

David Representation - Draft Modification Report UNC 0760

Introducing the concept of a derogation framework into Uniform Network Code (UNC)

Responses invited by: **5pm on 20 September 2021**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	David Mitchell
Organisation:	Scotland Gas Networks and Southern Gas Networks
Date of Representation:	20 th September 2021
Support or oppose implementation?	Support
Relevant Objective:	c) Positive f) Positive

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

SGN supports this modification proposal as it will facilitate a derogation framework within Uniform Network Code (UNC). Having a derogation process within the UNC will enable innovation projects to be trialled without having to raise a UNC modification which would need a period of time to be developed. The concept of allowing a derogation for concepts to be trialled is something that is present in other industry codes where there is a risk that the benefits from the concept may not materialise which can be a barrier to the concept being tried. This modification proposal will allow Gas Transporters who have obligations in RIIO-2 to trial innovation projects relating to Net Zero which will aid the UK in being able to achieve its net zero targets. If approved this modification will provide Gas Transporters the flexibility to test the concepts of their projects without a requirement for code changes that may require costly system changes that would impact code parties. We believe that this change would facilitate Relevant Objective f) the promotion of efficiency in the implementation and administration of the Code. In addition to fulfilling this code objective we believe that Relevant Objective c) Efficient discharge of the licensee's obligations is also discharged as it would allow Gas Transporters to fulfil our RIIO-2 obligations.

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

Following an authority decision to implement this modification we would recommend that the modification is implemented at the earliest opportunity once the necessary processes are in place.

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

If this modification is not implemented there would be a risk to our H100 innovation project keeping to its planned delivery dates, as we would need to look at alternative means of implementing the project from a codes perspective which could result in a number of code modifications being required.

SGN does not envisage any development or ongoing costs from this modification.

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

We are satisfied with legal text.

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.*

None identified

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

We have no further analysis to provide.