

UNC 0800:

Introducing the concept of a derogation framework into Uniform Network Code (UNC) (Authority Direction)



Includes a Net Zero Derogation Use Case

Red-lined against 0760 relating to Ofgem's rejection letter.

Proposer: Tracey Saunders

Panel Date: 17 February 2022

Why change?



Reasons for framework and Net Zero Use case remain:

- Currently there is no concept of derogation within the UNC.
- Net Zero has a fixed timeline of 2050
- Net Zero innovation projects need the ability to trial solutions.

Original 0760 had Merit, but due to needed amendments including:

- Approvals & Appeals
- HSE derogations approval timelines

Options



- Treat this as if it is a new mod without reference to 0760
 - Longer timescales for workgroup etc,
 - require full review of everything again
 - Increase time it will take Ofgem to consider
 - Risk to H projects (e.g. village trials)

- Treat this as if it is a new mod without reference to 0760
 - WG to focus only on Ofgem rejection letter and red-lined text
 - FMR and consultation to also focus on this area
 - Allowing for quicker progress via workgroup
 - Facilitating faster decision from Ofgem

Solution – Concept of Derogation



- Introduce the concept of derogation Framework
- Introduce Use Case for Net Zero innovation projects.
- Allow derogations from UNC and UNC related documents with the exception on
 - Modification rules
 - Active SCRs
 - Anything that impacts a supplier or end consumers ability to switch
- Introduce an *Innovation Derogation Guidance Document*.
 - which clearly lays out the application & approval process including evidence required and the considerations by UNC Panel members

Solution – Changes from UNC0760



Red Lined changes are in relation to:

- Panel recommendation, all derogations will be Authority Direction.
 - This will also impact, how a derogation is revoked 'Early Cessation Report'
- All HSE & safety related derogations must be approved prior to panel recommendation
- All other (code) derogations must have been requested prior to panel recommendation

Recommended Steps



The Proposer recommends that this modification should be:

- Subject to Authority Direction
- 0760 was agreed by Panel to be material
- Focus on changes from 0760, not whole mod
- Whilst a new mod, for Panel to agree to the 'red line' approach (as if it was a send back)
- The modification be subject to workgroup for a further period of 1 month.
- Already been discussed in detail at Governance 14/2/22
- Version 2.0 to be published next week, before next Governance WG