








| UNC Workgroup Report | At what stage is this document in the process? |
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| <h1 data-bbox="132 320 727 412">UNC 0775S:</h1> <h2 data-bbox="132 450 1114 663">Amendment to the Requirement to Conduct the Transporting Britain's Energy Consultation</h2> | <div data-bbox="1209 309 1468 622"> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div> |
| <p>Purpose of Modification:</p> <p>This Modification seeks to remove the obligation detailed in UNC TPD Section O for National Grid NTS (NGG NTS) to conduct the Transporting Britain's Energy (TBE) consultation process in January of each year and instead permit NGG NTS to issue the consultation once per year on a discretionary basis, providing an appropriate period of notice is given to Users.</p> | |
| <p>Next Steps:</p> <p>The Workgroup recommends that this Modification should be subject to Self-Governance</p> <p>The Panel will consider this Workgroup Report on 16 September 2021. The Panel will consider the recommendations and determine the appropriate next steps.</p> | |
| <p>Impacted Parties:</p> <p>High:</p> <p>Low: Shippers, Transporters, Consumers</p> <p>None:</p> | |
| <p>Impacted Codes:</p> <p>UNC</p> | |

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| Timetable | |  0121 288 2107 |
| Modification timetable: | | Proposer: Ashley Adams, National Grid |
| Pre-Modification Discussed | 01 July 2021 |  enquiries@gasgovernance.co.uk |
| Date Modification Raised | 05 July 2021 |  ashley.adams@nationalgrid.com |
| New Modification to be considered by Panel | 15 July 2021 |  07813996680 |
| First Workgroup Meeting | 05 August 2021 | Transporter: Darren Lond, National Grid |
| Workgroup Report to be presented to Panel | 16 September 2021 |  darren.lond@nationalgrid.com |
| Draft Modification Report issued for consultation | 16 September 2021 |  n/a |
| Consultation Close-out for representations | 07 October 2021 | Systems Provider: Xoserve |
| Final Modification Report available for Panel | 11 October 2021 |  UKLink@xoserve.com |
| Modification Panel decision | 21 October 2021 | |

1 Summary

What

This Modification proposes to amend National Grid NTS's (NGG NTS's) obligations around the publication of the Transporting Britain's Energy (TBE) consultation. UNC TPD Section O currently states that NGG NTS will conduct a consultation process in January each year. With the implementation of this modification, the consultation will be instead issued at NGG NTS's discretion, not more than once per year, with Users provided with a 90-day advance notice period.

Why

UNC TPD Section O obliges NGG NTS to issue a TBE consultation in January each year. Upon the issue of the consultation, Users are obliged under UNC to provide NGG NTS with estimates for specific supply and demand information, as well as any other further information as may reasonably be requested. In recent years the way in which NGG NTS collects this information has evolved, with a wide variety of information now collected through the Future Energy Scenarios (FES) process. The FES process provides NGG with more granular and detailed data than the specific data that would be requested through the TBE process and therefore the absolute requirement to run this consultation is no longer necessary. By not conducting the TBE consultation process, there are efficiency and resource savings across the industry as Users do not have to provide NGG NTS with information that can be gained from an alternative industry process. The implementation of this Modification will ensure that the TBE rules contained within UNC are the most appropriate for the information collection process of today, better reflecting current practice, whilst maintaining the optionality to utilise the consultation in the future should the need arise.

How

This Modification proposes changes to UNC TPD Section O 3.1 to remove the obligation for NGG to conduct the Transporting Britain's Energy consultation process in January each year and instead allow National Grid to issue a discretionary consultation no more than once per year, providing an advance notice of 90 days.

The ability to issue the consultation on a discretionary basis would be retained in order to future-proof the process. Therefore, no changes are proposed to the information that would be requested as part of any TBE consultation that is required.

2 Governance

Justification for Self-Governance

This Modification seeks to remove the obligation for NGG NTS to conduct the TBE consultation at a specific time each year and replace it with an option to conduct the process in the event that it is required. It should therefore be considered as a Self-Governance Modification since it will not have a material impact on consumers, competition, operation of the pipeline systems, matters relating to sustainable development, safety or security of supply, the management of market or network emergencies, governance procedures, and will not discriminate between different classes of parties to the UNC.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.

