Energy Balancing Credit Committee Minutes  
Friday 25 July 2014  
By Teleconference

Attendees
Bob Fletcher (Chair) (BF) Joint Office Non-Voting  
David Holland (DH) Shipper Voting  
David Trevallion (DT) Shipper Voting  
Dimuthu Wijetunga (DW) Shipper Voting  
Esther Sutton (ES) Shipper Voting  
Gavin Ferguson (GF) Shipper Voting  
Loraine O’Shaughnessy (LO) Xoserve Non-Voting  
Mark Cockayne (MC) Xoserve Non-Voting

Apologies  
John Costa (JC) Shipper  
Pauline Babb (PB) Shipper

1. Introduction  
BF welcomed the members to the meeting, which was quorate.

2. Minutes and Actions
The minutes from the previous meeting were accepted.

**EBC 0401: Review of Mind Maps: Provision and deployment of extra resources – Establish how costs might be funded/recovered.**

**Update:** MC advised that analysis is still ongoing to establish how many resources would be required. **Carried Forward**

**EBC 0402:** Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.

**Update:** MC advised that analysis still identifies credit/security requirements in the range of £14bn, which is about double the value expected. Further analysis is to be undertaken to identify a methodology nearer to expectations. **Carried Forward**

**EBC 0403: Review of Mind Maps: EBCC Operation** - MC to establish and engage with an appropriate Ofgem contact to support the EBCC in the event of market failure.

**Update:** MC advised that S Jarvis is confirmed as the Ofgem contact. **Closed**
EBC 0404: Review of Mind Maps: EBCC Operation - MC to establish and engage with an appropriate National Grid NTS contact to support the EBCC in the event of market failure.

Update: MC advised that a meeting has been arranged with National Grid NTS for the following week to consider this action and who is the appropriate person. Carried Forward


Update: No further update provided Carried Forward

EBC 0406: Reissue profile Templates for Members to complete.

Update: LO advised that the templates had been reissued to members and the aim was to get them completed by September. Completed

3. Operational Update

LO provided the following Operational update for June 2014.

3.1 Cash Call Notices
During June 2014 there were two Cash Call Notices issued, one was paid and one was appealed and withdrawn.

3.2 Further Security Requests (FSRs)
There were no FSRs issued during June 2014.

3.3 Settlement
The following performance was reported:

<table>
<thead>
<tr>
<th>Month</th>
<th>Payment Due Date</th>
<th>Payment Due Date +2</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2014</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>June 2014</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Rolling 12 Months</td>
<td>99.97%</td>
<td>100%</td>
</tr>
</tbody>
</table>

No Failure to Pay Notices were issued during June 2014.

LO asked members to note that an amendment to the EBCC Operational Stats dated 4th July 2014 report was added to the narrative of the Monthly Breakdown of Cash collected at Payment due date. As previously discussed All figures are rounded to two decimal places, so to avoid doubt, all future stats will include
this. MC advised that this was a finding in the Audit Report to provide clarity

4. Modifications
None discussed at this meeting.

MC asked members to note that a new Workgroup has been set up to consider Demand Side Response (DSR) requirements and though EBCC won’t be directly involved, Xoserve will monitor the Workgroup discussions. It should be noted that the impacts on Credit and Securities might be exacerbated by the SCR outcomes, though the issues existed prior to the SCR. The DSR is aimed at resolving the SCR impacts before they impact the Credit and Security arrangements, and therefore there is no requirement for EBCC to be involved.

Members agreed with this view.

6. Bank Ratings Review
There were no further updates at this meeting.

7. Review of Credit Rules
MC confirmed that they had received approval for the proposed changes to the Credit Rules discussed at the previous meeting circulated and circulated directly to Members. Following discussion, Members agreed that the effective date of changes is to be 01 August 2014. The revised document will be published and available on the following link.

8. Any Other Business
a) Voluntary discontinuances

Party A has no recorded activity for a considerable time. They have not received any recent energy balancing invoices. National Grid has agreed with their request to leave the market. Members agreed to Party A’s discontinuance;

Party B has no recorded activity for a considerable time. They have not received an energy balancing invoice in their history. National Grid has agreed with their request to leave the market. Members agreed to Party B’s discontinuance.

Party C has no recorded activity for a considerable time. They have not received any recent energy balancing invoices. That National Grid is considering their request to leave the market. Members agreed to Party c’s discontinuance.

b) Changes to VAT applied to Energy Balancing
MC explained the recent changes to VAT that were effective from the 1st July 2014, concluding that there were no impacts on accounts during the transition.

c) **Market Operator Changes**

MC advised that the Market Operator (MO) is seeking a meeting as it is under pressure from its members to reduce the settlement period and that this may have an impact. The MO had advised that they were under going a reorganisation and progressing system changes. The MO had been advised that the scope of changes to Gemini would be limited by the up coming European changes, which would prevent any wholesale changes. A meeting has been arranged for 04 August to consider the options available.

### 9. Date of Next Meeting

**EBCC meetings scheduled as follows:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
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<tbody>
<tr>
<td>Friday 26 September 2014,10:30</td>
<td>Via teleconference</td>
</tr>
<tr>
<td>Friday 24 October 2014,10:30</td>
<td>Meeting at 31 Homer Road Solihull</td>
</tr>
<tr>
<td>Friday 28 November 2014,10:30</td>
<td>Via teleconference</td>
</tr>
<tr>
<td>Monday 22 December 2014,10:30</td>
<td>Via teleconference</td>
</tr>
</tbody>
</table>

### Action Log – Energy Balancing Credit Committee

<table>
<thead>
<tr>
<th>Action Ref</th>
<th>Meeting Date(s)</th>
<th>Minute Ref</th>
<th>Action</th>
<th>Owner</th>
<th>Status Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBC 0401</td>
<td>30/04/14</td>
<td>5.1</td>
<td>Review of Mind Maps: Provision and deployment of extra resources – Establish how costs might be funded/recovered.</td>
<td>Xoserve (MC)</td>
<td>Carried Forward</td>
</tr>
<tr>
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<td>5.1</td>
<td>Xoserve to write out to all Users with a forecast of Security Values</td>
<td>Xoserve (MC)</td>
<td>Carried Forward Update provided but</td>
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<td></td>
<td></td>
<td></td>
<td>calculated at £14 a therm based on Users peak exposures for previous 12 months.</td>
<td></td>
<td>suggested that this is put on hold at the moment.</td>
</tr>
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<tr>
<td>EBC 0405</td>
<td>30/04/14</td>
<td>5.1</td>
<td>Review of Mind Maps: EBCC Operation (Minutes) – Review previous templates and devise/streamline where appropriate for use in an emergency situation.</td>
<td>Xoserve (LO)</td>
<td>Carried Forward</td>
</tr>
<tr>
<td>EBC 0406</td>
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