

Industry update from Ofgem – as of 24 June 2021

New Ofgem.gov.uk website

We have a new look Ofgem.gov.uk website. Please use the new site, engage with any on-site surveys where you can (especially in our BETA sections for regulatory publications) and if you have any questions or feedback then please be sure to contact webmaster@ofgem.gov.uk.

URL: <https://www.ofgem.gov.uk/news-and-views/blog/new-ofgemgovuk-website>

Statutory Consultation on proposed changes to Part A of Special Condition 7.14 of National Grid Gas Plc (NGG) Gas Transporter Licence

On 18 June 2021, we published a statutory consultation on a proposal to modify Part A of Special Condition 7.14 (Close out of the RIIO-GT1 Entry Capacity and Exit Capacity Constraint Management incentive revenue (LCMIR_t)) of National Grid Gas Plc (NGG) Gas Transporter Licence.

The proposed modification will seek to remove the windfall earnings based upon the “reasonable expectation” of NGG’s performance value derived through calculations outlined in our letter ‘**Adjustment of National Grid Gas Plc (NGG) Capacity Constraint Management performance value for 2020/21 as part of NGG’s incentive for RIIO-GT1**’, published alongside this statutory consultation.

Please send any views on the issues raised in this letter and the statutory consultation on or before 19 July 2021 to: Max Lambert by email to Gas.TransmissionResponse@ofgem.gov.uk.

URL: <https://www.ofgem.gov.uk/publications/statutory-consultation-proposed-changes-part-special-condition-714-national-grid-gas-plc-ngg-gas-transporter-licence>

Approval of the Access Rules proposed by Gas Network Ireland Limited (“GNI”)

On 4 February 2021, Gas Network Ireland Limited (“GNI”) submitted Access Rules to the Authority for approval. Our decision letter below, published 18 June 2021, and the annexed direction set out our approval of the submitted proposals.

URL: <https://www.ofgem.gov.uk/publications/approval-access-rules-proposed-gas-network-ireland-limited-gni>

Direction on changes to the Network Output Measures (NOMs) Incentive Methodology

On 7 May 2021, we published a consultation to seek views on proposed changes to the Network Output Measures (NOMs) Incentive Methodology to the Transmission and Gas Distribution licensees. As part of the consultation we also sought views on proposed changes to the NOMs Closeout Data Template and the NOMs Closeout Instructions and Guidance.

We received ten responses to the consultation. We have summarised the responses and our views on each of those in a [separate Excel spreadsheet](#) which is published alongside this decision. Having considered the responses received, we have decided to make some additional changes on the consulted version of RIIO-1 NOMs Incentive Methodology. We also have made further modifications to the version of RIIO-1 NOMs Closeout Data Template and RIIO-1 NOMs Closeout Instructions and Guidance that we consulted on.

The latest version of the Methodology, as well as the Template and Guidance, are published alongside this decision below, as well as the full consultation responses.

URL: <https://www.ofgem.gov.uk/publications/direction-changes-network-output-measures-noms-incentive-methodology>

UNC686: Removal of the NTS Optional Commodity Rate with adequate notice

On 18 June 2021, we decided that modification proposal UNC686 'Removal of the NTS Optional Commodity Rate with adequate notice' should not be made.

URL: <https://www.ofgem.gov.uk/publications/unc686-removal-nts-optional-commodity-rate-adequate-notice>

RIIO-2 Indicative Re-opener application assessment process: working document

This working document sets out the assessment process we intend to follow when reaching our RIIO-2 Re-opener decisions.

We have consulted on our drafts of the indicative Re-opener application assessment process document and have taken into consideration those responses within this publication on 16 June 2021.

This document and its content is in line with our Final Determinations.

URL: <https://www.ofgem.gov.uk/publications/riio-2-indicative-re-opener-application-assessment-process-working-document>

Response to National Grid Gas statement on the future of gas transmission charging

This open letter, published 4 June 2021, is our response to National Grid Gas's setting of charges for the coming Gas Year and their open letter to all stakeholders titled the 'Future of Gas Transmission Charging', which they published on 28 May 2021.

For transparency, we have also published a letter we sent to National Grid Gas regarding revenue deferral and the penal interest rate on 27 May 2021.

URL: <https://www.ofgem.gov.uk/publications/response-national-grid-gas-statement-future-gas-transmission-charging>