The first scheduled activity was on 19 May 2021 and involved Bellanaboy Station Testing, valve check and validation at Cappagh South and would take one day. The second activity involved ESD testing at the Corrib Terminal on 8 September 2021 and was planned to coincide with annual Corrib Operator planned maintenance.

## 2.5 Gas Quality Update

The Transporter, referring to Slide 7, gave an update on the IGEM review of the draft Gas Quality standard IGEM/GL/10. The Industry review had closed, and it is expected to go for safety assessment (HSE) and business impact assessment (BEIS) in the near future. It is expected that these assessments will take at least one year with no likelihood of consequent GSMR legislation before mid-2022.

The Transporter referred to Slide 8 which gave an update on the Transporter's proposal to lower the CV minimum requirement for biomethane entry points on the Transmission Network. Analysis was being carried out by the Transporter who had also commissioned a report from consultants. A further update would be presented to the December CMF Meeting and, in the interim, industry comments / queries were welcome and should be directed to [Yvette.jones@gasnetworks.ie](mailto:Yvette.jones@gasnetworks.ie)

## 3 Code Modification Proposals

### 3.1 A087 – New Framework for Suppliers in PPM Market

The Transporter reported that, since the last meeting, the contractual documentation underpinning the new arrangements has, after a substantial consultation with Shippers/Suppliers, and, the existing Front Office Service Providers, been finalised and submitted to the Working Group. It is intended that the consequent legal text for the Code Modification will be circulated by COB on 23 October with a subsequent five-week review period

### 3.2 A096 – Data Sharing Agreement/ A096A- Model Clauses to address a Hard Brexit

The Transporter reported that the consultative review on this Proposal was now completed with all documentation in relation thereto furnished to the CRU for its consideration

### 3.3 A101- Amendment to Code of Operations to facilitate the extension of the Daily Capacity Booking Window

The CRU stated that the proposed conference call on this Proposal did not materialise in October prior to this meeting as intended but, as indicated prior to the meeting, it was now scheduled for 17 November. The Transporter would, in advance of such call, circulate, if

possible, by COB on 23 October, an analysis of Over-run Charges by Shipper and Power Generator Over-runs by quantity. The data would be anonymised and randomised. Any Power Generator Shipper would be furnished with the identity of their respective power generation plants in the data if requested

### 3.4 Status of Code Modification Proposals

The Transporter summarised the present position in relation to Code Modification Proposals. There were now four live current Modification Proposals.

Number	Proposal	Proposer	Status
<b>A087</b>	New Framework for Suppliers in PPM Market	GNI	Live/Implementation process review
<b>A096</b>	Data Sharing Agreement	GNI	Consultation complete/under CRU review
<b>A099</b>	CNG Supply Point Capacity Setting	GNI	In abeyance
<b>A0101</b>	Extension of Daily Exit Capacity Booking Window	ESB	Live/Under review

## 4 Other Agenda Items

### 4.1 GNI Review of Code of Operations

The Transporter reported that it was undertaking a review of the Code of Operations. Some of the provisions were no longer relevant and were the subject of now unnecessary systemisation procedures on the Transporter GTMS IT system which presently had over 600 functions. It was intended to remove references to the Inch Storage Facility and the Inventory Storage Product.

The review was starting at Part C (Capacity) and the Transporter referred to Slide 12 indicating that, at this initial stage, two potential Code Modifications were identified. Firstly, it was proposed to transfer

Capacity Overrun Charge receipts from the Disbursements Account to the GNI Transportation Account. The Transporter stated that this change would not affect Shipper revenues as the amounts received would be reallocated to Shippers in lower tariffs under the Transporter's Revenue Cap, the Shipper incentive to book sufficient capacity would not be affected and the Transporter's monthly billing procedures would be greatly simplified.

The second potential modification identified was a removal of the maximum annual cap on overrun charges. The Transporter stated that this provision dated back before short term capacity charges were introduced in 2007, the cap had never, and was never likely, to be reached and the consequent IT systemisation was very complex and has to be tested each time there is a change affecting billing of Capacity Charges.

The Transporter requested Shippers to consider these proposals referring them to their operational/billing sections where relevant. The Transporter would welcome any comments/ queries on these proposals and would also welcome any Industry proposals regarding review/modification/removal of Code of Operations provisions,

## **4.2 Gas and Electricity Interaction**

The Transporter referred to current review of Code Modification Proposal A101-*Proposed extension of Daily Exit Capacity Booking Window* which was mainly a concern of the PowerGen Sector.

## **4.3 Brexit – Customs Returns Update**

The Transporter again strongly advised Shippers to register with Irish Revenue and ensure that they are compliant from a customs declaration perspective from January 2021. The Transporter stated the Irish Revenue had indicated that there had been a noticeable improvement in Shipper engagement since the last meeting but there were still some non-engaged Shippers. The CRU also urged Shippers to comply with their responsibilities in this area.

