

Industry Code Development (ICD) Process - Meeting Minutes

Date: 02 October 2009	Date of next meeting: 09 October 2009	
Time: 9.30 am - 2 pm	Time of next meeting: 9.30 am - 2 pm	
Location: Gas Industry Co	Location of next meeting: Gas Industry Co	
Chair: Concept Consulting Group	David Hunt	
Attendees:	Chair	
Contact Energy	Alex Love	AL
Gas Industry Co	Ian Wilson	IW
	Melanie Strokes	MS
	Christine Southey (left at 12:30pm)	CS
Genesis Energy	Roger Johnston (arrived at 10am)	RJ
Greymouth Petroleum	Chris Boxall (arrived at 10am)	CB
MDL	David Bott (left at 12pm)	DB
	Don Grey	DG
	James Whistler	JW
	Matt Chisnall	MC
MRP	Duncan Jared (video conference)	DJ
	Jim Raybould	JR
Multigas	Syd Hunt (tele conference)	SH
NZ Steel	Dean Adams	DA
OMV	Nick McDougall	NM
On Gas and Vector Gas Contracts	Anna Carrick	AC
Todd Energy	Charles Teichert	CT
Vector Transmission (VT)	Paul Hodgson	PH
Apologies:		
Genesis Energy	Ross Parry	
MDL	Murray Jackson	
	Ron Kelly	
New Zealand Steel	Paul van Brakel	
Nova Gas	Charles Teichert	
Vector Transmission	Jo Murray	

Item	Discussion/Action	who	when
Approval of minutes	PH requested that the minutes be amended to note his early departure from the meeting at 1:45pm. Attendees agreed with AL's suggestion that minutes should only note actions items and key areas of agreement/disagreement.	MS	05/10/09
Balancing regime presentation (MDL)	DG gave a high level overview presentation of the work MDL has been, and what can be achieved through MPOC changes, BGX enhancements, and SoPs to meet many of the transmission balancing objectives. Key points from the presentation are noted below. Back-to-Back Balancing: General agreement that for now the daily model for balancing is the right approach. DG noted that this does give rise to intra-day issues ie peaking. MDL believes mechanism is needed to address peaking. MDL to provide evidence on whether the peaking incentive is necessary and how costs are recovered in situations where 'extreme' and 'normal' behaviour is exhibited. Incentives pool: Attendees agree with removal of the incentives pool but also generally agree that something is required to deal with the 'gap' between price based balancing and a critical contingency event. Attendees to provide MDL views on provisions for handling Welded Party to Welded Party claims. All attendees agree that if Welded Party claims are retained, that an independent party should act as judge and jury for any claims made and not MDL. Imbalance tolerances: It was agreed that tolerances impact on the allocation of balancing costs but not the total quantum balancing costs incurred. MDL is strongly of the view that tolerances should be set to zero. MDL to provide several slides on trade-offs between the level of tolerance and the degree of cost socialisation. TSO imbalances: Attendees were generally comfortable with description of how MDL proposes to manage TSO imbalance. UFG: There was broad agreement amongst attendees with MDL's proposal for dealing with UFG. AL questioned who received the economic benefit of UFG and noted that the costs of buying and selling UFG could be added onto transmission tariffs. MDL and VT treatment of UFG (the 'netting' of UFG across two systems) to be discussed as part of unified regime presentations. Mismatch & metering adjustments: Attendees generally agree with MDL's proposals to retain mismatch and the process for metering adjustments. Marginal pricing & thresholds: Gas Industry Co to draft ToR for consultant to undertake study on balancing gas pricing and mismatch.	DG All DG PH/ DG IW/ MS	23/10/09 23/10/09 16/10/09 09/10/09 09/10/09
Brief overview of D+1 (Gas Industry Co presentation)	Presentation on M-co's results to be held after an ICD meeting. Presentation to be circulated in advance and meeting date to be advised.	MS	TBA
Governance (hand-out)	Disputes: Attendees agree that double jeopardy should be avoided and when possible disputes should be handled between parties outside of the dispute resolution process 'resolution period'. All but one attendee agreed with the adoption of the Rulings Panel.		
Agenda items for next meeting	MDL and VT to present unified balancing regime proposals.	PH/ DG	09/10/09