

At what stage is this document in the process?

UNC Workgroup Report

# UNC 0682:

## Market Participant MDD Migration to UNC Governance from the SPAA

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

**Purpose of Modification:**

This Modification requires that the Central Data Services Provider manages the gas Market Domain Data for Market Participant Identities which are required to align with the introduction of the Retail Energy Code via the Central Switching Service and to align with the corresponding SPAA Change Proposal 467.



The Workgroup recommends that this modification should:

- follow Authority Direction procedures
- be issued for consultation

The Panel will consider this Workgroup Report on **20 June 2019**. The Panel will consider the recommendations and determine the appropriate next steps.



High Impact:

None



Medium Impact:

CDSP



Low Impact:

Shipper Users, Transporters

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| Timetable   |                                |  |
| <b>Modification timetable:</b>                    |                                |  |
| Initial consideration by Workgroup                | 28 March 2019                  |  |
| Workgroup Report presented to Panel               | 20 June 2019                   |  |
| Draft Modification Report issued for consultation | 20 June 2019                   |  |
| Consultation Close-out for representations        | 11 July 2019                   |  |
| Final Modification Report available for Panel     | 15 July 2019                   |  |
| Modification Panel decision                       | 18 July 019                    |  |
|   |                                |  Any questions?   |
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|   |                                | <b>Other:</b>  |
|   |                                |   |
|   |                                |   |

## 1 Summary

### What

SPAA Change Proposal (SCP) 467<sup>1</sup> is seeking to remove the process of Market Domain Data (MDD) management for Market Participant Identities to move from SPAA governance to the Uniform Network Code (UNC) as part of the switching programme. This Modification is seeking to introduce the activities into the UNC.

The efficient running of the gas energy industry requires accurate and unambiguous management of Market Participant Identities (inclusive of organisation name and short code) for all Market Participants. The Central Data Service Provider (CDSP) shall act as the custodian of the data and maintain the Market Participant Identities for all gas participants in the energy market. The CDSP will be required to implement a process for Market Participants (including those who are not UNC parties) to request insertion, amendment or deletion of Market Participant Identities, and for these Market Participant Identities to be published to relevant Market Participants.

### Why

This Modification is required to create the management of Market Participant Identities within the UNC and for this to lead to a CDSP service under the Data Services Contract (DSC).

As part of the Ofgem Faster Switching Programme, Ofgem has expressed a policy intent through the drafting of the Retail Energy Code (REC), that the CDSP should become the custodians for administering the Market Participant Identity register used to denote the roles of certain organisations within the gas industry. Therefore, the existing MDD Market Participant process, currently governed under Schedule 18 of SPAA and is being removed via SCP 467, needs to be incorporated into UNC and Data Service Contract (DSC) governance via development of XRN4851 and this Modification.

### How

This Modification proposes to create the management of Market Participant Identities within the UNC and for this to lead to a CDSP service under the DSC.

In addition, a supporting guidelines document 'Guidance Document' (is to be governed under the DSC Contract Management Committee) that describes the verification steps and rules that the CDSP shall follow in assessing any amendment to the Market Participant Identities register.

The Market Participant Identities process will then be administered by the CDSP under UNC/DSC governance arrangements. This Modification will create the requirement on the CDSP to provide this service in the UNC/DSC. The Service Description Table will be amended to include a new service line that the CDSP will be required to maintain and make available Market Participant Identities to Market Participants and also maintain the Guidance Document.

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<sup>1</sup> The proposed timetable is as follows: The Change Proposal will be submitted to SPAA Change Board on 12 March 2019. It will be issued for Impact Assessment on 14 March 2019 with a response due 25 March 2019. The SPAA Change Board will vote on 14 May 2019. Appeals window closes on 05 June 2019. Proposed implementation date is 28 February 2020.

## 2 Governance

### Justification for Authority Direction

Panel determined that Modification 0682 is unlikely to have a material effect on consumers, the networks or competition. This Modification is seeking to move a process from SPAA into the UNC/DSC to facilitate the introduction of the new REC code. Panel noted it was recommended in this Modification that all changes relating to this change progress together in a similar timeframe.

