

Representation - Draft Modification Report UNC 0817 (Urgent)

Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP

Responses invited by: **12pm on 06 September 2022**

To: enquiries@gasgovernance.co.uk

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

Representative:	Jeff Chandler
Organisation:	SSE
Date of Representation:	6/9/22
Support or oppose implementation?	Comments
Relevant Objective:	a) None d) none
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

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

The modification states that the reprisal of Rough as a gas storage facility is one the few measures available in the short term to improve the security of supply in the coming Winter. Prior to deciding to recommence storage operations, Centrica Storage Limited has planned for Rough to supply gas over this winter from its recovery of the cushion gas. Therefore, we do not agree that reopening Rough as a storage facility would promote the security of supply in winter 2022/23 relative to the planned alternative of supplying cushion gas.

We note that Ofgem referred to the reopening of Rough gas storage facility as promoting security of supply in winter 2022/23 in their recent decisions to grant urgent status for UNC817 and to grant Centrica Storage Limited an exemption to the acquisition of rights to use storage facilities for Rough, without consultation with interested stakeholders.

Supporting energy security is vital to supporting consumers and delivering net zero so a transparent and consistent approach to assessing security of supply impacts is essential. We encourage Ofgem to work closely with stakeholders to help improve transparency and consistency of security of supply assessments in the future.

We note that recent Q4-Summer spreads have been trading at 80 p/th and are more than adequate to cover existing capacity purchasing costs without this modification.

We also note that Ofgem has previously rejected modifications to allocate capacity at Bacton between beach terminals and storage projects and question if this modification if implemented would set a new precedent?

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

N/A

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

N/A

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.*

N/A

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

N/A