- proceed to Consultation.

3 Why Change?

UNC TPD Section O 'Transporting Britain's Energy' contains an obligation on NGG NTS to conduct the Transporting Britain's Energy consultation in January each year. Upon the issue of the consultation, Users are required to provide for each Entry or Exit Point, estimates for 1 in 20 peak demand, seasonal normal demand, availability of supply and any other reasonable information requested for years 1 to 3. Users may also provide the same information for years 4 to 5. This supply and demand information is used by NGG NTS in a number of ways, but principally feeds into the NGG NTS Gas Ten Year Statement that is published annually.

In recent years the way in which NGG NTS collects this information has evolved, with a wide variety of information now collected through the FES process. The information collected through the annual FES stakeholder engagement process, which runs from November to May each year, comes from a number of sources, including bilateral meetings, surveys, and workshops. This is provided to NGGT by National Grid Electricity System Operator (NGESO) through a general services agreement. This information goes above and beyond the specific information requested through the TBE consultation outlined in UNC TPD Section O and therefore provides NGG NTS with greater insight into supply and demand to inform the development of the Gas Ten Year Statement.

The information provision through the FES process is likely to continue to be the optimal route for NGG NTS to obtain the necessary supply and demand forecast information for the foreseeable future. However, this may not always be the case, and therefore, in order to future proof the process, NGG NTS proposes to retain the ability to issue the consultation on a discretionary basis if necessary, in years to come.

In not conducting the TBE consultation process, efficiency and resource savings are realised for both NGG NTS and the wider industry as Users do not have to provide information through another process when the specific information and more is already available to NGG NTS via other contractual sources. Additionally, the removal of the obligation to issue the consultation in January each year will ensure the UNC better reflects current practice and is appropriate for today and the foreseeable future.

4 Code Specific Matters

Reference Documents

[UNC TPD Section O – System Planning](#)

[National Grid ESO 2020 FES Stakeholder Engagement Document](#)

Knowledge/Skills

No additional Knowledge/skills required.

5 Solution

This Modification seeks to amend UNC TPD Section O 3.1 to remove the obligation to conduct the TBE consultation in January each year. The change in code will indicate:

- a) That the TBE consultation may be issued once per year at NGG NTS's discretion.

- b) A notice period of 90 days in advance of the consultation being issued will be provided to industry in the event that NGG NTS needs to issue the TBE consultation.

For the avoidance of doubt, no changes are proposed to the information that can be requested as part of the TBE consultation process or the obligation on Users to provide such information as detailed in UNC TPD Section O 3.2-3.5.

6 Impacts & Other Considerations

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

None

There was no disagreement from Workgroup participants.

Consumer Impacts

This Modification aims to provide efficiencies to the industry by removing the requirement to conduct an annual consultation process that is not currently required. By changing the Code in such a way as set out in the solution, the proposer feels that there will be a benefit to all consumer groups through enabling the process to be more efficient by removing any duplication which may have occurred.

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

The process, as it is today, could result in an unnecessary resource burden on NGG NTS and members of the industry due to the requirement to issue or respond to a consultation process that is not currently required. The implementation of this modification would provide efficiency and resource savings to industry which may lead to benefits to market participants and therefore by extension, end consumers.

Impact of the change on Consumer Benefit Areas:

| Area | Identified impact |
|--|-------------------|
| Improved safety and reliability | None |
| <p>Lower bills than would otherwise be the case</p> <p>A secondary, minor benefit to end consumers provided by this Modification is lower bills than would otherwise be the case. The removal of the annual obligation to conduct the TBE consultation would provide efficiency and resource savings across the industry directly benefiting very large consumers. The more efficient use of industry resource would also be reasonably expected to result in savings to be passed on to smaller end consumers that are not connected directly to the NTS.</p> | Positive |
| Reduced environmental damage | None |

| | |
|--|----------|
| Improved quality of service The primary consumer benefit provided by this Modification is an improved quality of service. The TBE process is not currently needed and by removing the requirement to complete it annually, interactions in the value chain across the industry will become more efficient, ultimately benefitting end consumers of all sizes. | Positive |
| Benefits for society as a whole | None |

Cross-Code Impacts

None identified.

