






Final Modification Report	At what stage is this document in the process?
<h1>IGT146:</h1> <h2>Introduction of references to incorporate the BEIS legislative changes made in the UNC.</h2>	<div> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification looks to introduce clauses within the IGT UNC to incorporate BEIS legislation changes that have been parachuted into the UNC via the Energy Act 2008. This followed a consultation which included the UNC but accidentally omitted the IGT UNC, however, the Code changes are absolute, and it is imperative that these changes are included in the IGT UNC to ensure the relevant obligations are met.</p>	
	<p>Panel consideration is due on <b>23<sup>rd</sup> October 2020</b></p> <p>The Panel determined that this fast track self-governance modification be implemented.</p>
	<p>The Panel determined that this fast-track self-governance modification should not be implemented.</p>
	<p>High Impact:</p> <p>None</p>
	<p>Medium Impact:</p> <p>None</p>
	<p>Low Impact:</p> <p>IGTs, Shippers</p>

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## Timeline

### The Proposer recommends the following timetable:

Initial consideration by Workgroup	NA
Amended Modification considered by Workgroup	NA
Workgroup Report presented to Panel	NA
Draft Modification Report issued for consultation	18 <sup>th</sup> September 2020
Consultation Close-out for representations	9 <sup>th</sup> October 2020
Variation Request presented to Panel	NA
Final Modification Report available for Panel	16 <sup>th</sup> October 2020
Modification Panel decision	23 <sup>rd</sup> October 2020



Any questions?

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# 1 Summary

## What

The Department of Business, Energy & Industrial Strategy (BEIS) are the government body which oversees the regulations of the Energy Industry. Through their legislative powers (Secretary of State's Section 88 Energy Act 2008 powers) they are able to make changes to the energy industry Codes without a modification being created or consulted on by industry parties. On 14 January 2020, BEIS issued a consultation on whether the Data Communications Company (DCC) should be required to provide an enrolment service for first generation (SMETS1) EDML smart meters, as well as a number of matters that require amendments to the standard conditions of gas and electricity supply licences, the DCC licence and the Smart Energy Code (SEC), the Balancing and Settlement Code (BSC) and the Uniform Network Code (UNC).

The consultation focused various areas, however, specifically on the following area in relation to the UNC and IGT UNC:

- changes to the UNC and MRA to provide for DCC to receive additional information on the number of Advanced Meters each supplier has installed in support of proposed changes to the DCC charging methodology;

Unlike the UNC, the IGT UNC was not included in the consultation and was unintentionally omitted from consultation papers, however, it was the intention to change the IGT UNC to incorporate and changes identified.

The IGT UNC therefore needs to be amended in order to include these changes for IGT UNC Supply Points.

**FOR INFORMATION;** Whilst this consultation was underway Gazprom raised a Modification in the UNC (UNC679S - Alignment of the UNC TPD Section V5 and the Data Permissions Matrix) which looked to remove all data permissions from the Code and place them in the Data Permissions Matrix (DPM) which sits within the Data Services Contract (DSC). During this Modifications development, Gazprom raised a mirror Modification in the IGT UNC to ensure that the approach to data sharing was the same across both Codes (IGT135 - Alignment of the IGT UNC Part K and the Data Permissions Matrix). It became apparent during the legal text drafting of these modifications that it aimed to remove the clause in the UNC that would be subject to the BEIS changes (the IGT UNC mirrored the clause in question and the removal of this clause was also planned in the IGT UNC, however, the BEIS change only effects the UNC). This has created complications for the two Modifications and implementation of these changes have not yet been decided on, although IGT135 is currently out for consultation (closing on 23<sup>rd</sup> September 2020) and will go to the October IGT UNC Modification Panel meeting for a decision on its implementation. Although UNC679S complicates the legal text drafting of this change in the UNC, it is equivalent (IGT135) does not have a direct effect on the IGT UNC as there is currently no point across.

## Why

This change should be made to ensure that the IGT UNC includes all up to date references to the UNC and has a uniformed approach to data permissions of Supply Point information as the Distribution Networks.

BEIS concluded its consultation in May with a direction to industry to make changes to the Code shortly after this. The UNC implemented those changes in v5.49 of the UNC on 25<sup>th</sup> August 2020. The

permissions granted from this change will take effect from October 2020, therefore it is pertinent to ensure the changes made in this Modification was implemented swiftly to meet this deadline.

## How

The changes will be facilitated by introducing a new clause which will effectively point across to the relevant information in the UNC.

**FOR INFORMATION:** IGT135 (Alignment of the IGT UNC Part K and the Data Permissions Matrix) seeks to remove a clause in the IGT UNC that is part of this change, however, the solution for the UNC change (UNC697S) is being discussed by the UNC Panel and changes are expected to be made to IGT135.

## 2 Governance

### Justification for Fast Track Self-Governance

We believe that this modification should proceed as a Fast Track Self-Governance Modification under its definition of '*as a result of some error or factual change*'. We believe that it meets the threshold for Fast Track Self-Governance by addressing the error made by BEIS in omitting the IGT UNC from its consultation.

In light of the implementation of the text in the UNC (August 2020) and the go live date of October (as dictated by BEIS) this is the most pragmatic route to ensuring parity and compliance with the new legislation.

### Requested Next Steps

This modification should:

- be subject to fast track self-governance
- proceed to Consultation

## 3 Why Change?

As stated in the Summary section, this change should be made to ensure that the IGT UNC includes all up to date references to the UNC and has a uniformed approach to data permissions of Supply Point information as the Distribution Networks. If the change is not made in the IGT UNC then data will be shared with the holder of the "smart meter communications licence" without the permissions being granted in the IGT UNC, therefore, inadvertently meaning that IGTs breach their licence conditions.

