

UNC Modification	At what stage is this document in the process?								
<h1>UNC 0XXX:</h1> <p><i>(Code Administrator to issue reference)</i></p> <h2>Linked Distribution Entry and Exit Points</h2>	<table border="1"><tr><td>01</td><td>Modification</td></tr><tr><td>02</td><td>Workgroup Report</td></tr><tr><td>03</td><td>Draft Modification Report</td></tr><tr><td>04</td><td>Final Modification Report</td></tr></table>	01	Modification	02	Workgroup Report	03	Draft Modification Report	04	Final Modification Report
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04	Final Modification Report								
<p>Purpose of Modification:</p> <p>To allow some new exit loads to connect to the network when firm capacity is not available</p>									
<p>Next Steps:</p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none">assessed by a Workgroup <p>This Modification will be presented by the Proposer to the Panel on dd Month 202y <i>(Code Administrator to provide date)</i>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p> <p><i>Please consider providing a presentation to introduce the Modification to the UNC Modification Panel which should be sent with your Modification to the Joint Office (a suggested template is available at: https://www.gasgovernance.co.uk/unc/templates)</i></p>									
<p>Impacted Parties:</p> <p>High: Some potential new loads</p> <p>Low: DNOs, Shippers. Suppliers, Customers</p> <p>None:</p>									
<p>Impacted Codes:</p> <p>iGT UNC through reference to UNC</p>									

1 Summary

What

Relax the DNO requirement for all new exit loads to be offered firm capacity.

Why

The cost of reinforcement is making some new connections uneconomic despite the availability of sufficient capacity to satisfy the developer's requirements.

How

Allow DNOs to nominate new exit loads as interruptible when they are satisfied that the proposed new load can be supplied provided a linked distributed entry point is injecting sufficient gas.

2 Governance

Justification for Self-Governance

Implementation would not have a material impact other than for the small number of new loads that could be developed. Self-governance is therefore appropriate.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

3 Why Change?

CNG Services supports a number of clients who are looking to connect a new exit load close to an existing or planned AD plant. Injection from the AD plant is expected to meet most, if not all, of the physical supply to these potential exit points. However, in some instances DNOs have indicated that substantial reinforcement would be required to enable them to offer a firm connection, such that the demand can be met from other sources at times when the AD plant is not injecting gas.

A number of customers would be willing to accept a supply that is only firm if and when the related AD plant is injecting biomethane to the network. This is especially the case when the loads are closely related, for example a CHP plant that provides heat and power to the AD plant. In all cases, however, it is not economic and efficient for the DNO to invest in reinforcement when the customer is happy to proceed without it. At the present time, DNOs have indicated that there is no UNC provision that would allow them to make a conditional offer to these sites.

4 Code Specific Matters

Please include any Code Related Documents or Guidance notes that are relevant. Weblinks are very helpful. Also, any specific analytical or assessment-related skills you believe would aid the assessment.

Reference Documents

Insert text here.

Knowledge/Skills

Insert text here.

5 Solution

It is proposed that the UNC be modified to recognise that exit and entry points may be linked. Where an exit point and entry point are linked, the DNO would have the right to interrupt supply to that exit point. While it is anticipated that this could be expected only if and when insufficient gas is being injected at the entry point to supply the linked exit point, no restriction on the right to interrupt is proposed.

Business Rules

1. When first registered, a supply meter point may be classified as interruptible by a distribution network operator where that operator is satisfied that:
 - a. Gas provided to the supply meter point concerned is, in whole or in part, physically delivered from a distributed entry point; and
 - b. In the absence of gas being delivered by the distributed entry point, the distribution network operator would not be able to offer firm capacity to the relevant exit point.
2. For the avoidance of doubt:
 - a. If a supply meter point is nominated as interruptible under the provisions in this proposal, there would be no restriction on the ability of the distribution network operator to invoke interruption beyond the existing UNC provisions; and
 - b. if and when a Distribution Network Operator invokes interruption of a linked exit point, no compensation would be due to any party as a result of that interruption.

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

Consumer Impacts

A small number of large non-domestic consumers for whom the cost of a firm connection is not economic would be able to connect to the network. By facilitating additional connections and consumption of gas, network costs would be spread across a larger base, reducing costs marginally for consumers.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
<p>Lower bills than would otherwise be the case</p> <p>By increasing the number of gas connections and volume of gas offtaken, network costs would be spread across a wider base, marginally reducing charges for all customers to the extent that Shippers and Suppliers pass through such savings.</p>	Positive
<p>Reduced environmental damage</p> <p>There may be cases where the development of an AD plant would not go ahead unless an offtake is developed in tandem. By facilitating the delivery of more green gas than otherwise, reduced environmental damage may be anticipated.</p>	Positive
Improved quality of service	None
<p>Benefits for society as a whole</p> <p>Marginal benefits as above.</p>	Positive

Cross-Code Impacts

None

EU Code Impacts

None.

Central Systems Impacts

None.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
<p>b) Coordinated, efficient and economic operation of</p> <p>(i) the combined pipe-line system, and/ or</p> <p>(ii) the pipe-line system of one or more other relevant gas transporters.</p>	None
c) Efficient discharge of the licensee's obligations.	Positive

d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Proposers must provide a demonstration of how the Relevant Objectives are furthered.

Insert text here.

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

No implementation costs are anticipated for any party.

9 Legal Text

Proposers are welcome to provide Suggested Legal Text alongside their modification but are under no obligation to do so unless Fast Track procedures are requested (see above).

Legal text will be drawn up by the relevant Transporter at a time when the Modification is sufficiently developed in line with the [Legal Text Guidance Document](#).

Text Commentary

Insert text here.

Text

Insert text here.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply.
- Refer this proposal to a Workgroup for assessment.