

Representation - Modification UNC 0791 (Urgent)

Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking

Responses invited by: Midday on 24 December 2021

To: enquiries@gasgovernance.co.uk

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

Representative:	Dion Tickner
Organisation:	Octopus Energy
Date of Representation:	24/12/2021
Support or oppose implementation?	Support
Relevant Objective:	<p>a) Positive</p> <p>c) Positive</p> <p>d) Positive</p>

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

Octopus Energy supports the proposal outlined in Mod 0791. We think this option is preferable to what was proposed in 0789.

Octopus do, however, share the concerns raised by Energy UK with regards to the need for urgency with this modification. Subsequently, we found we were unable to provide a response to many of the questions listed below within the given timeframe of this consultation. Without working groups industry is not able to effectively debate unintended consequences.

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

N/A

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

We are not aware of any impact of costs that we would face from the implementation of this proposal.

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

N/A

Modification Panel Members have requested that the following questions are addressed:

Q1: CPoSD role start trigger:

Do you believe the trigger of 10,000,000 kWh for commencement of the CPoSD role is appropriate? This figure of 10,000,000 kWh is considered to be a reasonable threshold for action to be taken separately to residual balancing, given that the average absolute shipper imbalance on days when no residual balancing trades were undertaken by

National Grid NTS over the period 01/10/20 to 30/09/21 was 13.3GWh/day and was 13.1 GWh/day over the same period when the system was short of gas. If not, please justify your answer - do you have an alternative figure and why is this more appropriate?

N/A

Q2: CPoSD role end trigger:

Do you believe the trigger of 100,000 kWh for ending of the role of the CPoSD is appropriate? A minimum volume of 100,000 kWh is proposed because this is approximately the minimum trade quantity available on the OCM. If not, please justify your answer.

N/A

Q3: CPoSD role performance

Considering the new role for National Grid NTS of CPoSD and the need for economic and efficiency in decision making, do you believe that the wording in the commentary (see below) relating to UNC Section D 6.3.4 "on an economic basis"

<i>New paragraph 6.3.4</i>	<i>And when purchasing gas under paragraph 6 National Grid NTS will aim to do so on an economic basis.</i>
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- i) has a legal definition,*
- ii) provides sufficient protection to industry or not and*
- iii) could have any unintended consequences or not?*

Please provide an explanation for each response.

N/A

Q4. CPoSD monitoring and audit

Do you have any views on an appropriate monitoring and audit process for this new CPoSD role?

N/A

Ofgem have requested that the following questions are addressed:

Q5. What is the likely impact on consumers, industry and the market if the status quo for shipperless sites was maintained this winter (the status quo being National Grid NTS procuring the gas for shipperless sites through Residual Balancing)? Please justify if you think it is necessary to have an alternative solution in place.

N/A

Q6. What is the likely impact – both positive benefits and negative consequences/risk - of UNC0791 and the Contingency Gas Procurement Arrangements on consumers, industry and the market?

N/A

Q7. What do you see as the costs and/or risks of National Grid NTS operating in markets outside of the OCM in this manner?

N/A

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.*

N/A

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

N/A