

## **Industry update from Ofgem – as of 01 February 2021**

### **Project Direction: H100 Fife – SGN**

Scotland Gas Networks Plc (SGN) submitted to Ofgem the project H100 in July 2020 to be considered for funding through the Gas Network Innovation Competition (NIC), and in the 2020 NIC decision the Project was selected for conditional funding.

This direction sets the conditions of funding for SGN's NIC project, H100 Fife.

URL: <https://www.ofgem.gov.uk/publications-and-updates/project-direction-h100-fife-sgn>

### **RIIO-2 consultation on Associated Documents**

Alongside our RIIO-2 formal Licence Drafting Consultation, we are consulting on proposed drafts of a number of Associated Documents. These are documents created under the licence conditions that supplement those conditions and are subordinate to them.

We would like your views on the following two documents. These documents are working drafts and the content is in line with our Final Determinations. We will ensure that all comments received will be appropriately reflected within the final versions. The associated documents are provided at the links below:

*Large Onshore Transmission Investments (LOTI) Reopener Guidance:*

<https://www.ofgem.gov.uk/publications-and-updates/large-onshore-transmission-investments-loti-reopener-guidance>

*RIIO-2 NIA Governance Document:* [https://www.ofgem.gov.uk/system/files/docs/2021/01/riio-2\\_nia\\_governance\\_document\\_-\\_draft\\_for\\_consultation\\_250121.pdf](https://www.ofgem.gov.uk/system/files/docs/2021/01/riio-2_nia_governance_document_-_draft_for_consultation_250121.pdf)

The LOTI reopener guidance document sets out the submission requirements, timings and assessment considerations for applications under the RIIO-2 LOTI Reopener Mechanism. The RIIO-2 NIA Governance document sets out the regulation, governance and administration of the RIIO-2 Network Innovation Allowance. Both will take effect from 1 April 2021. We welcome responses on any aspect of our proposed drafts, and whether anything else should be included in the documents.

The links above outline each guidance document being consulted on, and both document's respective specific contact details for providing responses. Please send responses to these consultations, including any attachments, before or on 23 February 2021.

### **Review of the GB energy system operation**

This report sets out the key findings of GB energy system operation and provides a recommendation to government. The aim of the review is to consider the current and future challenges facing GB system operation and assess whether we have the right governance framework in place to deliver the UK's net zero emissions targets.

In the report we consider:

- The energy system changes associated with achieving net zero;
- The roles and functions the GB electricity and gas system operators could be required to perform to facilitate net zero;
- The suitability of current system operation arrangements; and
- Potential options for alternative system operation models.

URL: <https://www.ofgem.gov.uk/publications-and-updates/review-gb-energy-system-operation>

### **GB Gas Storage Facilities (2021)**

This GB Gas Storage Data (January 2021) document contains information regarding the existing, operational gas storage facilities in GB.

URL: <https://www.ofgem.gov.uk/publications-and-updates/gb-gas-storage-facilities-2021>

### **Decision on proposed modifications to BBL Company's Access Rules**

On 28 October 2020, BBL Company (BBLC) proposed modifications to its Access Rules to the Authority for approval, pursuant to Standard Licence Condition (SLC) 11A of the Gas Interconnector Licence (the Licence).

Our decision, published below on 22 January 2021, is to grant approval for BBLC's proposal. Attached to this letter is a direction to BBLC approving the proposed modified Access Rules on the basis that they meet the relevant Access Rules objectives.

URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-bbl-companys-access-rules>

### **UNC728/A/B/C/D ('Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS'): minded to decision and impact assessment**

On 22 January 2021, we published our minded to decision and impact assessment on UNC728/A/B/C/D ('Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS').

We are consulting on our minded to decision and welcome responses from all interested parties.

We propose that UNC728/B should be implemented on 1 October 2021. This will be dependent on consideration of responses to this consultation.

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc728abcd-introduction-conditional-discount-avoiding-inefficient-bypass-nts-minded-decision-and-impact-assessment>