

Distribution update from Ofgem – as of 24 May 2022

Consultation on the RIIO-1 Network Output Measures (NOMs) Incentive Mechanism for Gas Distribution, Gas Transmission and Electricity Transmission

In RIIO-1 Network Output Measures (NOMs) were the mechanisms that provide a means to monitor and assess the network asset management outcomes that network companies deliver. They represent the service delivery resulting from companies' asset interventions, and can be considered as a forward-looking indicator of network performance. In RIIO-1, these primarily cover specified asset replacement/refurbishment activities.

We are seeking views on our assessment of network companies' performance in delivering their NOMs outputs during RIIO-1 as well as the proposed funding adjustments and rewards/penalties due under the NOMs Incentive Mechanism. The process for determining these is set out in the Network Output Measures (NOMs) Incentive Methodology. The assessment has been conducted for the three sectors whose RIIO-1 price controls ran for the period 1 April 2013 - 31 March 2021, i.e. Gas Distribution, Gas Transmission and Electricity Transmission.

URL: [Consultation on the RIIO-1 Network Output Measures \(NOMs\) Incentive Mechanism for Gas Distribution, Gas Transmission and Electricity Transmission | Ofgem](#)

RIIO ED2 Open Hearings March 2022 – Transcripts

In March 2022, as part of our enhanced engagement process, we held Open Hearings with each of the six distribution network operator companies to discuss their final business plans for the Electricity Distribution RIIO-2 price control covering the period 2023 to 2028. To view transcripts of the proceedings with each company please click on the relevant links below.

URL: [RIIO ED2 Open Hearings March 2022 - Transcripts | Ofgem](#)

Modification decision for MP200: Faster Switching consequential changes to the SEC

This is our decision to accept MP200: Faster Switching consequential changes to the SEC.

URL: [Modification decision for MP200: Faster Switching consequential changes to the SEC | Ofgem](#)

Modification decision for UNC804 (Consequential UNC changes for Switching SCR (REC 3.0)) – Accepted

On 9 February 2022, UNC modification proposal UNC 0804 (the Proposal) was raised by Ofgem as a Significant Code Review Modification Proposal under the Switching SCR and pursuant to paragraph 6.1.1(f)(ii) of the Uniform Network Code Modification Rules (the Code Modification Rules).

URL: [Modification decision for UNC804 \(Consequential UNC changes for Switching SCR \(REC 3.0\)\) | Ofgem](#)

Ofgem backs consumers with price cap update

Ofgem will publish a 'minded-to' consultation to look at whether the energy price cap should be updated quarterly rather than every six months.

URL: [Ofgem backs consumers with price cap update | Ofgem](#)

Jonathan Brearley's speech at All Energy event in Glasgow

URL: [Jonathan Brearley's speech at All Energy event in Glasgow | Ofgem](#)

Decision on the Entry Capacity Release Methodology Statement held by National Grid Gas Plc

This letter is our decision on the proposed revisions to the Entry Capacity Release (ECR) Methodology Statement, which were submitted to the Authority by National Grid Gas plc (NGG) on 3 May 2022, following their consultation on the ECR Methodology Statement.

We have decided to approve the proposed revisions to the ECR Methodology Statement. The reasons for this decision are outlined in our letter below.

URL: [Decision on the Entry Capacity Release Methodology Statement held by National Grid Gas Plc | Ofgem](#)

Ofgem Strategic Innovation Fund announces challenge areas for second round of funding, to help accelerate the transition to net zero

Ofgem and Innovate UK have announced the challenge areas for the second round of innovation funding under the Strategic Innovation Fund (SIF), which opens for applications in early September 2022.

URL: [Ofgem Strategic Innovation Fund announces challenge areas for second round of funding, to help accelerate the transition to net zero | Ofgem](#)

Hydrogen Village Trial Detailed Design Studies Decision

In December 2021, we received applications from Gas Distribution Network Companies (GDNs) to fund detailed design studies for a Hydrogen Village Trial through the RIIO-GD2 Net Zero Pre-Construction

and Small Projects re-opener ('the NZASP re-opener'). Following stakeholder consultation, we have decided to fund two detailed design studies under the NZASP re-opener, and not take forward one study. Our reasons for this decision are set out in this document.

URL: [Hydrogen Village Trial Detailed Design Studies Decision | Ofgem](#)

Updated SIF Project Directions

The Strategic Innovation Fund (SIF) is a funding mechanism for the Electricity System Operator, Electricity Transmission, Gas Transmission and Gas Distribution sectors.

URL: [Updated SIF Project Directions | Ofgem](#)

Green Gas Support Scheme (GGSS): Quarterly Report - Issue 2

The GGSS is designed to support the deployment of new anaerobic digestion (AD) biomethane plants to increase the proportion of green gas in the gas grid. The report covers the second quarter since scheme launch, from 1 January to 31 March 2022.

URL: [Green Gas Support Scheme \(GGSS\): Quarterly Report - Issue 2 | Ofgem](#)

List of all gas licensees including suppliers

URL: [List of all gas licensees including suppliers | Ofgem](#)

Article 28(2) TAR NC motivated decision

On 28 February 2022, we published our Article 28(2) TAR NC consultation with the non-UK regulatory authorities of all directly connected countries or territories, the Utility Regulator of Northern Ireland and the relevant stakeholders and consulted for four weeks.

URL: [Article 28\(2\) TAR NC motivated decision | Ofgem](#)

Decision on the proposed Interconnection Agreement between BBL Company and National Grid Gas

On 3 February 2022, an Interconnection Agreement between BBL Company and National Grid Gas was submitted to the Authority for approval in accordance with Standard Licence Condition 3 of the Gas Interconnector Licence - 'Compliance with bilateral agreements'.

This letter sets out our decision to approve the proposed agreement on the basis that its contents have been agreed by both parties.

URL: [Decision on the proposed Interconnection Agreement between BBL Company and National Grid Gas | Ofgem](#)

Call for Input: Future of local energy institutions and governance

As we transition to net zero, we will see rapid decarbonisation and decentralisation of generation and demand. Transforming the ways in which we generate electricity, heat our homes and power our vehicles will require radical changes across the energy system, with particular focus on the electricity distribution system.

URL: [Call for Input: Future of local energy institutions and governance | Ofgem](#)