Panel then recognised that Ofgem suggested the Modification should follow Authority Direction because of the co-ordination required across SPAA, IGT and UNC. Modification 0682 will therefore follow Authority Direction procedures.

### Requested Next Steps

This Modification should:

- follow Authority Direction procedures
- be issued for consultation

## 3 Why Change?

The efficient running of the gas energy industry requires accurate and unambiguous management of Market Participant Identities for all Market Participants.

Under the REC the CDSP via obligations in the UNC becomes responsible for administering the Market Participant Identity register. To facilitate these changes a Joint MDD Migration Working Group was established and consisted of SPAA, UNC and other interested parties. Group members proposed and developed the changes required to remove the SPAA obligations (raised in SCP 467) and to support movement and development of the process within the UNC via this Modification and XRN4851. This group also proposed the implementation approach and timescales.

The accurate management of Market Participant Identities is essential for the effective operation of the gas market. It is important that the wider industry (including the Authority) have an effective custodian of the data and comfort that the obligations are being effectively discharged with a robust governance mechanism. The proposal also aligns more to the model which is followed in electricity. Although the aim of this Modification is to move the obligations from SPAA to the UNC, it is recognised that alignment between fuels could be beneficial, but it is however outside of the scope of this Modification.

The Central Data Service Provider (CDSP) shall maintain the Market Participant Identities for all gas participants in the energy market. The CDSP will be required to implement a process for Market Participants (including those who are not UNC parties) to request insertion, amendment or deletion of Market Participant Identities, and for these Market Participant Identities to be published to relevant Market Participants. The Joint MDD Migration Working Group supported the Market Participant MDD process being operated by the CDSP under UNC governance, and that the process would be administered under the oversight of a DSC committee (the DSC Contract Management Committee), which are sub-committees of the UNC Committee.

As part of this Working Group the CDSP developed the 'Guidance Document' (to be governed under the DSC Contract Management Committee) that describes the process to be followed and specifically the verification criteria and business rules that the CDSP would follow. The 'Guidance Document' will be maintained by the CDSP, reporting to the DSC Contract Management Committee.

## 4 Code Specific Matters

### Reference Documents

A Guidance Document was developed in the Joint Working Group. It is expected that this will be reviewed by the UNC Work Group.

### Knowledge/Skills

Whilst no specific technical knowledge is required to assess this Modification, an understanding of SPAA and UNC change processes and an understanding of the need for accurate Market Participant Identifier information would be beneficial.

## 5 Solution

The CDSP is required to maintain and make available gas industry Market Participant Identities to Market Participants listed in the definition of Market Role in the REC Data Management Schedule or within UNC (for example, provision of AMR Service Provider Identities as required by TPD M 2.1.14, or the Smart Metering System Operator Identity as described in TPD Annex M-1).

This Modification shall:

- Amend Section GT-D – CDSP and UK Link – to add new section to require the CDSP to maintain and publish the Market Participant Identity register in UNC
- The 'MDD Market Participant Identity Verification Approach Document' which is published alongside the modification' will be added as a constituent document within the UK Link Manual.

In order for the CDSP to undertake this service a number of Service Lines will be inserted into the DSC Service Description Table. These Service Lines are provided below **for information**, development of these will be concluded under XRN4851 which has been raised to implement this change. Within this change it proposed that:

- The service is a direct service
- The service is 100% funded by Shippers.

The CDSP shall be required to provide the following services:

- maintain the MDD Market Participant Identity Verification Approach Document that describes the verification steps and rules that the CDSP shall follow in assessing any amendment to the Market Participant Identities List.
- Publish the timetable to which the CDSP will adhere in order to maintain the Market Participant Identities.

