

Industry update from Ofgem – as of 29 April 2021

Approval of the Access Rules proposed by Gas Network Ireland Limited (“GNI”)

On 4 February 2021, Gas Network Ireland Limited (“GNI”) submitted Access Rules to the Authority for approval. Ofgem’s decision letter and the annexed direction, published at the link below on 29 April 2021, sets out our approval of the submitted proposals.

URL: <https://www.ofgem.gov.uk/publications-and-updates/approval-access-rules-proposed-gas-network-ireland-limited-gni>

UNC728/A/B/C/D: Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS – Decision

On 22 January 2021, we published our minded to decision and impact assessment on UNC728/A/B/C/D: ‘Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS’ and consulted on our minded to decision for four weeks.

We have decided to approve UNC728B: ‘Introduction of Conditional Discount for Avoiding Inefficient Bypass of the NTS with 28km distance cap’ for implementation on 1 October 2021. The letter below, published 27 April 2021, sets out our decision.

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc728abcd-introduction-conditional-discount-avoiding-inefficient-bypass-nts-decision>

Statutory consultation on modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions

This Statutory consultation, published on 14 April 2021, sets out the proposed modifications to the licence conditions that implement the RIIO-2 price control settlement for the transmission companies, gas distribution networks and the electricity system operator.

Please send your response to this consultation, including any attachments, to RIIO2@ofgem.gov.uk, Tel: 0207 901 7000, by 13 May 2021.

URL: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions>

UNC764: UNC TPD Section Y (Part A-I) amendments to K_t to align to RIIO-2 Licence

We have decided to grant urgent status for UNC764. The letter below, published on 14 April 2021, sets out this decision.

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc764-unc-tpd-section-y-part-i-amendments-kt-align-riio2-licence>

RIIO-2 PCFM Guidance

We would like your views on our draft of the RIIO-2 PCFM Guidance Documents and Revenue workbooks for the Gas Distribution, Gas Transmission, Electricity Transmission and Electricity System Operator licensees.

The proposed drafts set out guidance and instructions to help licensees update the variable values in the Price Control Financial Model (PCFM) for the first Annual Iteration Process submission as well as the reporting templates, which licensees need to fill out to calculate some of these variable values.

These documents are working drafts, the contents of which is in line with our Final Determinations and licence modifications. We will ensure that all comments received will be appropriately reflected within the final version and will take effect by 01 June 2021. These documents should be considered in conjunction with our RIIO-2 special licence conditions and Price Control Financial Instruments, which is being consulted on for snagging modifications following the publication on 03 February 2021 (as above).

We welcome responses on any aspect of our proposed drafts of the RIIO-2 PCFM Guidance and revenue workbooks, and whether anything else should be included in these documents. Please send responses to RegFinance@ofgem.gov.uk by 11 May 2021.

URL: <https://www.ofgem.gov.uk/publications-and-updates/riio-2-pcfm-guidance>

System Management Principles Statement consent notice 2021

National Grid Gas plc (NGG) is required to have in place at all times a System Management Principles Statement (SMPS) in accordance with special condition 9.19.8 of its Gas Transporter Licence. The purpose of the SMPS is to set out the principles and criteria by which NGG will determine the use of System Management Services.

The attached letter, published 7 April 2021, sets out our consent for NGG to revise its SMPS following an annual review of the statement.

URL: <https://www.ofgem.gov.uk/publications-and-updates/system-management-principles-statement-consent-notice-2021>