

# UNC 0846:

## Use of Entry Capacity Holdings at Easington at the Rough Storage ASEP in Winter 2023/2024



Proposer: Centrica Storage Ltd

Panel Date: 18 May 2023

# Why change?



- To enable CSL to use long-term capacity holdings at Easington at the Rough ASEP during winter 23/24 (an extension of UNC 0817).
- Solution enhanced to include other Users of Rough.
- Similar justifications apply as set out in UNC 0817
  - The enforced separation and creation of Rough ASEP has undermined entry capacity bookings made at Easington, resulting in “stranded capacity”
  - Users of Rough should not pay twice for capacity
  - Without a baseline Rough Users are entirely reliant on discretionary release by NGT
- Uncertainty over Rough’s future beyond winter 23/24 means that alternative “longer term” solutions are not viable:
  - Entry into PARCA to signal substitution has minimum User commitment periods;
  - Licence change to baselines (akin to the Bacton split UNC 0501V) is significant undertaking and not appropriate to meet a potential short-term need

# Options



- Alternative solutions: PARCA and Licence change to baselines have been considered but not appropriate while future of Rough remains uncertain
- More comprehensive solutions would likely involve excessive system implementation costs
- The extension of arrangements put in place under UNC 0817 with a slight enhancement to address concerns as to preferential treatment of CSL is a pragmatic solution

# Solution



- Extending the arrangements under UNC 0817 so as to permit the redesignation of Existing Energy Capacity at Easington ASEP to the Rough ASEP on a monthly basis during Winter 23/24
- To extend the ability to redesignate entry capacity on the same basis (i.e. without impacting capacity charges) to any User with Easington ASEP capacity acquired prior to 4 August 2022 (the date on which the Rough ASEP was created)
- The changes address concerns identified by Ofgem in its decision on UNC 0817 by:
  - allowing any User with an interest in acquiring rights in the Rough facility to benefit from the same arrangements as CSL
  - eliminating the perception of preferential treatment of Existing Entry Capacity

# Recommended Steps



- The Proposer recommends that this modification should:
  - Not be subject to Self-Governance as it will have a material impact on security of supply and competition in the gas shipping sector
  - Undergo expedited Workgroup assessment over a one month period to develop the modification, on the grounds that:
    - it replicates the solution adopted for Winter 22/23 under modification UNC 0817 with no more than a minor enhancement to enable all Users with Easington ASEP capacity acquired before the establishment of the Rough ASEP to use the redesignation mechanism
    - to promote optimal use of the Rough storage facility, implementation (if directed by Ofgem) is required as soon as possible and in any event before the withdrawal season commencing in Q4 2023.