

Industry update from Ofgem – as of 1 November 2021

UNC788: Minimising the market impacts of “Supplier Undertaking” operation – Authority Decision

UNC788 seeks to allow suppliers to deliver gas through alternative shippers in circumstances where the registered shipper at a site(s) is terminated from the UNC. We granted the request for urgency on 20 October 2021, and the Authority approved the modification on 25 October 2021.

URL: <https://www.ofgem.gov.uk/publications/authority-decision-unc788-minimising-market-impacts-supplier-undertaking-operation>

Rising wholesale energy prices and implications for the regulatory framework

The unprecedented and unexpected rise in gas and electricity prices over recent months has put energy markets under severe strain. We have been working with the government, the energy industry, and consumer bodies to manage the situation protecting consumers during this challenging time. This publication on 29 October 2021 sets out the steps Ofgem is taking in order to protect the short and long term interests of consumers.

URL: <https://www.ofgem.gov.uk/publications/rising-wholesale-energy-prices-and-implications-regulatory-framework>

UNC751: Capping price increases for Long-Term Entry Capacity – Authority Decision

On 29 October 2021, we published our decision that modification UNC751: ‘Capping price increases for Long-Term Entry Capacity’ should not be made. The decision is set out at the link below.

URL: <https://www.ofgem.gov.uk/publications/unc751-capping-price-increases-long-term-entry-capacity>

Ofgem welcomes Competition and Markets Authority (CMA) final determinations announcement

Please see Ofgem’s response to the CMA’s final determinations on Ofgem’s RII0-2 network price control decisions of 8 December 2020, from Akshay Kaul, Director of Networks at Ofgem, published below on 28 October 2021.

URL: <https://www.ofgem.gov.uk/publications/ofgem-welcomes-competition-and-markets-authority-cma-final-determinations-announcement>

Direction for the value of the PRPt (penal rate proportion) of the National Grid Gas plc Gas Transporter Licence in respect of Regulatory Year starting on 1 April 2020

On 25 October 2021, we published the direction below for the value of the PRPt (penal rate proportion) of the National Grid Gas plc Gas Transporter Licence in respect of Regulatory Year starting 1 April 2020.

URL: <https://www.ofgem.gov.uk/publications/direction-value-prpt-penal-rate-proportion-national-grid-gas-plc-gas-transporter-licence-respect-regulatory-year-starting-1-april-2020>

Decision to modify National Grid Gas Plc’s Gas Transporter Licence to amend Special Condition 9.13, Appendix 2: combining of two existing NTS Exit Points

Following an extensive consultative process, we gave statutory notice on 15 July 2021 that we proposed to modify Special Condition 9.13, Appendix 2 of the Licence. We required any representations to the proposed modification to be made by 23 August 2021.

We received nine responses to our statutory consultation, of which eight were non-confidential. After careful consideration of the responses submitted, we have decided to implement our intended decision and modify Special Condition 9.13, Appendix 2 of the Gas Transporter Licence held by National Grid Gas Plc.

URL: <https://www.ofgem.gov.uk/publications/decision-modify-national-grid-gas-plcs-gas-transporter-licence-amend-special-condition-913-appendix-2-combining-two-existing-nts-exit-points>

Code modification/modification proposals with Ofgem for decision – Expected publication dates timetable

This table, updated on 15 October 2021, gives the expected decision date, or date we intend to publish an impact assessment or consultation, for code modifications/proposals that are with us for decision. It also identifies the responsible Ofgem team. The dates in the table may change (for example due to developments in respect of the particular modification proposal or due to other calls on our resources) and we will update the table to reflect this.

URL: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

Modification of National Grid Gas Plc (NGG) Gas Transporter Licence to change Part C of Special Condition 5.5

On 12 October 2021, we published our decision to modify Part C of Special Condition 5.5 (Entry Capacity and Exit Capacity Constraint Management (CMT)) of National Grid Gas Plc (NGG) Gas Transporter Licence. The modification will seek to remove revenue associated with the sale of on-the-day obligated and interruptible/off-peak capacities from the CCM incentive, and introduce a 14% scaling for the revenues from non-obligated capacity sales. The basis for these changes has been outlined in our letter 'Review of National Grid Gas Plc (NGG) Capacity Constraint Management incentive for RIIO-GT2', which was published alongside our Statutory Consultation.

URL: <https://www.ofgem.gov.uk/publications/modification-national-grid-gas-plc-ngg-gas-transporter-licence-change-part-c-special-condition-55>

Consultation on Ofgem's proposed new NIS Enforcement Guidelines and Penalty Policy

The aim of the Network and Information Systems Regulations 2018 (NIS) is to drive improvement in the protection of the network and information systems that are critical for the delivery of the UK's essential services. Designated operators of essential services (OES) must comply with a number of duties set out in NIS. These include taking appropriate and proportionate technical and organisational measures to manage risks posed to the security of the network and information systems on which their essential service relies. The aim of Ofgem's draft NIS Enforcement Guidelines and Penalty Policy is to provide greater clarity, consistency and transparency to our enforcement policies and processes, and to describe the framework we have in place to maximise the impact and efficiency of our enforcement work under NIS.

We are seeking views on the proposals set out in the consultation draft documents published below on 4 October 2021, from OES and any other parties with an interest in our NIS enforcement work. The responses will help us to ensure that our enforcement processes are clear, consistent and relevant.

Please send your responses to the Enforcement Team at NISEGconsultation@ofgem.gov.uk by 30 November 2021.

URL: <https://www.ofgem.gov.uk/publications/consultation-ofgems-proposed-new-nis-enforcement-guidelines-and-penalty-policy>