The Transporter reported that it still awaited clarification from Irish Revenue with regard to treatment of virtual reverse flows from the Republic of Ireland to the United Kingdom and flows from the Republic of Ireland to Northern Ireland

#### 4.4 Any Other Business

The Transporter referred to the recent Gas Infrastructure Report

A Shipper questioned the use of Transporter logos on promotional material. It was advised to make a formal request to Market Development who would refer the matter internally to the relevant section

## 5 Open CMF actions

ID	Action	Responsibility	Date Raised	Delivery Date
<b>C572</b>	Transporter to monitor the ongoing basis the adequacy of the initial 25% Tolerance for RNG Entry Points	Transporter	27/3/2019	Ongoing
<b>C575</b>	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 2020

CMF Date	Location
<b>29<sup>TH</sup> January 2020 (Wednesday)</b>	Dublin
<b>25<sup>th</sup> March 2020 (Wednesday)</b>	Dublin
<b>17<sup>th</sup> June 2020 (Wednesday)</b>	Cork
<b>19<sup>th</sup> August 2020 (Wednesday)</b>	Dublin
<b>21<sup>st</sup> October 2020 (Wednesday)</b>	Dublin
<b>16<sup>th</sup> December 2020 (Wednesday)</b>	Dublin

## 7 Attendees

	Name	Representing
1	Andrew Kelly	GNI
2	Kieran Quill	GNI
3	Ike Udobi	GNI
4	Doug O'Brien	GNI
5	Brian McGlinchey	Vermillion
6	James Tyrell	ESB
7	Richard Harper	Nephin Energy
8	Dermot O'Kane	Marex Spectron
9	Kirsty Ingham	ESB
10	Bryan Hennessy	Naturgy
11	Kevin Murray	BGE
12	Johnny Byrne	CRU
13	Christina Sykes	Shell
14	David Horan	Aughinish
15	James Tyrell	ESB
16	Keith Deacon	AXPO
17	Kirsty Ingham	ESB
18	Terry Burke	Equinor

<b>19</b>	Mark Phelan	Electric Ireland
<b>20</b>	Sinead Obeng	Gazprom
<b>21</b>	Stephen O'Hare	GMO-NI
<b>22</b>	Diarmuid Murphy	Tynagh
<b>23</b>	Paul Hoey	Electric Ireland
<b>24</b>	Eoin McGurk	BGE
<b>25</b>	Brian Hennessey	Naturgy
<b>26</b>	Nicolas Lincoln	Nephin
<b>27</b>	Joanna McNeill	GMO-NI
<b>28</b>	Sean McParland	
<b>29</b>	Chris George	Gazprom
<b>30</b>	Paul Barnett	Manx UA



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# Code Modification Forum

(via Zoom)

Wednesday, 21 October 2020

# Agenda

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1. Review of minutes from last meeting
2. Review of open actions
3. GNI Update re Impact of Covid 19
4. Update on Maintenance
5. Gas Quality – Proposed Change Update
6. Code Modification Proposal A087 –New Framework for Suppliers in PPM Market
7. Code Modification Proposal A096- Data Sharing
8. Code Modification Proposal A101- Extension of Daily Exit Capacity Booking Window
9. Status of Code Modification Proposals
10. GNI review of Code of Operations – Proposed Code Modification Proposals
11. Gas and Electricity Interaction
12. Brexit briefing update
13. AOB/ Date of next Meeting

# 1. Review of minutes from last meeting

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- Minutes of CMF meeting of [19 August 2020](#) were issued on 22 September 2020.
- No comments were received

## 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 tariff review in relation to SPC Settings for CNG Offtakes	Transporter	Open	High

## 3. GNI Update

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- Impact of Covid-19 on operations



## 4. 2020/2021 Maintenance Days

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### Maintenance Programme Gas Year 2020/21

Date	Duration	Entry Points	Commentary
19 <sup>th</sup> May 2021	1	Bellanaboy	Station testing, valve check and validations at Cappagh South.
8 <sup>th</sup> Sep 2021	1	Bellanaboy	ESD testing at the Corrib Terminal (will be coordinated with the annual Corrib planned maintenance).

## 5. Gas Quality – UK Changes – October 2020 Update

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- IGEM completed industry review of the draft Gas Quality standard IGEM/GL/10:
  - Response include concerns from larger users about operational and commercial impact of proposed changes and also transparency of IGEM process
- Next-step: IGEM to review feedback & finalise standard (end-2020 at earliest)
- Standard will then be submitted to government for safety assessment (HSE) and business impact assessment (BEIS) – IGEM estimates this will take 1-year
- GSMR legislation will then need to be amended to point to IGEM standard:
  - Likely to be Apr-22 at earliest or even Oct-22?

