

UNC Modification 483 - Performance Assurance Framework Incentive Regime

UNC Panel Slides
(February 2014)

Performance Assurance Framework Incentive Regime

Industry Background

- The new Settlement regime introduced as part of Project Nexus arrangements is expected to offer wide benefits to the industry, however it is also recognised that new risks may be introduced.
- The volume of un-reconciled energy after any period is dependent on accurate and timely data provision, including asset and available consumption data.
- The gas Performance Assurance Workgroup (PAW) was established by the Uniform Network Code (UNC) Modification Panel to consider the development of a framework that can help to ensure the gas settlement risks are understood, and to provide assurance that the actions of parties are not inappropriately passing costs to others.
- One key area that has been agreed at PAW is the need for a Top-down cost reflective risk based incentive model.

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Modification Background

- Discussions at PAW have taken place over the last 12 months.
- At January's PAW meeting the requirement for a modification was raised several times.
- British Gas believe it is a positive step to raise a modification on behalf of workgroup which seeks to focus these discussions.
- The objective of the change is to introduce a top-down cost reflective risk based incentive regime to incentivise Shippers to ensure they reconcile appropriate volumes of Energy within their portfolio.

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We request that February's Uniform Network Code (UNC) Modification Panel send this modification to the March Performance Assurance Workgroup (PAW) for development.

Many thanks...