









UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 823 414">UNC 0XXXFT:</h1> <h2 data-bbox="134 450 1023 589">Enablement of Exit Assignment process at Interconnectors</h2>	<div data-bbox="1209 309 1469 629"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 389 1469 463">02 Workgroup Report</div> <div data-bbox="1209 470 1469 544">03 Draft Modification Report</div> <div data-bbox="1209 551 1469 624">04 Final Modification Report</div> </div>
<p data-bbox="129 683 507 719">Purpose of Modification:</p> <p data-bbox="129 736 1461 972">UNC Modification 0755S - <i>Enhancement of Exit Capacity Assignments</i> was approved for implementation on 15 July 2021. That Modification allowed for the application of the Assignment process to Unbundled Capacity at Interconnectors and is due to be implemented in Spring 2022. This Modification amends the European Interconnection Document to remove the barrier between UNC and CAM NC compliance allowing full implementation of UNC 0755S and makes a minor change to clarify the Legal Text.</p>	
<p data-bbox="129 1019 306 1055">Next Steps:</p> <p data-bbox="129 1072 978 1108">The Proposer recommends that this Modification should be:</p> <ul data-bbox="153 1126 759 1162" style="list-style-type: none"> • subject to Fast Track Self-Governance <p data-bbox="129 1180 1406 1254">This Modification will be presented by the Proposer to the Panel on 20 January 2022. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p data-bbox="129 1303 397 1339">Impacted Parties:</p> <p data-bbox="129 1357 268 1393">High: N/A</p> <p data-bbox="129 1411 268 1447">Low: N/A</p> <p data-bbox="129 1464 352 1500">None: All Users</p>	
<p data-bbox="129 1543 387 1579">Impacted Codes:</p> <p data-bbox="129 1597 555 1641">Uniform Network Code (UNC)</p> <p data-bbox="129 1659 735 1704">European Interconnection Document (EID)</p>	

Contents		
1	Summary	3
2	Governance	3
3	Why Change?	4
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	4
7	Relevant Objectives	5
8	Implementation	6
9	Legal Text	6
10	Recommendations	6
Timetable		
Modification timetable:		
Pre-Modification Discussed	06 January 2022	
New Modification to be considered by Panel	20 January 2022	
Modification Panel decision	20 January 2022	
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1 Summary

What

The pan European Capacity Allocation Mechanisms Network Code (CAM NC), Article 19 Paragraph 6, allows for unbundled capacity at interconnectors to be traded on secondary markets. Uniform Network Code (UNC) Modification 0755S - Enhancement of Exit Capacity Assignments was implemented with the intent to enable unbundled capacity to be assigned at Exit Points.

Point 6 in the solution states “This functionality will be available at all Exit Points including DN Offtakes, Storage and Interconnectors, however any bundled Capacity would be excluded from this arrangement.”

However, In between these two codes, the European Interconnection Document (EID) currently prevents Assignment of Exit Capacity from taking place at Interconnectors. The intent of this Modification is to remove that barrier.

This Modification also proposes to make a minor change to the Legal Text to clarify the charges payable at an Interconnection point.

Why

National Grid believes that this change brings the UNC more closely in line with CAM NC and therefore improves compliance and enables a modification which has already been approved for implementation.

How

This can be achieved a change to clause 1.8.1 (e) in the EID and by the removal of the text “(which shall, for the avoidance of doubt be at the published Exit Transmission Services rate applicable for each Day during the Assignment Period)” from TDP Section B Paragraph 6.3.3 (c).

2 Governance

Justification for Fast Track Self-Governance.

These changes to the UNC & EID fully enable a Modification (0755S) which has already been approved for implementation. No changes to the intent of the UNC are required and no additional impacts have been identified.

The modification:

- a. would meet the Self-Governance criteria; and
- b. is properly a housekeeping modification required as a result of some error or factual change

National Grid believes this resolves an inconsistency between the approved and updated UNC, the CAM NC and the current EID text.

Requested Next Steps

This Modification should:

- be subject to Fast Track Self-Governance.

