

# UNC 0739:

Aggregate overrun regime for Original Capacity held at the Bacton ASEPs



**Proposer:** Anna Shrigley, Eni represented by Nick Wye, WWA Ltd

**Panel Date:** 15 October 2020

# Why change?



- Following the split of Bacton ASEP into Bacton IP and Bacton UKCS as required by UNC 0501V (and implementation of EU CAM code), Users were allocated Bacton ASEP capacity at the new ASEPs
- As recognized by Ofgem in its UNC 0501 decision, Users lost the ability to employ Bacton capacity to support supplies from UKCS and/or interconnectors (a loss of flexibility)
- UNC 0501CV proposed a number of remedies including an aggregate overrun regime
- Ofgem noted the benefit of such a regime, but while entry capacity was available at zero cost, it noted only a marginal benefit
- With the implementation of UNC 0678A, zero cost entry capacity has been removed, resulting in the need for this proposal.
- Ofgem stated in its UNC 501CV decision that *“encourages industry to raise a further modification if they see a risk that future UNC changes would not allow for the existing market mechanisms to be used to flow flexibly at the current cost.”*

# Options



- To enable impacted Users to use capacity flexibly and without additional cost, a change to the UNC has to be made to enable fungibility. This is achieved through the proposed aggregate overrun regime which can only be delivered via a change to the UNC.
- It is consistent with Ofgem's recommendation in its UNC 0501CV decision

# Solution



- Where capacity was acquired at the Bacton ASEP prior to the Bacton split on 1 November 2015, it will be classified as Original Bacton Capacity.
- Following the split, the Original Bacton Capacity will maintain this status when allocated to either Bacton ASEP
- An Entry Overrun Charge will only be applied at a Bacton ASEP where UDAQs exceed Original Capacity bookings (plus any capacity acquired at the ASEPs post 1 November 2015)

# Recommended Steps



- The Proposer recommends that this modification should be:
  - Not subject to self-governance because it bestows unique rights for certain types of Entry Capacity which will result in benefiting Users not being required to acquire additional capacity at an ASEP where they hold sufficient qualifying Original Capacity at another.
  - Workgroup assessment to develop the modification for 3 months