



UNC Final Modification Report	At what stage is this document in the process?
<h1 data-bbox="132 320 727 412">UNC 0775S:</h1> <h2 data-bbox="132 450 1114 663">Amendment to the Requirement to Conduct the Transporting Britain's Energy Consultation</h2>	<div data-bbox="1214 320 1477 640"> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification seeks to remove the obligation detailed in UNC TPD Section O for National Grid NTS (NGG NTS) to conduct the Transporting Britain's Energy (TBE) consultation process in January of each year and instead permit NGG NTS to issue the consultation once per year on a discretionary basis, providing an appropriate period of notice is given to Users.</p>	
<p><b>Next Steps:</b></p> <p>The Panel determined that this Self-Governance Modification should be implemented.</p>	
<p><b>Impacted Parties:</b></p> <p>High:</p> <p>Low: Shippers, Transporters, Consumers</p> <p>None:</p>	
<p><b>Impacted Codes:</b></p> <p>UNC</p>	

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Timetable		
<b>Modification timetable:</b>		
Pre-Modification Discussed	01 July 2021	
Date Modification Raised	05 July 2021	
New Modification to be considered by Panel	15 July 2021	
First Workgroup Meeting	05 August 2021	
Workgroup Report to be presented to Panel	16 September 2021	
Draft Modification Report issued for consultation	17 September 2021	
Consultation Close-out for representations	08 October 2021	
Final Modification Report available for Panel	11 October 2021	
Modification Panel decision	21 October 2021	


 Any questions?

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## 1 Summary

### What

This Modification proposes to amend National Grid NTS's (NGG NTS's) obligations around the publication of the Transporting Britain's Energy (TBE) consultation. UNC TPD Section O currently states that NGG NTS will conduct a consultation process in January each year. With the implementation of this modification, the consultation will be instead issued at NGG NTS's discretion, not more than once per year, with Users provided with a 90-day advance notice period.

### Why

UNC TPD Section O obliges NGG NTS to issue a TBE consultation in January each year. Upon the issue of the consultation, Users are obliged under UNC to provide NGG NTS with estimates for specific supply and demand information, as well as any other further information as may reasonably be requested. In recent years the way in which NGG NTS collects this information has evolved, with a wide variety of information now collected through the Future Energy Scenarios (FES) process. The FES process provides NGG with more granular and detailed data than the specific data that would be requested through the TBE process and therefore the absolute requirement to run this consultation is no longer necessary. By not conducting the TBE consultation process, there are efficiency and resource savings across the industry as Users do not have to provide NGG NTS with information that can be gained from an alternative industry process. The implementation of this Modification will ensure that the TBE rules contained within UNC are the most appropriate for the information collection process of today, better reflecting current practice, whilst maintaining the optionality to utilise the consultation in the future should the need arise.

### How

This Modification proposes changes to UNC TPD Section O 3.1 to remove the obligation for NGG to conduct the Transporting Britain's Energy consultation process in January each year and instead allow National Grid to issue a discretionary consultation no more than once per year, providing an advance notice of 90 days.

The ability to issue the consultation on a discretionary basis would be retained in order to future-proof the process. Therefore, no changes are proposed to the information that would be requested as part of any TBE consultation that is required.

## 2 Governance

### Justification for Self-Governance

This Modification seeks to remove the obligation for NGG NTS to conduct the TBE consultation at a specific time each year and replace it with an option to conduct the process in the event that it is required. It should therefore be considered as a Self-Governance Modification since it will not have a material impact on consumers, competition, operation of the pipeline systems, matters relating to sustainable development, safety or security of supply, the management of market or network emergencies, governance procedures, and will not discriminate between different classes of parties to the UNC.

### Requested Next Steps

This Modification should:

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

- proceed to Consultation.

### 3 Why Change?

UNC TPD Section O 'Transporting Britain's Energy' contains an obligation on NGG NTS to conduct the Transporting Britain's Energy consultation in January each year. Upon the issue of the consultation, Users are required to provide for each Entry or Exit Point, estimates for 1 in 20 peak demand, seasonal normal demand, availability of supply and any other reasonable information requested for years 1 to 3. Users may also provide the same information for years 4 to 5. This supply and demand information is used by NGG NTS in a number of ways, but principally feeds into the NGG NTS Gas Ten Year Statement that is published annually.