EU Code Impacts

None identified.

Central Systems Impacts

None identified.

Workgroup Impact Assessment

No ROM is required for this Modification.

The 31 August 2021 Workgroup meeting considered the potential impact of the change on Consumer Benefits the details for which are captured in the above table. Workgroup participants did not disagree with the benefits claimed although noted that they may be minor.

Workgroup considered the timescale for re-introducing the TBE consultation in the event that it is required and was assured that National Grid has arrangements in place that would provide sufficient notice.

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 <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. | Positive |
| 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. | None |

The implementation of this Modification and the associated removal of the requirement to conduct TBE consultation process each year will result in efficiency and resource savings realised for both NGG NTS and the wider industry. Users will not have to provide information to NGG NTS through a process when it is not required due to that specific information and more being available to NGG NTS via other contractual sources. This Modification therefore furthers Relevant Objective f) in promoting efficiency in the implementation and administration of the Code.

Workgroup participants did not disagree with these views.

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Legal Text has been provided by National Grid and is included below.

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

The Modification seeks to remove the obligation detailed in UNC TPD Section O for NGG NTS to conduct the Transporting Britain's Energy consultation process in January of each year and instead permit NGG NTS to issue the consultation once per year on a discretionary basis, providing an appropriate period of notice is given to Users. Updates to the UNC TPD Section O will be required to implement this proposed modification.

The changes to paragraph 1.2.1 remove the obligation on National Grid NTS to undertake the Transporting Britain's Energy consultation process each year while maintaining the existing obligation on National Grid NTS to provide the Ten Year Statement.

The changes to Section O 3.1 again remove the obligation to conduct the Transporting Britain's Energy consultation in January each year and also highlight that a 90 day advance notice period will be provided to Users should National Grid NTS elect to undertake the consultation.

The changes to Section O 3.2.1 Are simply to qualify the existing text, making clear that the User information requirements are only relevant where National Grid NTS elects to undertake the Transporting Britain's Energy consultation process.

Text

Amend TPD Section O to read as follows:

Section O 1.2

1.2 Transporting Britain's Energy and Ten Year Statement

1.2.1 Each year National Grid NTS:

- (a) ~~will~~ may undertake the Transporting Britain's Energy consultation process,
 - (b) ~~and subsequently~~ shall provide a Ten Year Statement,
- in accordance with paragraphs 3 and 4.

Section O 3.1

3.1 Publication and content

~~In January of each year (year 0),~~ National Grid NTS ~~will~~ may elect to conduct the Transporting Britain's Energy consultation process each year and request information from Users and others in accordance with paragraph 3.2. provided before undertaking the Transporting Britain's Energy consultation process it shall first have given not less than 90 days notice to the Users of its intention to do so.

3.2 User information requirements

3.2.1 Where National Grid NTS elects to undertake the Transporting Britain's Energy consultation process, each User, by the date and in the format specified in the Transporting Britain's Energy questionnaire:

- (a) shall provide to the Transporter:
 - (i) estimates for years 1 to 3 of 1-in-20 peak day demand and seasonal normal annual demand at Supply Points of which it is the Registered User and (as respects demand for

gas attributable to it) at Connected System Exit Points other than Storage Connection Points;

- (ii) such estimates for years 1 to 3 of availability of gas for supply (in accordance with paragraph 2.2.1) to such User, upon such assumptions (as referred to in paragraph 2.2.2), as may be required pursuant to the Transporting Britain's Energy consultation process; and
 - (iii) in the case of National Grid NTS, such further information as may reasonably be requested by National Grid NTS pursuant to the Transporting Britain's Energy consultation process;
- (b) without prejudice to paragraph 3.2.1(a)(iii), may provide to National Grid NTS estimates for years 4 and 5 of 1-in-20 peak day demand and seasonal normal annual demand at NTS Supply Points of which it is the Registered User and (as respects demand for gas attributable to it) at NTS Connected System Exit Points other than Storage Connection Points.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This Self-Governance Modification should proceed to consultation.