

Final Modification Report	At what stage is this document in the process?
CSL01: Exclusion of Standalone Networks from IGT UNC	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report
Purpose of Modification: The IGT UNC rules do not work well for networks with no connection to the GB gas grid, and this proposal excludes them from the IGT UNC.	
	Panel consideration took place on on 29th May 2026. The Panel recommends unanimously that this Authority Direction Modification Proposal should be implemented.
	High Impact: Developers, owners, operators and customers of standalone networks
	Medium Impact: None
	Low Impact: All IGT UNC Users
	Priority Category Standard

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Any questions?

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Timeline

Modification timetable:

Date raised	15 th January 2026
New Modification to be considered by Panel	23 rd January 2026
First Workgroup Meeting	12 th February 2026
Workgroup Report to be presented to Panel	24 th April 2026
Draft Modification Report issued for consultation	27 th April 2026
Consultation Close-out for representations	19 th May 2026
Final Modification Report available for Panel	21 st May 2026
Modification Panel decision	29 th May 2026

1 Summary

What

In the absence of change, rules designed for complex networks would be applied to pipelines with no connection to the main grid (standalone networks).

Why

CNG Services Limited (CSL) is developing a number of standalone networks (e.g. IGT pipelines with no connection to any other network). By default, the CSL Network Code provides for the IGT UNC to apply to all CSL operated pipelines. This is not appropriate for a standalone network.

How

Amending Schedule 1 of the CSL Network Code to exclude the provisions of the IGT UNC applying to standalone networks.

2 Governance

Justification for Authority Direction procedures

In principle, this Modification satisfies the Self-Governance Criteria, with only a handful of stakeholders impacted. However, since these sites would be removed from IGT UNC governance, we would suggest that Authority Direction is appropriate.

Requested next steps

This Modification should:

- proceed to Workgroup.

Workgroup discussions (March 2026)

The Workgroup considered the Proposer's rationale and unanimously agreed that the Modification should be considered an Authority Direction Modification Proposal.

Panel discussions (April 2026)

The Panel considered the Proposer's rationale and Workgroup views and unanimously agreed that the Modification should be considered an Authority Direction Modification Proposal.

Panel decision (May 2026)

The Panel considered the consultation responses and unanimously agreed that CLS01 should continue to be treated as an Authority Direction Modification Proposal.

Prioritisation Criteria

Prioritisation Criteria	High Impact
Strongly aligns with the Strategic Direction Statement The Modification strongly supports key government energy policy actions that require immediate progress and aligns with SDS priorities under the Act Now category.	No
Complexity The Modification is highly complex, with a fast-approaching deadline, significant implementation challenges, and a requirement for extensive stakeholder engagement.	No
Importance The Modification addresses a high-risk or critical issue, making timely action important for stakeholders as it is anticipated to deliver substantial benefits and value.	No
Priority Category	Standard

In preparation for the new Prioritisation process being implemented into the IGT UNC on 29th May 2026, the Code Administrator has assessed all in flight Modifications against the Prioritisation Criteria above, and in line with Ofgem's guidance document.

The Code Administrator suggests that CSL01 have a Priority Category of Standard. The Code Administrator informed the Proposer of the suggested Priority Category, and they attended the Workgroup Meeting on 14th May 2026 where the categories of all Modifications were discussed. The Proposer and the Workgroup raised no issues or concerns regarding CSL01 having a Priority Category of Standard.

Panel decision (May 2026)

The Panel considered the suggested Priority Category noted above and unanimously agreed that CLS01 should be treated as Standard.

The Code Administrator prompted the Proposer to provide their rationale against the Priority Criteria. The Proposer told Panel members that they had not identified any alignment with the Ofgem Strategic Direction Statement (SDS), nor had they identified this Modification as being either complex or important. The Panel Chair asked members if they agreed with this assessment, which they did unanimously.

3 Why Change?

CSL is developing standalone pipelines that do not take gas from the main gas grid. To date, all biomethane in Great Britain (GB) has been injected to part of the GB gas grid, be that the National Transmission System (NTS), a Gas Distribution Network (GDN) or an IGT pipeline.

