

Industry update from Ofgem – up to date as of 4 June 2019

System Management Principles Statement consent notice 2019

Special Condition 8A.9 of the Gas Transporter Licence requires National Grid Gas plc (NGG) to have in place at all times a System Management Principles Statement (SMPS). The purpose of the SMPS is to set out the principles and criteria by which NGG will determine the USE of System Management Services. On 8 May 2019 we published our consent for NGG to revise its SMPS following an annual review of the statement.

URL: https://www.ofgem.gov.uk/system/files/docs/2019/05/smps_decision_letter.pdf

RIO-2 Sector Specific Methodology Decision

On 24 May 2019 we published our RIO-2 Sector Specific Methodology Decision (The RIO-2 May Decision). In December 2018, we consulted on proposals to set the sector-specific methodologies for the Electricity Transmission, Gas Transmission, Gas Distribution and the Electricity System Operator RIO-2 price controls starting on 1 April 2021. This document sets out our decision on the policy areas applying across these sectors, except where otherwise indicated. There is a separate annex setting out Finance decisions. Further information on decisions for each sector are set out in separate annexes to this document. Network companies will use this information to develop their Business Plans over the remainder of 2019.

URL: <https://www.ofgem.gov.uk/publications-and-updates/rio-2-sector-specific-methodology-decision>

UNC0678 – Amendments to Gas Transmission Charging Regime

On 29 May 2019 the UNC0678 Final Modification Report was delivered to us. Ofgem is now considering the FMR and the next steps.

Gas NIC 2019 Full Submission Guidance and templates

On 29 May 2019 we published the Guidance, pro forma and spreadsheet that applicants should use when completing their Full Submissions for the 2019 Gas NIC.

URL: https://www.ofgem.gov.uk/system/files/docs/2019/05/gas_nic_fs_guidance_2019.pdf

Gas NIC Initial Screening Submission 2019 - "Captivate" (NGGT)

On 30 May 2019 we published Initial Screening Submission Document for project "Captivate" from National Grid Gas Transmission.

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/04/nggt_captivate_large_scale_demonstrator_nic_2019_isp.pdf

BBL: Authority Motivated Decision pursuant to Article 27(4) of the EU Network Code on Gas Tariffs

Article 26(1) of the EU network on gas tariffs (TAR) requires IUK to consult on information relating to its reference price methodology. Between 21 February 2019 and 25 March 2019, BBL ran its Article 26 consultation. Article 27(4) of TAR requires Ofgem to take and publish a motivated decision on all items in Article 26(1) as consulted by BBL. Upon reviewing the consultation and the documents referred to by the Article 26 consultation we are satisfied that BBL has fulfilled the requirements of Article 26(1) of TAR. On 3 June 2019 we published our motivated decision for BBL pursuant to Article 27(4) of TAR.

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/06/bbl_authority_motivated_decision_for_the_eu_network_code_on_gas_tariffs.pdf

RIO-2 Business Plan Guidance

On 3 June 2019 we updated the RIO-2 Business Plan Guidance directed at gas and electricity network companies and their stakeholders. This provides an update on the information that should be included in companies' Business Plans for RIO-2, including in relation to the RIO-2 Sector Specific Methodology Decision published on 24 May 2019.

URL: https://www.ofgem.gov.uk/system/files/docs/2019/06/riio-2_business_plans_guidance_june_2019_-_published.pdf

Informal consultation on modifications of National Grid Gas plc's gas transporter licence for treatment of new entry and exit points with zero baseline capacity

On 3 June 2019 we published an informal consultation on modifications of National Grid Gas plc's gas transporter licence for treatment of new entry and exit points with zero baseline capacity. The purpose of these proposed licence changes is to improve the overall connection process for new sites with zero baseline capacity. We are proposing that all new entry and exit points with zero baseline capacity are added to the entry/exit baseline capacity tables contained in a report called the "Long Term Summary Report" and not added to the licence. We also propose that NGG should be responsible for conducting the consultation required under Article 18(4) of the EU Gas Regulation for all new zero baseline capacity points. NGG shall then send us all of the responses to the consultation. We will continue to approve the classification of all new entry and exit points under Article 18(4).

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/06/informal_consultation_cover_letter_with_appendices.pdf