

Rebecca Hailes
UNC Panel Secretary
rebecca.hailes@gasgovernance.co.uk

6 December 2022

ICoSS letter regarding UNC Modifications 0822 & 0833

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market¹.

We are writing regarding the management of the recent reforms to the Demand Side Response (DSR) arrangements. It is understandable that any changes to the DSR regime would need to be in place prior to the commencement of winter and we do note that discussions to that end commenced in early July. A draft formal change to amend the UNC (UNC Modification 0822) was not provided until 22 August 2022 to the Transmission Workgroup, however. The change was then required to complete the change process through the urgency route, so as to be in place for 1 October 2022.

It is concerning that UNC Modification 0822 has required a subsequent change, UNC Modification 0833, to be raised at such short notice to correct what appear to be significant deficiencies in the solution. We are now aware that a third, urgent change is now also being developed. It is our view that these problems may have been avoided if industry parties had been allowed to subject UNC Modification 0822 to more rigorous assessment.

We appreciate that the UNC Panel's ability to influence the urgency process, in particular when a formal change is raised by a UNC party and whether urgency is granted by the regulator, is limited. It is clear in this case that the use of the urgency process for these changes has resulted in a poor outcome. Urgent changes tend to result in sub-optimal solutions and should not be expected to provide the most robust solution.

Any changes to the UNC should have been raised considerably earlier. Consideration of the formal changes required to deliver the solution should also have been central to the discussions held earlier this year by the proposer with the industry.

We hope that in future that such important and potentially complex proposals are raised in good time to ensure sufficient scrutiny by the industry. Rushed changes to the UNC regularly do not create the best solution and expectations of parties being able to respond to such changes should be lowered as a result. We would encourage the UNC Panel to ensure that wherever possible the industry is given sufficient time to collectively assess any change and that proposers are reminded in the value in doing so.

Yours sincerely