A simple example of a standalone network is when biomethane from an Anaerobic Digestion (AD) plant is delivered to a nearby consumer through a dedicated pipeline. A more complex example could involve multiple AD plants and multiple customers using the biomethane that is injected to the pipeline.

In the absence of this modification, the IGT UNC, and hence UNC, provisions would apply to standalone networks. This would be problematic as the existing provisions were not designed with standalone networks in mind. For example:

- The limited source of gas means that a firm supply could not be offered. Indeed, the AD plant would be looking for a firm offtake as the aim would be for all the biomethane produced to be used in real time in order to avoid flaring if pressures were to build through a lack of demand;
- For standalone networks with multiple offtakes, a form of rationing is expected to be required. This would allocate the physically available biomethane between customers to avoid all being used by the first customer that the gas reaches, leaving none for customers at the end of a pipeline.

It is inevitable that imbalances will be recorded on standalone networks, for example because two meters will not record the same amount of energy, and the amount consumed may be different to the amount allocated to the sites in accordance with the Code. We believe it is inappropriate for there to be any impact on any party not involved with a standalone network, which would be the case if the standard Code provisions were to apply. Avoiding these wider impacts is, therefore, a benefit of excluding standalone networks from the IGT UNC.

This Modification seeks to keep standalone networks outside the code such that location specific transportation arrangements can be put in place that recognise the particular circumstances of each case. These arrangements would necessarily have to take in to account statutory obligations. For example, the Gas Safety (Management) Regulations would apply and Safety Cases would need to be in place. As envisaged in the Gas Act, Gas Shippers and Suppliers would also need to be engaged by customers, with customers free to choose their preferred Shipper/Supplier through competitive processes as they see fit.

It is proposed to recognise the unique circumstances of standalone networks by amending the CSL Network Code. Condition 4E of CSL's Gas Transporter Licence provides that "Except in a case in which the Authority accepts otherwise, the licensee shall only enter into transportation arrangements which are in conformity with any relevant provisions of the Network Code." Rather than modify the CSL Network Code, an alternative implementation route may be for Ofgem to "accept otherwise" and agree that standalone networks should be subject only to the CSL Network Code and not the IGT UNC, and hence UNC. While this is possible, and CSL would not object to this, it is not within our gift to propose this and our preference is for change to be promoted by industry participants, consistent with the preference for Self-Governance.

4 Code Specific Matters

Technical skillsets

Balancing knowledge.

Reference documents

IGT UNC, UNC

5 Solution

Proposed solution

The CSL Network Code provides that the IGT UNC provisions are incorporated except:

"Schedule 1 to this document and its Appendix set out provisions:

- a) which are to be applied in addition to those set out in the IGT UNC;
- b) of the IGT UNC which are to be disapplied;
- c) of the IGT UNC which are to be modified;
- d) of the IGT UNC which are further detailed or explained.
- e) of the IGT UNC which are to be delayed in their implementation”

It is proposed to modify Schedule 1 in line with b) above, by providing that the whole of the IGT UNC is disapplied in the case of a standalone network.

Workgroup discussions (February 2026)

The Proposer took the Workgroup through the Modification, as well as a [PowerPoint presentation](#) which provided additional context and further details on the standalone networks they see falling within the scope of CSL01.

Licence changes

Xoserve asked the Proposer why they chose to go down the route of amending the CSL Network Code rather than looking at a change to their IGT Licence to separate their standalone networks from the IGT UNC. The Proposer confirmed that they did not see this being within the remit of a Licence change. However, they welcomed a view from Ofgem on this.

Xoserve were unsure how the changes could be made without a change to the Licence and took the Workgroup through a [PowerPoint presentation](#) they prepared to help facilitate discussion on whether this was an IGT UNC Code matter or a matter of Licence.