BEIS concluded its consultation in May with a direction to industry to make changes to the Code shortly after this. The UNC implemented those changes in v5.49 of the UNC on 25<sup>th</sup> August 2020. The permissions granted from this change will take effect from October 2020, therefore it is pertinent to ensure the changes made in this Modification was implemented swiftly to meet this deadline.

## 4 Code Specific Matters

### Technical Skillsets

None.

### Reference Documents

BEIS Consultation.

<https://smartenergycodecompany.co.uk/latest-news/beis-consultation-response-government-response-to-6-april-2020-consultation-and-outstanding-matters-from-14-january-2020-consultation/>

V5.49 UNC (TPD section V15.7).

<https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2020-08/22%20TPD%20Section%20V%20-%20General.pdf>

## 5 Solution

This change intends to retain the necessary permissions in the IGT UNC required for the CDSP to allow data to be shared with the holder of the “smart meter communications licence” as per the BEIS changes in the UNC and to add the point over to the UNC to capture the details of the BEIS changes.

The changes are relatively small in scale and look to point over to the UNC which captures all necessary detail with regards to the information that can be shared, when and for what purpose.

## 6 Impacts & Other Considerations

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None.

### Consumer Impacts

None.

### Cross-Code Impacts

The UNC was incorporated into a review carried out by BEIS and the legal drafting automatically implemented in that Code, therefore, there is no Modification in the UNC to reference. However, this modification is linked to changes carried out by BEIS and applied by the Joint Office to TPD section V15.7.

### Environmental Impacts

None

## 7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	None
(B) Co-ordinated, efficient, and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	Positive
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	Positive
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

This change seeks to have a positive impact on both Relevant Objective C (Efficient discharge of the licensee's obligations) and F (Promotion of efficiency in the implementation and administration of the Code). This Modification seeks to ensure the Codes are joined up in their approach to data permissions across all Supply Points as well as ensuring that Licence changes made by the BEIS Consultation are effectively captured in the IGT UNC.

## 8 Implementation

As this is a Fast-track Self-Governance Modification, we believe that the implementation of this Modification should be as soon as practicable following the 15-day appeals window. This is also supported by the legislation which states that access should be granted to the "smart meter communications licence holder" from October 2020. It is acknowledged that this would be outside of the scheduled release window, however, we urge the Panel to be pragmatic in its approach to determining the implementation date.

## 9 Legal Text

### Legal Text commentary

IGT135 (Alignment of the IGT UNC Part K and the Data Permissions Matrix) seeks to remove K23.6 in its entirety. Workgroup members and the IGT UNC Modification Panel were made aware that the clause that this replicated in the UNC (UNC TPC section V15.7) was the clause that would be affected by the BEIS changes. This modification looks to retrain 23.6 to ensure that the IGT UNC is compliant with the licence condition changes set out by BEIS.

### Legal Text

23.6 The CDSP are authorised to disclose such data as is set out within Annex V-10 of the UNC to the holder of the “smart meter communications licence” as defined by the Statutory Instrument 2012 No.2400: The Electricity and Gas (Smart Meters Licensable Activity) Order 2012. Such data may relate to all Supply Meter Points regardless of status. The CDSP are authorised to appoint a third-party agent (i.e. Xoserve) to manage the collation and transmission of the data set out within Annex V-10 of the UNC on to the holder of the “smart meter communications licence”.

23.7 Where in respect of any access to Supply Point data by the holder of the “smart meter communications licence” the CDSP will disclose such data in accordance with paragraph 5.17 of Section V of the UNC.

23.87 Confidentiality as between a Party or Parties and the CDSP is governed by the DSC and not the Code.

23.98 The Pipeline Operators are authorised to disclose such data as is required for the reports as are specified in the Performance Assurance Report Registers Schedules 1A, 1B, 2A and 2B in accordance with paragraph 16.5 of Section V of the UNC.

## 10 Consultation

Panel invited representations from interested parties by 9<sup>th</sup> October 2020. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Indigo Pipelines	Support	C – positive F - Positive	<ul style="list-style-type: none"> <li>We believe this Modification is necessary to address an oversight in the drafting of the legal text for UNC Modification 679S.</li> <li>We agree that this change needs to be Fast-tracked.</li> <li>Objective C – as it would prevent any IGT being inadvertently placed in breach of Licence when the CDSP commences sending the additional data to DCC; Objective F – as it seeks to realign IGT UNC</li> </ul>

			<p>with UNC.</p> <ul style="list-style-type: none"> <li>• Ideally, we would aim to implement in the scheduled November 2020 Release, but this may be too soon, so implementation may have to be in ad-hoc Release as soon as practical.</li> <li>• We are satisfied with the proposed legal text.</li> </ul>
SSE Energy Supply Limited	Support	C – positive F - Positive	<ul style="list-style-type: none"> <li>• This modification is necessary in order to ensure that the IGT UNC is kept up to date with all necessary references to the UNC.</li> <li>• We agree that this should be a fast track self-governance modification.</li> <li>• We believe that this modification should be implemented as soon as possible.</li> </ul>

## 11 Panel Discussions

*The Code Administrator will provide a summary of the Panel discussions that inform any decisions taken. This will include a record of Panel's views on the representations, the outcome of any votes and, where alternates exist, Panel's preference.*

### Discussion

Insert text here

### Consideration of the Relevant Objectives

Insert text here

### Determinations

Insert text here

## 12 Recommendations

### Panel Determination Fast Track

Members agreed:

- that Modification 146F should [not] be implemented