

Representation - Draft Modification Report UNC 0685

Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'

Responses invited by: **5pm on 21 May 2019**

To: enquiries@gasgovernance.co.uk

Representative:	Julie Cox
Organisation:	Energy UK
Date of Representation:	21 May 2019
Support or oppose implementation?	Comments
Alternate preference:	Comments only
Relevant Objective:	<p>a) None</p> <p>e) None</p>

The consultation is aimed at establishing if the content/effect of the variation have caused you to change a view that you previously expressed, or to take a view that you had not previously considered. Please note any representation received in respect of Modification 0xxx will be carried forward should parties not wish to change their original representation.

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Energy UK is not convinced that there will be a positive impact on relevant objectives a) and e). It is not clear that a case has been made on an objective assessment, there is no evidence that during the 'beast from the east' prices were higher than if the Gas Deficit Warning (GDW) had a different name.

A GDW is issued infrequently and on each occasion has prompted an appropriate response from the market to avoid further deterioration in the balance of the system. The market has worked as it should. Changing the name risks a reduced response, which could lead to unintended consequences.

However it is also the case that market participants and the media will soon become familiar with the new name such that the market response may appear but so will that from the media. It is therefore difficult to see what this name change will achieve.

We are also not convinced it is appropriate to draw a parallel with the name change from Notice of Insufficient Margin in the electricity market to Electricity Margin Notice. The Gas market already has a Margins Notice which was not issued during the 'beast from the east'. Work is progressing separately to review the triggers for this. We think if this work leads to an earlier notice of potential system imbalance then is more likely to impact the market and media response to any difficult supply conditions than a name change for the GDW.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

Energy UK agrees this should be subject to Authority direction

Implementation: *What lead-time do you wish to see prior to implementation and why?*

The implementation date should be set to align the change to the UNC and licence at the same time.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

As a trade association - none.

The industry will however face costs, which may not be material but will not be zero.

A licence change is required.

National Grid's website will need to be updated where GDW is referenced

National Grid, the NEC and shipper procedures will need to be updated to reflect the name change.

Customer contracts may need to be updated.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Not reviewed

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

Please provide below any additional analysis or information to support your representation