

UNC 0779A:

Introduction of Entry Capacity Assignments with Defined End Date



Proposer: Lauren Jauss

Panel Date: 16 September 2021

Why change?



- The UNC currently only allows for assignment of Capacity and liability between Users at an Exit Point, so modification UNC779, presented at the August Panel, proposes to enhance the current Assignment arrangement by providing the ability to assign Capacity at Entry Points.
- UNC779 would allow for assignments both in full and in part by specifying the start date of an assignment which then runs for the remainder of the contract
- The main difference with this proposal to UNC779 is that this proposal allows Users additional flexibility so they can define any end date to an assignment. Also, this proposal would not exclude assignments from contracts procured in weekly capacity auctions.
- Both proposals aim to enable:
 - parties who exit the market to reduce their administrative burden and risk whilst providing an alternative to short-term auctions for new entrants
 - assignees to qualify for benefits and discounts associated with holding both the capacity and liability simultaneously
 - Users to better manage their portfolios, and give National Grid NTS more reflective long-term capacity booking signals
- The proposer believes that this proposal provides a more comprehensive solution for Users by enabling assignments of capacity for a limited period to fit their requirements, including when there is little or no remaining capacity available in auctions

Options



- The proposer asked National Grid to include the ability to assign capacity for a limited period rather than for the remainder of a contract within the UNC779 proposal, but National Grid confirmed that it was not something that they would be able to support. Hence this proposal is being raised as an alternative.

Solution



- In addition to the proposed code changes above, both solutions propose:
 - Assignments in any volume over 1kwh/day, consistent across the period defined, rather than on an all or nothing basis
 - Assignee pays the published Entry Transmission Services rate
- Both solutions will require enhancements to the National Grid Gemini System

Is this Modification an Alternative?



- UNC779 “Introduction of Entry Capacity Assignments” was presented at last month’s panel. The first Workgroup was earlier this month and the proposed timeline was for 6 months of Workgroups. National Grid have subsequently stated in 7 Sept workgroup that they believe the proposed timeline can be shortened from their initial proposal. UNC779 does not suggest an implementation date.
- The suggested timeline for this proposal is 3 months of workgroups in total for UNC779 plus this alternative (i.e. inclusive of this month), with a panel decision in December 2022.
- UNC779 and this proposal are mutually exclusive
- In addition to the 7 September pre-mod presentation at Transmission Workgroup, this proposal has been developed in discussions with the proposer of UNC779, National Grid.
- The differences in legal text between UNC779 and this proposal are likely to be limited: assignment start dates will be needed for UNC779 legal text, and it is likely that end dates can be appended to this text. UNC779 excludes assignments from daily and weekly products, so the text for this proposal would need to exclude daily products only.

Recommended Steps



- The Proposer recommends that this modification should be:
 - An alternative to UNC779, which is not subject to Self-Governance
 - Workgroup assessment to develop the modification alongside the original UNC779 for a further 2 months