In recent years the way in which NGG NTS collects this information has evolved, with a wide variety of information now collected through the FES process. The information collected through the annual FES stakeholder engagement process, which runs from November to May each year, comes from a number of sources, including bilateral meetings, surveys, and workshops. This is provided to NGGT by National Grid Electricity System Operator (NGESO) through a general services agreement. This information goes above and beyond the specific information requested through the TBE consultation outlined in UNC TPD Section O and therefore provides NGG NTS with greater insight into supply and demand to inform the development of the Gas Ten Year Statement.

The information provision through the FES process is likely to continue to be the optimal route for NGG NTS to obtain the necessary supply and demand forecast information for the foreseeable future. However, this may not always be the case, and therefore, in order to future proof the process, NGG NTS proposes to retain the ability to issue the consultation on a discretionary basis if necessary, in years to come.

In not conducting the TBE consultation process, efficiency and resource savings are realised for both NGG NTS and the wider industry as Users do not have to provide information through another process when the specific information and more is already available to NGG NTS via other contractual sources. Additionally, the removal of the obligation to issue the consultation in January each year will ensure the UNC better reflects current practice and is appropriate for today and the foreseeable future.

### 4 Code Specific Matters

#### Reference Documents

[UNC TPD Section O – System Planning](#)

[National Grid ESO 2020 FES Stakeholder Engagement Document](#)

#### Knowledge/Skills

No additional Knowledge/skills required.

### 5 Solution

This Modification seeks to amend UNC TPD Section O 3.1 to remove the obligation to conduct the TBE consultation in January each year. The change in code will indicate:

- a) That the TBE consultation may be issued once per year at NGG NTS's discretion.

- b) A notice period of 90 days in advance of the consultation being issued will be provided to industry in the event that NGG NTS needs to issue the TBE consultation.

For the avoidance of doubt, no changes are proposed to the information that can be requested as part of the TBE consultation process or the obligation on Users to provide such information as detailed in UNC TPD Section O 3.2-3.5.

## 6 Impacts & Other Considerations

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

None

There was no disagreement from Workgroup participants.

### Consumer Impacts

This Modification aims to provide efficiencies to the industry by removing the requirement to conduct an annual consultation process that is not currently required. By changing the Code in such a way as set out in the solution, the proposer feels that there will be a benefit to all consumer groups through enabling the process to be more efficient by removing any duplication which may have occurred.

### What is the current consumer experience and what would the new consumer experience be?

The process, as it is today, could result in an unnecessary resource burden on NGG NTS and members of the industry due to the requirement to issue or respond to a consultation process that is not currently required. The implementation of this modification would provide efficiency and resource savings to industry which may lead to benefits to market participants and therefore by extension, end consumers.

#### Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case A secondary, minor benefit to end consumers provided by this Modification is lower bills than would otherwise be the case. The removal of the annual obligation to conduct the TBE consultation would provide efficiency and resource savings across the industry directly benefiting very large consumers. The more efficient use of industry resource would also be reasonably expected to result in savings to be passed on to smaller end consumers that are not connected directly to the NTS.	Positive
Reduced environmental damage	None

Improved quality of service  The primary consumer benefit provided by this Modification is an improved quality of service. The TBE process is not currently needed and by removing the requirement to complete it annually, interactions in the value chain across the industry will become more efficient, ultimately benefitting end consumers of all sizes.	Positive
Benefits for society as a whole	None

### Cross-Code Impacts

None identified.

### EU Code Impacts

None identified.

### Central Systems Impacts

None identified.

### Workgroup Impact Assessment

No ROM is required for this Modification.

The 31 August 2021 Workgroup meeting considered the potential impact of the change on Consumer Benefits the details for which are captured in the above table. Workgroup participants did not disagree with the benefits claimed although noted that they may be minor.

Workgroup considered the timescale for re-introducing the TBE consultation in the event that it is required and was assured that National Grid has arrangements in place that would provide sufficient notice.

## 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
b) Coordinated, efficient and economic operation of <ul style="list-style-type: none"> <li>(i) the combined pipe-line system, and/ or</li> <li>(ii) the pipe-line system of one or more other relevant gas transporters.</li> </ul>	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: <ul style="list-style-type: none"> <li>(i) between relevant shippers;</li> <li>(ii) between relevant suppliers; and/or</li> <li>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.</li> </ul>	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

The implementation of this Modification and the associated removal of the requirement to conduct TBE consultation process each year will result in efficiency and resource savings realised for both NGG NTS and the wider industry. Users will not have to provide information to NGG NTS through a process when it is not required due to that specific information and more being available to NGG NTS via other contractual sources. This Modification therefore furthers Relevant Objective f) in promoting efficiency in the implementation and administration of the Code.

