

## Industry update from Ofgem – up to date as of 29 July 2019

### **Minutes and presentations from the 29th BEIS-Ofgem European Stakeholder Group meeting for Gas**

On 5 July 2019 we published minutes and presentations from the 29th BEIS-Ofgem European Stakeholder Group meeting for Gas, which took place on 28th May 2019.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/07/190528\\_eu\\_stakeholder\\_meeting\\_mins.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/07/190528_eu_stakeholder_meeting_mins.pdf)

### **Decision not to designate IUK as Materially Affected Party**

On 11 July 2019 we rejected Interconnector UK's request to be designated as a Materially Affected Party (MAP) and/or a Third Party Participant (TPP) in relation to UNC modification 0675S (enabling changes to the BBL – National Grid Interconnection Agreement to facilitate physical reverse flow).

URL: <https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/book/2019-07/IUK%20Map%20Designation%20Decision%20Letter.pdf>

### **Ofgem sets out medium term objectives and priorities**

On 11 July 2019 we published our strategic narrative for the period until 2023, when the price cap on default tariffs is due to expire and all networks are subject to RII02, Ofgem's next price control. The strategy document outlines our vision for the strategic medium-term objectives and priorities to help carry out our principal duty to 'protect the interests of existing and future consumers' in a rapidly changing energy sector.

URL: <https://www.ofgem.gov.uk/system/files/docs/2019/07/our-strategic-narrative-2019-23.pdf>

### **Approval of an amended BBL-NGG IA**

On 15 July 2019 we approved the amendment to BBL – National Grid Interconnection Agreement. Standard Licence Condition 3 requires that the Authority approves bilateral agreements. This was the remaining regulatory approval needed to enable physical reverse flow on the BBL.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/07/ofgem\\_2019\\_bbl\\_slc3\\_bilateral\\_agreements\\_.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/07/ofgem_2019_bbl_slc3_bilateral_agreements_.pdf)

### **Approval of the modified Capacity Release and Capacity Methodology Statements**

On 22 July 2019 we approved National Grid Gas' modifications to the five Capacity Release and Capacity Methodology Statements: Entry Capacity Release, Exit Capacity Release, Entry Capacity Substitution, Exit Capacity Substitution and Entry Capacity Transfer and Trade. The modifications include substantial changes to the two Capacity Release Methodology Statements (ie the ECR and ExCR), and minor changes to the three Capacity Methodology Statements (ie the ECS, ExCS and ECTT).

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/07/20190722\\_decision\\_to\\_approve\\_the\\_methodologies\\_1.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/07/20190722_decision_to_approve_the_methodologies_1.pdf)

### **Consultation on reforming the energy industry codes**

On 22 July 2019 Ofgem and BEIS jointly published a consultation on reforming the energy industry codes. The consultation, including details on how to respond, can be found on the government's website. The consultation closes on the 16 September 2019.

URL: <https://www.gov.uk/government/consultations/reforming-the-energy-industry-codes>

**UNC685: Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'**

On 24 July 2019 we approved Modification proposal UNC685 to change the name of the UNC defined term 'Gas Deficit Warning' to 'Gas Balancing Notification'.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/07/unc685\\_d.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/07/unc685_d.pdf)

**Call for Evidence: Change to existing arrangements for accessing Licence Baseline Exit Capacity at both Interconnection Points (IP) at Bacton.**

On 26 July 2019 we published a Call for Evidence to seek views regarding whether or not existing arrangements on exit at Bacton should be changed to allow Shipper Users to access Licence Baseline Exit Capacity at both Interconnection Points (IP) at Bacton: Bacton (IUK) and Bacton (BBL). We welcome responses and evidence (where possible) to the questions in Annex 1 or any other relevant data, including responses where there is no interest in using exit capacity at Bacton (BBL), by the end of Monday, 16 September 2019.

URL: <https://www.ofgem.gov.uk/publications-and-updates/call-evidence-change-existing-arrangements-accessing-licence-baseline-exit-capacity-national-transmission-system-bacton-interconnection-point>

**Uniform Network Code (UNC): 686 Removal of the NTS Optional Commodity Rate with adequate notice: Decision to carry out an Impact Assessment (IA)**

On 29 July 2019 we published our decision to carry out an Impact Assessment (IA) to explore the impacts arising from the removal of the Optional Commodity Charge (OCC).

URL: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-686-removal-nts-optional-commodity-rate-adequate-notice-decision-carry-out-impact-assessment-ia>

**RIO-2 Business plan submission and Ofgem's ongoing engagement with companies**

On 29 July 2019 we published a further information document directed at gas and electricity transmission and gas distribution network companies and their stakeholders, which sets clarifications across areas of Business Plan submissions, Output Delivery Incentives, early competition models, and wider stakeholder engagement across RIO-2.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/07/final\\_riio2\\_open\\_letter\\_290719.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/07/final_riio2_open_letter_290719.pdf)