## 5. Gas Quality – Renewable Natural Gas

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- GNI is considering lowering the CV minimum requirement required for biomethane entry points on Transmission Network
  - current Code of Operations requirement is 36.9 – 42.3 MJ/m<sup>3</sup>
  - biomethane CV value inherently lower than natural gas
- GNI analysing typical CV values seen at biomethane injection sites in other jurisdictions
- Analysis being carried out by GNI and consultant to determine impacts
- More detailed information will be presented at December's CMF
  - In the meantime questions/comments can be sent to [yvette.jones@gasnetworks.ie](mailto:yvette.jones@gasnetworks.ie)

## 6. Code Mod A087- New Framework for Suppliers in PPM Market

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- On 21st November, 2018 the CRU issued instruction approving A087 and implementation of a new framework.
- The key change is that rather than GNI procuring and negotiating front office service agreements, suppliers will procure their own front office services as of 1<sup>st</sup> July 2021.
- Working Group, set up under GMARG Terms of Reference, is reviewing the operational and contractual arrangements in advance of the implementation date
- GNI have, at Workgroup Meeting on 23 January, presented their proposed contractual pathway
- The contractual documentation is under review by Workgroup and existing Front Office Service Providers
- It is proposed that the consequent legal drafting for the Code Modification will be circulated by COB on 23 October with a subsequent five week review period

## 7. A096 Data Sharing Agreement

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- A096 - Transporter Proposal – To provide for an updated data sharing regime between Transporter and Shippers to comply with provisions of Data Protection Act 2018 (implementing the General Data Protection Regulation (GDPR) (EU) 2016/679) and to reflect the reality of personal data transfers between the Transporter and the Shippers
  - Consultative review complete

## 8. A101 Amendment to Code of Operations to facilitate the extension of the Daily Capacity Booking Window

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- Workshop to be held on November 17<sup>th</sup>

## 9. Status of Code Modification Proposals

Number	Title of Proposal	Proposer	Status
A087	New Framework for Suppliers in PPM Market	GNI	Live/ Implementation process review
A096	Data Sharing Agreement	GNI	Live/Under review
A099	CNG Supply Point Capacity Setting	GNI	In abeyance
A101	Extension of Daily Exit Capacity Booking Window	ESB	Live/Under review

# 10. GNI Review of Code of Operations

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- GNI is undertaking a review of the Code of Operations with a view to determining if there is scope to rationalise and/or simplify certain aspects.
- The Code and the associated GTMS system have grown organically overtime and are, by any measure, complicated
- We have started with Part C – Capacity and have identified two potential areas to target initially:
  1. Move the monies associated with Capacity overruns from a Disbursements Account into GNI Transportation Revenues Account
    - GNI will not earn any additional revenues under the Revenue Cap
    - The incentive to book sufficient capacity does not change
    - Monies will be returned to shippers via lower future tariffs
    - Monthly billing will be greatly simplified as each shipper holding capacity is issued a monthly credit related to overruns.
      - If an overrun is subsequently refunded/cancelled the Disbursements Account has to be resettled
  2. Remove the maximum annual cap on overrun charges (e.g. Part C – Section 11.3.6(c))
    - This cap is a carryover from the tariff regime that existed before short term capacity charges were introduced in 2007
    - The cap has never been reached, nor has any shipper come close to the cap
    - The IT systemisation is very complex and must be tested each time there is a change that affects the billing of Capacity Charges
    - GNI believes that the cap is redundant and should be removed.
- We will also remove the Inch Storage facility from the Code in due course as well as the inventory storage product which is currently suspended.



# 11. Gas and Electricity Interaction

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## 12 – Brexit Briefing Update

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- Import customs declarations will be required regardless of whether a trade deal is reached. In response, GNI has facilitated direct contact between Revenue and Shippers by sharing relevant points of contact.
- Importing shippers to register with Irish Revenue to ensure that they are compliant from a customs perspective from January 1<sup>st</sup> 2021.
- Outstanding customs decisions from Revenue include clarification on virtual reverse flows and movements from ROI into N.I. GNI continues to engage with Revenue on these matters.

# 13. AOB

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# Code Modification Forum Meetings in 2020

CMF Dates 2020	Location
29 <sup>th</sup> January (Wednesday)	Dublin
25 <sup>th</sup> March 2020 (Wednesday)	Telco/Webex
17 <sup>th</sup> June 2020 (Wednesday)	Telco/Webex
19 <sup>th</sup> August 2020 (Wednesday)	Telco/Webex
21 <sup>st</sup> October 2020 (Wednesday)	Telco/Webex
16 <sup>th</sup> December 2020 (Wednesday)	Telco/Webex

*Next Meeting*





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Thank you for your participation