Workgroup participants did not disagree with these views.

## 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.

## 9 Legal Text

Legal Text has been provided by National Grid and is included below.

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## Text Commentary

The Modification seeks to remove the obligation detailed in UNC TPD Section O for NGG NTS to conduct the Transporting Britain's Energy consultation process in January of each year and instead permit NGG NTS to issue the consultation once per year on a discretionary basis, providing an appropriate period of notice is given to Users. Updates to the UNC TPD Section O will be required to implement this proposed modification.

The changes to paragraph 1.2.1 remove the obligation on National Grid NTS to undertake the Transporting Britain's Energy consultation process each year while maintaining the existing obligation on National Grid NTS to provide the Ten Year Statement.

The changes to Section O 3.1 again remove the obligation to conduct the Transporting Britain's Energy consultation in January each year and also highlight that a 90 day advance notice period will be provided to Users should National Grid NTS elect to undertake the consultation.

The changes to Section O 3.2.1 Are simply to qualify the existing text, making clear that the User information requirements are only relevant where National Grid NTS elects to undertake the Transporting Britain's Energy consultation process.

## Text

*Amend TPD Section O to read as follows:*

### **Section O 1.2**

#### **1.2 Transporting Britain's Energy and Ten Year Statement**

##### **1.2.1 Each year National Grid NTS:**

- (a) ~~will~~ may undertake the Transporting Britain's Energy consultation process,
  - (b) ~~and subsequently~~ shall provide a Ten Year Statement,
- in accordance with paragraphs 3 and 4.

### **Section O 3.1**

#### **3.1 Publication and content**

~~In January of each year (year 0),~~ National Grid NTS ~~will~~ may elect to conduct the Transporting Britain's Energy consultation process each year and request information from Users and others in accordance with paragraph 3.2. provided before undertaking the Transporting Britain's Energy consultation process it shall first have given not less than 90 days notice to the Users of its intention to do so.

#### **3.2 User information requirements**

##### **3.2.1 Where National Grid NTS elects to undertake the Transporting Britain's Energy consultation process, each User,** by the date and in the format specified in the Transporting Britain's Energy questionnaire:

- (a) shall provide to the Transporter:
  - (i) estimates for years 1 to 3 of 1-in-20 peak day demand and seasonal normal annual demand at Supply Points of which it is the Registered User and (as respects demand for gas attributable to it) at Connected System Exit Points other than Storage Connection Points;



- (ii) such estimates for years 1 to 3 of availability of gas for supply (in accordance with paragraph 2.2.1) to such User, upon such assumptions (as referred to in paragraph 2.2.2), as may be required pursuant to the Transporting Britain's Energy consultation process; and
  - (iii) in the case of National Grid NTS, such further information as may reasonably be requested by National Grid NTS pursuant to the Transporting Britain's Energy consultation process;
- (b) without prejudice to paragraph 3.2.1(a)(iii), may provide to National Grid NTS estimates for years 4 and 5 of 1-in-20 peak day demand and seasonal normal annual demand at NTS Supply Points of which it is the Registered User and (as respects demand for gas attributable to it) at NTS Connected System Exit Points other than Storage Connection Points.

## 10 Consultation

Panel invited representations from interested parties on 16 September 2021. The following table provides a high-level summary of the representation received and is for reference on a 'reasonable endeavours' basis only. It is recommended that the representation is read in full when considering this Report. The representation is appended to this Final Modification Report.

From the single representation received implementation was supported.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives
National Grid NTS	Support	f) positive

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

## 11 Panel Discussions

### Discussion

The Panel Chair summarised that Modification 0775S would remove the obligation detailed in UNC TPD Section O for National Grid NTS (NGG NTS) to conduct the Transporting Britain's Energy (TBE) consultation process in January of each year and instead permit NGG NTS to issue the consultation once per year on a discretionary basis, providing an appropriate period of notice is given to Users.

Panel Members considered the representation made noting that, a single representation was received and implementation was supported.

Panel Members agreed with the respondent (the Proposer) that this Modification would result in efficiency and resource savings that can be realised for the benefit of National Grid.

