

Industry update from Ofgem – up to date as of 2 September 2019

Decision on the 2019 Low Carbon Networks Fund and Network Innovation Competition Successful Delivery Reward

In May 2019 we received applications from network licensees for a Successful Delivery Reward for three Low Carbon Networks (LCN) Fund projects and two gas Network Innovation Competition projects. Having considered the applications, we have decided to award a total of £2.76m across the five projects. Four projects will receive 100% of their potential reward and one project will receive 50% of its potential reward. On 30 July 2019 we published our decision on the 2019 successful delivery reward setting out our assessment of each project and the reward.

URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-2019-low-carbon-networks-fund-and-network-innovation-competition-successful-delivery-reward>

2019 UK National Report to the European Commission

On 31 July 2019 we submitted the 2019 UK National Report to the European Commission (in accordance with the Electricity Directive 2009/72/EC and Gas Directive 2009/73/EC). The GB report covers developments in the GB energy markets in 2018 and the first two quarters of 2019, the regulation and performance of the GB electricity and gas markets, and our compliance with the Electricity and Gas Directives on consumer protection and dispute settlement.

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/07/great_britain_and_northern_ireland_regulatory_authorities_reports_2019_1.pdf

RIIO-2 Innovation Stakeholder Workshop (26 July 2019)

On 5 August 2019 we published meeting materials from the RIIO-2 Innovation Stakeholder Workshop held in London on 26 July 2019.

URL: <https://www.ofgem.gov.uk/publications-and-updates/riio-2-innovation-stakeholder-workshop-26-july-2019>

Notice to modify the GT1 Price Control Financial Model

On 6 August 2019 we published a consultation on the proposed modification to the GT1 Price Control Financial Model (PCFM) ie on the Amendment of two labels in the System Operator sheet. This modification serves to correct a minor labelling discrepancy. Closing date was 4 September 2019.

URL: <https://www.ofgem.gov.uk/publications-and-updates/notice-modify-gt1-price-control-financial-model>

RIIO-2 Response to the 2050 net zero target

On 8 August 2019 we published an open letter to provide additional business planning guidance to gas and electricity network companies in response to the new UK emissions target, and sets out the information we expect to see in network companies' business plans for RIIO-2.

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/08/letter_to_networks_on_achieving_net_zero.pdf

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

On 9 August 2019 we published a statutory consultation on the proposed modifications of National Grid Gas plc's (NGG) gas transporter licence ("the Licence") for treatment of new entry and exit points 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. All other entry and exit points will be treated in the same way as at present.

We are also proposing that NGG should be responsible for conducting the consultation required under Article 18(4) of the EU Gas Regulations 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). The consultation closes on 6 September 2019.

URL: https://www.ofgem.gov.uk/system/files/docs/2019/08/statutory_consultation_notice_0.pdf

St Fergus and Hatton Needs Case Consultation

On 27 August 2019 we published a consultation on our initial views on the needs case for St Fergus and Hatton proposed compressor investment. In 2015 and 2018, NGGT put forward reopener submissions which included compressor works at its St Fergus and Hatton sites to make them compliant with the relevant emissions legislation. We rejected NGGT's application for funding on both occasions. However, as part of our 2018 reopener decision, we stated that we would work with NGGT to review the needs case and its preferred solution for emissions compliance at St Fergus and Hatton once it has made a decision on the solution for each site.

In June 2019 NGGT submitted an updated needs case for investment at its St Fergus and Hatton sites. Our assessment of this submission is based on the assessment approach we set out in our reopener 2018 decision, with consideration given to our RIIO-2 objective of ensuring that networks are prepared for the future and reflect the needs of the existing and future consumers. The consultation closes on 24 September 2019.

URL:

https://www.ofgem.gov.uk/system/files/docs/2019/08/st_fergus_and_hatton_ied_needs_case_consultation.docx_002.pdf

Reminder:

Call for Evidence: Change to existing arrangements for accessing Licence Baseline Exit Capacity at both Interconnection Points (IP) at Bacton.

On 26 July 2019 we published a Call for Evidence to seek views regarding whether or not existing arrangements on exit at Bacton should be changed to allow Shipper Users to access Licence Baseline Exit Capacity at both Interconnection Points (IP) at Bacton: Bacton (IUK) and Bacton (BBL). We welcome responses and evidence (where possible) to the questions in Annex 1 or any other relevant data, including responses where there is no interest in using exit capacity at Bacton (BBL), by the end of Monday, 16 September 2019.

URL: <https://www.ofgem.gov.uk/publications-and-updates/call-evidence-change-existing-arrangements-accessing-licence-baseline-exit-capacity-national-transmission-system-bacton-interconnection-point>