

## Representation - Modification UNC 0788 (Urgent)

### Minimising the market impacts of 'Supplier Undertaking' operation

Responses invited by: **5:15pm on 20 October 2021**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

*Please note submission of your representation confirms your consent for publication/circulation.*

<b>Representative:</b>	Jennifer Randall
<b>Organisation:</b>	National Grid NTS
<b>Date of Representation:</b>	20 <sup>th</sup> October 2021
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	a) Positive d) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

#### Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

National Grid NTS believes this modification furthers relevant objectives a) and d) for the following reasons;

- Provides an option for suppliers acting under a Deed of Undertaking to mitigate their SMP (buy) exposure
- Introduces a more efficient and potentially more economic means of securing delivery of additional supplies of gas to the Total System, to trade these into the Terminated Shipper account, and therefore to balance the demands from the consumers of a Supplier that is acting in accordance with a Deed of Undertaking.
- Procurement of additional supplies by Shipper Users are likely to have less of an impact on the System Average Price and System Marginal Price compared to actions taken by National Grid NTS as residual balancer and therefore reduce the impact on Shippers imbalance charges.
- Enables National Grid NTS to focus on the intended role as residual balancer of 'fine tuning' the aggregate imbalance
- Enables greater competition between Shipper Users by optimising imbalance costs.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

National Grid NTS seeks implementation of this modification as soon as is practicable given the current difficulties being encountered within the gas shipping and gas supply markets and the potential consequential impacts on National Grid NTS as the residual balancer, the Industry and ultimately consumers.

No lead time is required as implementation can be achieved via existing capabilities.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

The modification would result in an additional process for National Grid but we do not believe that any associated costs would be material. This modification proposes to mitigate a proportion of residual balancer costs which feed through to Energy Balancing Neutrality and onto Shipper Users and ultimately end consumers.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes, National Grid NTS are satisfied the amendments to the “Deed of Undertaking” and to UNC TPD Section E delivers the intent of the solution.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No

**Please provide below any additional analysis or information to support your representation**

None