

Representation - Modification UNC 0723 (Urgent)

Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

Responses invited by: **1pm on 27 April 2020**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Paul Youngman
Organisation:	Drax
Date of Representation:	27/04/2020
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

Reason for support: Please summarise (in one paragraph) the key reason(s)

Due to restrictions under COVID-19, many sites are either not consuming gas or are using minimal volumes but are still subject to energy allocation and relevant allocated share of Unidentified Gas (UIG). We support the proposal to temporarily allow shippers, under specific circumstances, to use the existing central system process of 'isolation flag' for certain supply points which have seen a near-complete or total reduction in gas usage due to 'lock down' restrictions from allocation, nomination and application of certain charges. We believe that this proposal is positive to Relevant Objectives (a) and (d).

Implementation: *What lead-time do you wish to see prior to implementation and why?*

This change has been granted urgent status due to the unprecedented impacts of COVID-19. Given the urgency, the proposed solution has necessitated one that has no system impacts and required process updates, and so could effectively be implemented immediately following approval. Our expectation is that this proposal would be subject to close monitoring by PAB and Ofgem to ensure consistent application and development of an appropriate restoration plan, to reinstate normal industry arrangements that have been suspended or altered temporarily for the purposes of responding to COVID 19.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

There will be process impacts only from a supplier perspective. Isolation flags used as a consequence of this modification will need to be removed at the appropriate date post COVID-19, and so parties will need to maintain a record of those sites impacted so that they can easily distinguish them from genuinely isolated sites.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Legal text requires definition of Relevant Period that UNC 723 would apply for. Unclear at what stage/trigger, other than the end of the Government's COVID-19 provisions would necessitate removal of this section from the Code.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

Because isolation flags set due to restrictions under COVID-19 will need to be removed at the appropriate date post the COVID-19 period, we believe that parties should be required to maintain an auditable record of those sites impacted so that they can easily distinguish them from genuinely isolated sites.

The PAB may need to establish working groups to ensure that any potential unintended consequences are mitigated.

Please provide below any additional analysis or information to support your representation

No further comment