The following draft DSC Service Lines are provided for information only:

| Part A Direct Service - Code Services |                                 |                             |                            |  |                         |                               |
|---------------------------------------|---------------------------------|-----------------------------|----------------------------|--|-------------------------|-------------------------------|
| Reference                             | Service Requirement Description | Service Requirement Trigger | Service Requirement Output | Time for delivery of service requirement | How service requirement | Corresponding UNC requirement |
|                                       |                                 |                             |                            |  |                         |                               |

| Service Area 24: Administration of Market Participant Identity |   |  |   |                                       |  |      |
|--|---|--|---|---------------------------------------|--|------|
| DS-CS SA24 - 01  | Coordinate admission / amendment requirements of a Market Participant Identity, where that Market Participant Role type is managed by the CDSP            | Upon receipt of MDD Application by Market Participant Role Type controlled by CDSP | Maintenance of a Market Participant Identity List available to relevant Market Participants in accordance with the 'Market Participant Identity Verification Approach Document'   | As soon as reasonably practicable     | Conventional Notice and email  | GT-D |
| DS-CS SA24 - 02  | Maintain 'Market Participant Identity Verification Approach Document'   | From implementation of Service   | Maintenance of Market Participant Identity Verification Guidelines as part of the UK Link Manual  | By 30 September in each calendar year | Document maintained  |      |
| DS-CS SA24 - 03  | Publish timetable under which the MDD Market Participant Identity process will be managed and invite amendments to Market Participant nominated contacts. | In time for delivery of the service by 30 September each year                      | Publish the timetable under which the MDD Market Participant Identity process will be managed and issue to contacts nominated by Market Participants (including non DSC parties). | By 30 September in each calendar year | Publication to DSC Contract Management Committee and Conventional Notice or email to specified contacts. |      |

## 6 Impacts & Other Considerations

### Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is linked to the Ofgem Faster Switching SCR, but these changes have been excluded from the SCR since they are to be implemented in advance of the REC version 2.0. These changes are required in order to provide an unambiguous Market Participant Identity Dataset for testing phases of the Central Switching Programme. Ofgem are aware of this Modification and support the development of it.

#### Consumer Impacts

None identified. Market Participant Identities are not visible to Consumers.

#### Cross Code Impacts

A SPAA Change Proposal is necessary (SCP467 - Market Participant MDD Migration to UNC Governance), and in progress, to remove these equivalent obligations from SPAA,

Assessment is necessary to determine if any amendments are required to IGT UNC.

#### EU Code Impacts

None identified.

#### Central Systems Impacts

A Change Proposal XRN4851 has been raised in order to manage any CDSP system and process changes that are necessary.

#### Rough Order of Magnitude (ROM) Assessment

CDSP have confirmed there is no requirement for a ROM for this change as the effort in terms of the new process should not be any more onerous to that for the current process. With regards to future system impacts, CDSP have confirmed the intention is to include any changes/costs in CSS Consequential.

The Workgroup supported this view.

## 7 Relevant Objectives

| Impact of the Modification on the Relevant Objectives:   |                   |
|--|-------------------|
| Relevant Objective   | Identified impact |
| a) Efficient and economic operation of the pipe-line system.   | None              |
| b) Coordinated, efficient and economic operation of<br>(i) the combined pipe-line system, and/ or<br>(ii) the pipe-line system of one or more other relevant gas transporters.   | None              |
| c) Efficient discharge of the licensee's obligations.  | None              |
| d) Securing of effective competition:<br>(i) between relevant shippers;<br>(ii) between relevant suppliers; and/or<br>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. | None              |
| e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.   | None              |
| f) Promotion of efficiency in the implementation and administration of the Code.   | Positive          |
| g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.   | None              |

Migration of Market Participant Identify to UNC will further relevant objective (f) as it will create a process for the effective management of Market Participant Identifies that are to be administered within the UNC.

## 8 Implementation

No implementation date is proposed but it is expected that this Modification will be implemented with effect from the February 2020 UK Link Release Date (date to be confirmed by Transporters but likely to be 28 February 2020) but aligned to the SPAA implementation date so that the solution can transition between codes.

## 9 Legal Text

Legal Text and commentary have been provided and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## 10 Recommendations

### Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- the modification follows Authority Direction procedures
- this modification should proceed to consultation.