

UNC 0XXX:

*Increasing the Storage Transmission Capacity
Charge Discount to 80%*



Proposer: Storengy UK Ltd (represented by Nick Wye, WWA)

Panel Date: 19 March

Why change?



- The proposer believes that the discount should be increased to 80% (50% proposed in 0678/0678A) to prevent significant commercial impact for storage users which would ultimately have an adverse impact on security of price and supply for the GB market.
- Ofgem agreed in 0678 'minded to' decisions that there was merit in the arguments made as part of the UNC Modification Proposals 0678C/E/F such that a discount level greater than 50% should apply for storage facilities. In particular, Ofgem noted the benefits that gas storage can bring to the system in relation to price stability at times of relative system stress.
- CEPA in their detailed report shows that the impact of the implementation of either 0678 or 0678A will have a significant detrimental effect on the revenues of GB gas storage facilities and thereby their viability.

Options



- Only option is to increase the level of the discount in order to reduce Transmission Services (capacity) charges incurred by Users of storage

Solution



- Based on methodology developed by WWA to establish 80% discount proposed in 0678 C/E/F
- Methodology is valid under Postage Stamp or CWD
- No other changes to 0678/0678A are proposed

Recommended Steps



- The Proposer recommends that this modification should be treated as urgent:
- *In order to align with implementation of UNC 0678/0678A on 1 October 2020*
- *Any delay in implementation will have significant negative consequences for storage owners/Users*