

Industry update from Ofgem – as of 04 January 2022

Statutory Consultation on modifications regarding Last Resort Supply Payment Claims for electricity supply, gas supply, electricity distribution and gas transporter licence conditions

On 30 December 2021, we published this Statutory Consultation on modifications regarding Last Resort Supply Payment Claims for electricity supply, gas supply, electricity distribution and gas transporter licence conditions. We also published a separate **Statutory Consultation on modifications regarding Last Resort Supply Payment Claim deadlines for Gas Transporter licence conditions**.

Any representations with respect to the proposed licence modifications in either consultation must be made on or before 27 January 2022 to regfinance@ofgem.gov.uk.

URL: <https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-regarding-last-resort-supply-payment-claims-electricity-supply-gas-supply-electricity-distribution-and-gas-transportation-licence-conditions>

URL: <https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-regarding-last-resort-supply-payment-claim-deadlines-gas-transportation-licence-conditions>

UNC797: Last Resort Supply Payments Volumetric Charges – Authority Decision on Urgency

We received a request from Corona Energy (the Proposer) that Uniform Network Code (UNC) modification proposal UNC797: 'Last Resort Supply Payments Volumetric Charges' should be given urgent status and follow expedited modification procedures. On 23 December 2021, we decided to grant this urgency request.

URL: <https://www.ofgem.gov.uk/publications/unc797-authority-decision-urgency>

Re-opener Guidance and Application Requirements document

On 15 December 2021, we published a consultation welcoming views on our draft of the Re-opener Guidance and Application Requirements document, which includes clarification on cost information to be included in Re-opener applications and clarification on the application of this Guidance to the LOTI and FIOC Re-openers.

Please send any views to Thomas McLaren at thomas.mclaren@ofgem.gov.uk on or before 17 January 2022.

URL: <https://www.ofgem.gov.uk/publications/re-opener-guidance-and-application-requirements-document-1>

Statutory Consultation on modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions

This Statutory Consultation sets out the proposed modifications to the licence conditions that:

- Implement the CMA's order on RIIO-2 Appeals;
- Address minor snagging issues;
- Implement a number of changes that we are proposing in light of lessons learnt operating the RIIO-2 price control to date e.g. changing the way Re-openers amend baseline allowances, adding Price Control Deliverables to Re-Openers, and amending dates for various processes set out in the Price Control Financial Handbook;

- Implement a number of Re-opener decisions, where the policy consultations have already taken place;
- Update references to Citizens Advice Scotland to reflect the transfer of functions to Consumer Scotland;
- Reflect changes made last year to the cost recovery principles; and
- Fix two errors in the Gas Transporter Licence.

This consultation also includes proposed changes under Direction to the Net Zero Pre-construction Work and Small Net Zero Projects Re-opener Governance Document for GDNs and NGGT. We would welcome any responses to the proposed changes as part of this consultation on or before 17 January 2022 to Dale Winch at dale.winch@ofgem.gov.uk.

URL: <https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-0>

UNC791: Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of undertaking – Authority Decision on Urgency

We received a request from National Grid NTS (the Proposer) that Uniform Network Code (UNC) modification proposal UNC791: 'Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking' should be given urgent status and follow expedited modification procedures. On 8 December 2021, we decided to grant this urgency request.

URL: <https://www.ofgem.gov.uk/publications/decision-urgency-unc-modification-proposal-unc791-contingency-gas-procurement-arrangements-when-supplier-acts-under-deed-undertaking>

UNC687: Creation of new charge to recover Last Resort Supply Payments – Minded-to position and Authority Decision to 'Send Back'

On 7 December 2021, we published the decision to send back UNC687: 'Creation of new charge to recover Last Resort Supply Payments'. In principle, we agree with what the modification is designed to achieve, as it aligns with our policy intention to allocate Supplier of Last Resort (SoLR) costs to the market sector from which they originate. However, we consider that the Legal Text would require further changes that the Panel will need to address before we can form an opinion as to whether the modification would better facilitate the relevant objectives.

URL: <https://www.ofgem.gov.uk/publications/authority-decision-send-back-uniform-network-code-unc-687-unc687-creation-new-charge-recover-last-resort-supply-payments-0>

Call for evidence on the evaluation on RIIO-1 and RIIO-2 Innovation Funds

This call for evidence welcomes your views on the Network Innovation Allowance (NIA), the Network Innovation Competition (NIC) and the Strategic Innovation Fund (SIF). The annex to this letter contains seven questions to help us understand both how the funds are working and whether any changes should be considered. Please send any views on or before 7 January 2022 to evaluationteam@ofgem.gov.uk.

URL: <https://www.ofgem.gov.uk/publications/call-evidence-evaluation-riio-1-and-riio-2-innovation-funds>

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

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