

Industry update from Ofgem – up to date as of 1 August 2017

MPR parallel work decision

On 4 July 2017 we published a final decision on matters arising from our RIIO mid-period review (MPR) parallel work package. Of relevance here is National Grid Gas Transmission's required output to comply with the industrial emission directive (IED) by replacing compressors. We specified an output for NGGT that included both an output purpose (IED compliance) and how this should be achieved (through installing new compressors). NGGT has since identified more efficient solutions to meet the IED requirements. We will consider the output delivered if NGGT complies with the IED in a way that delivers the greatest value to consumers. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/mpr-parallel-work-decision>

Update on regulatory sandbox

On 4 July 2017 we published an update on progress regarding the regulatory sandbox. The update states that we have entered in to sandbox discussions with five projects and will open a second window for applications this autumn. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/update-regulatory-sandbox>

Capacity Methodology Statements decision letter

On 5 July 2017 we approved changes to NGG's five Entry and Exit Capacity Methodology Statements and Capacity Release Methodology Statements. The changes were made to implement the incremental capacity allocation processes set out in Capacity Allocation Mechanism Network Code. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/capacity-methodology-statements-decision-letter>

Gas NIC Full Submission guidance and spreadsheet 2017

On 14 July 2017 we published various documents for applicants in relation to the 2017 Gas Network Innovation Competition. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/gas-nic-full-submission-guidance-and-spreadsheet-2017>

Direction notice of modification to the network licences to curtail the recovery of Bid Preparation Costs from 1 April 2018

On 18 July 2017 we issued a direction notice under section 23(1)(b) of the Gas Act 1986 to implement our Network Innovation Review policy decision - licensees will no longer be able to recover Bid Preparation Costs after 1 April 2018 from the Network Innovation Allowance. The modified licence condition can be found in the relevant Notice. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/direction-notice-modification-network-licences-curtail-recovery-bid-preparation-costs-1-april-2018>

Version 3.0 of the Network Innovation Allowance governance documents

On 18 July 2017 we published version 3.0 of the Network Innovation Allowance governance documents. This implements our Network Innovation Review policy decision of 31 March 2017. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/version-30-network-innovation-allowance-governance-documents>

Decision on 2017 Low Carbon Networks Fund and Network Innovation Competition Successful Delivery Reward applications

On 20 July 2017 we published our decision on applications for Successful Delivery Reward under the Low Carbon Networks Fund and Network Innovation Competition. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/decision-2017-low-carbon-networks-fund-and-network-innovation-competition-successful-delivery-reward-applications>

Update on our initial consultation on implementing the CMA's recommendations for industry code governance: Responses summary and next steps

On 27 July 2017 we published an update on our initial consultation on implementing the CMA's recommendations for industry code governance. The update provides a summary of the 41 consultation responses received and sets out our next steps in terms of policy development. A workshop to discuss our strategic direction for industry codes, and the proposed consultative board is planned for the autumn. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/update-our-initial-consultation-implementing-cmas-recommendations-industry-code-governance-responses-summary-and-next-steps>

Direction to make modifications to the Pensions Regulatory Instructions and Guidance for RIIO Network Operator Licensees

On 28 July 2017 we published our decision to modify the Pensions Regulatory Instructions and Guidance (the Pension RIGs) for RIIO network operator licensees (NWOs), following our June consultation. This followed our policy decision which clarified the nature of our commitment to provide funding for Pension Scheme Established Deficits of RIIO NWOs. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/direction-make-modifications-pensions-regulatory-instructions-and-guidance-riio-network-operator-licensees>

Statutory consultation under section 23 of the Gas Act 1986 – changes to National Grid Gas's transporter licence as a result of the CAM Network Code

On 1 August 2017 we launched a consultation on changes to NGG's gas transporter licence which are required as a result of the EU Capacity Allocation Mechanism (CAM) Network Code incremental capacity arrangements. The proposed changes will allow fees and costs related to Planning and Advanced Reservation of Capacity Agreements (PARCAs) described in the licence to apply to the allocation of incremental capacity at interconnection points. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-under-section-23-gas-act-1986-changes-national-grid-gas-s-transporter-licence-result-cam-network-code-0>