

UNC 0735:

UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')



Proposer: National Grid NTS

Panel Date: 17th September 2020

Why change?



- Implementation Period for UK exit from the European Union ends on the IP completion day (currently expected to be 31st December 2020)
- The UNC contains a numbers of references to EU Regulations and EU institutions that require revision
- EU Regulations
 - European Union (Withdrawal Agreement) Act 2020 (assuming a no trade deal) incorporates EU Regulations (as at IP completion day) into UK law
 - Statutory Instruments expected to address any consequential inoperabilities in the Regulations that have been incorporated.
- EU institutions
 - Removed where relevant as they will no longer play a part in the operation or development of UNC terms

Options



- No other options have been considered – ‘mandatory’ solution due to end of Brexit implementation period (in absence of a trade agreement) and implications of associated legislation
- Proposed referencing of Retained EU law is consistent with the approach to the expected amendments to the Gas Transporter Licences.

Solution



- Existing references to EU Regulations clarified
 - to mean those incorporated into UK law ('Retained EU law') i.e. as at IP completion day
 - to acknowledge the amendments to the Regulations by the relevant Statutory Instruments
- Existing references to EU institutions removed where necessary
- Consequential changes to
 - party responsible for provision of capacity Auction Calendar
 - information taken into account in National Grid's demand assessment report
- Note: Dependencies
 - No trade agreement with EU following IP completion day
 - Consequently, implementation of the relevant Statutory Instruments

Recommended Steps



- The Proposer recommends that this modification should be:
 - Subject to self-governance
 - Workgroup assessment to develop the modification for 2 months
- Subsequent expected timescale
 - Workgroup Report to 19th November 2020 Mod Panel, issue for consultation
 - Final Modification Report to 17th December 2020 Panel for decision