Panel Members noted that the question relating to the robustness of the alternative method for obtaining the required information had been answered.

### Consideration of the Relevant Objectives

Panel Members considered relevant objective *f) Promotion of efficiency in the implementation and administration of the Code*, agreeing that implementation would have a positive impact because Users will not have to duplicate effort to provide information to NGG NTS through the TBE process when that specific information is available to NGG NTS via other contractual sources i.e Future Energy Scenarios process managed by the National Grid Electricity System Operator.

## **Determinations**

Panel Members voted unanimously that no new issues were identified as part of consultation.

Panel Members voted unanimously that Modification 0775S does not have an SCR impact.

Panel Members agreed that there were no known Cross Code impacts resulting from the implementation of Modification 0775S.

Panel Members voted unanimously to implement Modification 0775S.

## **12 Recommendations**

### **Panel Determination**

Panel Members determined to implement Modification 0775S.

## **13 Appended Representations**

Representation - National Grid NTS

## Representation - Draft Modification Report UNC 0775S

### Amendment to the Requirement to Conduct the Transporting Britain's Energy Consultation

Responses invited by: **5pm on 08 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>	Ashley Adams
<b>Organisation:</b>	National Grid NTS
<b>Date of Representation:</b>	08/10/2021
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	<b>f)</b> Positive

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

As proposer of this UNC Modification, National Grid supports its implementation.

Due to the evolution of the way in which we collect information to feed into the Gas Ten Year Statement, and the increased reliance on Future Energy Scenarios (FES) data provision, we no longer feel that the absolute requirement to run the Transporting Britain's Energy consultation is necessary as detailed within the UNC Modification Proposal. We believe that the implementation of this UNC Modification, and the resulting removal of the absolute requirement to conduct the Transporting Britain's Energy consultation process will result in efficiency and resource savings that can be realised for both National Grid and the wider industry.

Users will no longer have to provide information to National Grid NTS through the Transporting Britain's Energy annual process when that same information and more, can be gained via the FES process, unless there is a need to do so, which the UNC Modification Proposal continues to provide.

Therefore, the implementation of this UNC Modification Proposal will ensure that the Transporting Britain's Energy rules contained within UNC are appropriate for the information collection process of today, better reflecting current practice, whilst maintaining the optionality to utilise the consultation in the future should the need arise. As a result, we believe that the implementation of the UNC Modification furthers Relevant Objective (f), in promoting efficiency in the implementation and administration of the Code as outlined in the Draft Modification Report.

### **Self-Governance Statement:**

National Grid NTS supports the application of Self Governance procedures as set out in the Draft Modification Report. This UNC Modification Proposal seeks only to remove the obligation for NGG NTS to conduct the Transporting Britain's Energy consultation at a specific time each year and replace it with an option to conduct the process in the event that it is required. We therefore believe that the UNC Modification will not have a material impact on consumers, competition, operation of the pipeline systems, matters relating to sustainable development, safety or security of supply, the management of market or network emergencies, governance procedures, and will not discriminate between different classes of parties to the UNC.

### **Implementation:**

We do not require a lead time for implementation of this UNC Modification Proposal, therefore, as self-governance procedures are proposed, implementation could be sixteen business days following a decision to implement.

### **Impacts and Costs:**

National Grid will not incur any specific additional costs as a consequence of the implementation of this UNC Modification Proposal.

### **Legal Text:**

We have no further changes proposed to the legal text and are satisfied that it delivers the intent of the solution.

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

*Q1: Consider any impact on the Future Energy Scenarios (FES) process from the separation of the Electricity System Operator (ESO) and National Grid.*

National Grid ESO and NGG NTS are already legally separate, and the necessary information to support the production of the Gas Ten Year Statement is provided to NGG NTS from National Grid ESO, at present, through a contractual General Services Agreement. We do not foresee either any significant changes, or the ability for short notice amendments to that agreement in the coming years, regardless of any additional business separation that may result from the sale of the UK Gas Transmission business or any Future System Operator role. However, the UNC Modification proposal includes the retention of the ability for NGG NTS to issue the Transporting Britain's Energy consultation should the need arise as a precautionary measure to ensure compliance with obligations associated with the production of the Gas Ten Year Statement.

### **Are there any errors or omissions in this Modification Report that you think should be taken into account?**

We have not identified any errors or omissions.

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

None.