

Gas
Transmission

Managing Inefficient bypass in Charging: National Grid Proposal

UNC Panel:
20 February 2020

nationalgrid



Modification and Delivery Approach: Background

Modification approach for the forthcoming UNC proposal to incorporate charging product for managing inefficient bypass

- Ofgem published minded to position on UNC0678 in December 2019, expressing a preference for 0678A and for implementation on 1 October 2020
- National Grid intends to raise a new Shorthaul proposal so it could be in place for 1 October 2020 - responding to feedback to the minded to position and from UNC0670R
- In order to facilitate these changes to be decided upon at the same (or similar) time as 0678 (but not before) we are proposing an approach that could deliver this.
- Proposed UNC change must provide reasonable time for consultation and for Ofgem decision making.
- We believe this can be facilitated via the UNC Change process

Modification and Delivery Approach: Our proposal

Modification approach for the forthcoming UNC proposal to incorporate charging product for managing inefficient bypass

- National Grid will propose an urgent modification proposal that would introduce a new shorthaul solution.
- If Ofgem accepts urgent status, the modification proposal would be expressed as conditional on approval of a UNC0678 version (thereby changing the UNC baseline).
- Should a 0678 version not be approved, the modification proposal would cease to have effect.
- We intend to present a fully worked, analysed modification, with Legal Text, submit for urgency and proceed directly to consultation. A full timeline will be included in the proposal following March NTSCMF.
- Our timeline would bring the FMR to April Panel.

Modification and Delivery Approach: Comments

Area	Comments
Precedent	As far as we know, there is no exact parallel for this in terms of the history of modifications, although there are some similarities with other cases. This should not restrict the approach.
Conditionality	Where we refer to a modification being 'conditional', we mean that one modification proposal is conditional on the approval (rather than implementation) by Ofgem of another modification.
Code and Licence	<p>Under SLC9(12)(b)(i) NGG must comply with a direction of Ofgem to make a modification which in Ofgem's opinion 'will, as compared with the <u>existing provisions</u> of ... the [UNC], better facilitate ... the achievement of the relevant objectives'.</p> <p>If a subsequent mod is expressed to modify the UNC as modified by an earlier mod, then (at the time at which Ofgem asks itself the question in SLC9(12)(b)(i)) 'existing provisions' can be construed as provisions as modified by the earlier mod.</p>
Efficient Change of the UNC	<p>Once a modification report has been submitted to Ofgem, it should be possible to propose a further modification of the UNC in the same area and based on the first mod, until the first mod has been approved. To prevent this would be inflexible and could frustrate otherwise desirable change of the UNC.</p> <p>The time taken for development, consultation and decisions can vary between modifications. Some will take more time in the process than others due to their significance, complexity and impacts. It would therefore seem restrictive if the modification process could not cater for this when considering changes to the UNC for efficient, effective, timely changes.</p>
Implementation	The later modification proposal cannot constrain Ofgem to make a decision in any given timescale, but it can have as its earliest possible implementation date the same date as the earlier modification (the 0678 version) based on an assumption about the time of Ofgem's decision.