3 Why Change?

National Grid believes this change is required to enable full implementation of UNC Modification 0755S and also brings us more closely in line with CAM NC.

UNC Modification 0755 can still be implemented without this modification, but the functionality will not be made available at Interconnectors until the EID is amended to allow Assignment at Interconnectors.

4 Code Specific Matters

Reference Documents

Transportation Principle Document: Section B

https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2020-10/4%20TPD%20Section%20B%20-%20System%20Use%20%26%20Capacity_0.pdf

UNC Modification Proposal 0755S

<https://www.gasgovernance.co.uk/0755>

EU Capacity Allocation Mechanism Code

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0459>

European Interconnection Document

<https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2021-03/4%20EID%20Section%20B%20-%20Capacity.pdf>

5 Solution

This Modification aligns the updated UNC to the CAM NC by removing the barrier placed in the EID. The amendment to clause 1.8.1 (e) in the EID, along with a small change to the UNC to provide additional clarity to the text, do not change the solution implemented as part of UNC Modification 0755S.

The Legal Text is the solution in this instance.

6 Impacts & Other Considerations

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

No, it does not.

Consumer Impacts

There are no impacts beyond those already assessed and approved under UNC Modification 0755S.

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

This Modification has no impact on consumers save for enabling UNC Modification 0755S.

Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

There are no Cross-Code Impacts.

EU Code Impacts

This Modification will bring the GB market more closely in-line with the CAM NC.

Central Systems Impacts

There are no Central Systems Impacts.

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 (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
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.	None
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.	Positive

This Modification allows unbundled capacity to be assigned, as allowed by Article 19 paragraph 6 of CAM NC. While UNC Modification 0755S updated Section B of the UNC, clause 1.8.1 (e) in the EID prevents assignment of Exit Capacity at Interconnectors, this Modification brings the GB Market more closely into alignment with the EU.

8 Implementation

As Fast Track Self-Governance procedures are proposed, implementation could be sixteen business days after a unanimous vote in favour of implementation by the UNC Modification Panel, subject to no Objection being raised. We feel it would be prudent to align the date with the implementation date of UNC Modification 0775S.

9 Legal Text

Text Commentary

The proposal would amend clause 1.8.1 (e) from Section B of the EID and adjust clauses 6.3.3 (c) of the UNC.

Text

European Interconnector Document (EID)

1.8 Provisions of Transportation Principal Document which do not apply

1.8.1 The following provisions of the Transportation Principal Document do not apply in relation to Interconnection Point Capacity:

- (a) provisions as to the basis on which Users are invited to apply for, may apply for, and are allocated, NTS Entry Capacity or NTS Exit (Flat) Capacity;
- (b) provisions as to the basis on which Users are invited to offer and may offer for surrender NTS Entry Capacity for a calendar month, and on which such offers are accepted;
- (c) provisions as to the publication of information relating to invitations as referred to in paragraphs (a) and (b);
- (d) provisions relating to Code Contingencies affecting the communications for the purposes of the matters referred to in paragraphs (a) and (b);
- (e) provisions as to the assignment (by System Capacity Assignment) ~~of Registered~~

~~NTS Exit (Flat) Capacity~~ to the extent that those provisions apply to Bundled Firm Interconnection Point Capacity;

- (f) provisions defining terms which are used only in provisions within paragraphs (a), (b), (c), (d) and (e).

Uniform Network Code (UNC)

6.3.3 With effect from the first Day of the Assignment Period (and in respect of each subsequent Day in that Assignment Period):

- (a) the Assignor User shall cease to be liable for Capacity Charges in respect of the Assigned System Capacity;
- (b) the Assignee User shall be liable for Capacity Charges in respect of the Assigned System Capacity;
- (c) the Capacity Charges payable by the Assignee User shall be the same Capacity Charges that would have otherwise been payable by the Assignor User for the Assigned System Capacity but for the assignment (~~which shall, for the avoidance of doubt be at the published Exit Transmission Services rate applicable for each Day during the Assignment Period~~)

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that this Fast-Track Self-Governance Modification Proposal should be implemented.