

## Industry update from Ofgem –30 June 2015

**Invitation to code governance review workshop on 22 July 2015.** Our invitation to a code governance review workshop on 22 July 2015 may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/invitation-code-governance-review-workshop-22-july-2015>

**Section 23 notice of modification of National Grid Gas' transporter licence to add two new exit points.** EU Gas Regulation requires us to decide whether any new exit points should be classified as relevant points. Our statutory consultation that agrees with NGG's proposal to add two new exit points; Air Products (Teesside) and Fordoun CNG Station and not classify them as relevant points, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/section-23-notice-modification-national-grid-gas-transporter-licence-add-two-new-exit-points>

**Code modification/modification proposals with Ofgem for decision - indicative timetable.** A table giving the indicative decision dates, and names of Ofgem experts, for code modification/amendment proposals that are with Ofgem for decision may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/code-modificationmodification-proposals-ofgem-decision-indicative-timetable>

**Uniform Network Code (UNC) 0519: Harmonisation of Conditions at Interconnection Points.** UNC519 sought to facilitate compliance with requirements in the EU Network Code on Interoperability and Data Exchange Rules regarding harmonisation of the reference conditions for the calculation of volume and calorific value at Interconnection Points. Our decision letter approving UNC0519, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-519-harmonisation-conditions-interconnection-points>

**Open letter consultation on the development and introduction of RIIO Accounts.** Our letter, inviting interested parties to complete a feedback questionnaire by 5 August 2015 and to engage with us over the next few months during a consultation on a proposed new form of regulatory reporting, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/open-letter-consultation-development-and-introduction-riio-accounts>

**Consultation on values within the stakeholder satisfaction output arrangements.** As part of the RIIO-T1 price control, we created a stakeholder satisfaction output, comprised of multiple components, for the electricity and gas transmission owners. Our consultation letter, requesting views by 27 July 2015 on our proposals for values within the stakeholder satisfaction output arrangements may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/consultation-values-within-stakeholder-satisfaction-output-arrangements>

**Minutes and presentations from the 18th DECC-Ofgem European Stakeholder Group for Gas.** Minutes and presentations from the meeting which took place on 3 June 2015, may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/minutes-and-presentations-18th-decc-ofgem-european-stakeholder-group-gas>

**Decision on Gas System Operator (SO) incentives review 2015-18.** Three incentives on NGG that expired in March 2015 and March 2016 were renewed on 19 June 2015 (Two-to-five days ahead demand forecast; Maintenance; GHG emissions). Our decision letter introducing the SO incentive scheme for the period 2015-18, may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/decision-gas-system-operator-incentives-review-2015-18>

**Gas Network Innovation Competition (NIC) Full Submission guidance and spreadsheet 2015.** The proforma, indicative spreadsheet and guidance that the Network Licensees should use when completing their Full Submissions for the 2015 Gas NIC, may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/gas-nic-full-submission-guidance-and-spreadsheet-2015>

**Energy Efficiency Directive: An assessment of the energy efficiency potential of Great Britain's (GB) gas and electricity infrastructure.** The report provides an overview of networks today as well as barriers and enablers to implementing loss reduction measures including ways to reduce shrinkage in the gas sector. It may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/energy-efficiency-directive-assessment-energy-efficiency-potential-great-britain-s-gas-and-electricity-infrastructure>

**Decision on Uniform Network Code (UNC) Modifications 0493 and 0500.**

UNC0493 sought to facilitate compliance with the Balancing European Network Code via the implementation of new rules regarding daily nominations at interconnection points (IPs). UNC500 sought to facilitate compliance with the Capacity Allocation Mechanisms European Network Code via the implementation of new rules on capacity products and the allocation of these at IPs whilst maintaining compliance with the guidelines on Congestion Management Procedures. Our decision letter approving UNC0493 and UNC 0500, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/decision-uniform-network-code-unc-modifications-0493-and-0500>

**Letter to National Grid: Gas Market Operator arrangements.** Our letter to National Grid to encourage them to explore the gas market operator arrangements, following the launch of an additional gas spot market exchange platform in March 2015, may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/code-modificationmodification-proposals-ofgem-decision-indicative-timetable>

***Licence modifications to gas licences under section 23 of the Gas Act 1986 to ensure Great Britain's (GB's) compliance with the European Union legislative definition of gas day.*** Our decision letter and the notices approving modifications to the Standard Licence Conditions ('SLCs') of the Gas Shipper Licence and the Gas Transporter Licence and the Standard Special Conditions ('SSCs') and Special Conditions of certain Gas Transporter Licences may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/licence-modifications-gas-licences-under-section-23-gas-act-1986-ensure-great-britain-s-gb-s-compliance-european-union-legislative-definition-gas-day>

***Decision on National Grid's Gas System Management Principles Statement (SMPS) submission for 2015/16.*** Our letter approving modifications to the SMPS, effective from 1 April 2015, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/decision-national-grid-s-gas-system-management-principles-statement-submission-201516-0>

***Grain LNG phase 4: revocation of third party access exemption.*** We previously granted National Grid Grain LNG (GLNG), as owner of an LNG import and export facility, an exemption from the application of section 19D of the Gas Act 1986 in respect of phase 4 of the development of the Isle of Grain LNG terminal and this was approved by the European Commission on 4 June 2013. The Gas Act and European law require exemptions to be revoked if construction not started within 2 years of approval. Our letter of 4 June 2015 revoking this exemption may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/grain-lng-phase-4-revocation-third-party-access-exemption>

***Final Decision – SSE Hornsea Limited (SSEHL) application for a minor facilities exemption (MFE) for Hornsea gas storage facility.*** Our letter rejecting SSEHL's application for may be found at the following location on the Ofgem website <https://www.ofgem.gov.uk/publications-and-updates/final-decision-ssehl-s-application-minor-facilities-exemption-hornsea-gas-storage-facility>