Xoserve advised that they had taken away the Business Rules set out within the Modification and considered four scenarios which they felt *may* occur under CSL01. They confirmed that their views at this point were *not* a formal impact assessment and there had been assumptions made. Xoserve took the Workgroup through the following four scenarios:

1. No entry to the Total System
 - a. CDSP Initial View: anticipate Central System impacts to be NIL but would expect this to be a Licence matter.
2. Entry ONLY to Total System. Not consumer
 - a. CDSP Initial View: anticipate Central System impacts to be NIL but would expect this to be a Licence matter.
3. Entry ONLY to Total System and offtake of biomethane by End Consumer
 - a. CDSP Initial View: anticipated that there would be no requirement for the End Consumer to be on UK Link and this would be treated as ‘Own Use Gas’. Asked whether Ofgem would be happy with Scenario 3 and whether they want the End Consumer to be treated as ‘Own Use Gas’. Would expect this to be a Licence matter.
4. Bi-directional flow of gas with Network Entry Points and Network Exit Points
 - a. CDSP Initial View: anticipated that scenario 4 would lead to Central System impacts which would require further investigation (e.g. settlement, balancing etc.). Would expect this to be a Licence matter.

An IGT advised that when they read the Modification, they only envisioned scenario 1. They asked Xoserve whether they saw all four scenarios as a reality. Xoserve advised that there are unknowns in

terms of how many scenarios there could be. They advised that they provided this additional information to ensure that there was full consideration by the Workgroup of the potential scenarios that could be a reality as a result of the change.

Xoserve expressed their support for the overall idea and the move to greener gas. However, they have some concerns on how this Modification may impact future industry change and the consumer and therefore felt this was a matter for Ofgem.

An IGT asked the Proposer whether they have discussed this matter with Ofgem. The Proposer confirmed that they had been broadly supporting and seemed comfortable, in the instance of ISLA, for them to have the standalone network. Xoserve asked whether discussions with Ofgem had taken place regarding Licence changes. They noted that the Proposal Form mentioned the need for Licence changes¹ to enable this Modification. The Proposer advised that they needed to take that away to confirm the content of those discussions.

NESO advised that they were very interested in how this Modification developed and were broadly supportive of the concept of a standalone network. They noted Xoserve's concerns and agreed that there is a need to get this right the first time and ensure the required Licence conditions are in place to support this.

Derogations

The Chair advised the Workgroup that the Panel had asked the Proposer why they chose to raise a Modification and not request a Derogation and the Proposer agreed to take the matter away. The Proposer advised the Workgroup that Derogations were for short term solutions, and they didn't see this as short term and also didn't see a Licence derogation within the scope.

The Chair asked if CSL had thought about using the Ofgem Sandbox. The Proposer advised that they were not aware of any discussion regarding the Ofgem Sandbox.

Xoserve suggested that it would be worth seeking a view from Ofgem on the Modification. The Chair confirmed that, as Ofgem were not in attendance, the Code Administrator could reach out to them to request a view ahead of the next Workgroup meeting.

Shipper and Supplier impacts

The Chair asked the Proposer how this Modification may impact a Shipper. For example, if there was a Shipper who wanted to ship gas on the standalone network, what did that Shipper need to do practically to allow for that to happen.

The Proposer advised that, in terms of CSL, the standalone network would be owned and operated by the same company in that there will be one AD plant on the site of an industrial user of the gas. They therefore do not see a commercial Shipper needed to be involved.

The Chair asked why there was a need to make the changes to the CSL Network Code if there is not going to be a Shipper involved. The Proposer advised that they have to take that away to give a precise answer.

The Chair asked for further clarification regarding competition, noting that normal competition would need to apply to allow consumers to switch Supplier. The Proposer advised that they envisioned a register of

¹ It should be noted that additional Workgroup Discussions on this matter took place in March 2026. Please see the outcome of these discussions on page 8 of this document.

different Suppliers being created to show who was in the area based on location specific rules to which the consumer could switch between. They acknowledged that competition would be required by law.

Workgroup discussions (March 2026)

The Proposer provided a response to some outstanding questions raised at the February 2026 Workgroup meeting as set out below:

- **If no commercial Shippers will be involved on the standalone network, why does the INC require changes as it is a contract between the IGT and a Shipper?** Apologies if this was not clear at the meeting, but it is incorrect that there will be no Shipper. Slide 8 of the pack we provided ahead of the meeting confirmed this: "Shippers/Suppliers required as per Gas Act".
- **Why was a sandbox solution not considered?** Neither ourselves nor Ofgem suggested a sandbox solution might be appropriate. What we are proposing builds on existing provisions and does not require regulatory change.
- **How would switching and competition work on the standalone network?** The proposal is silent on how switching and competition would work. We would expect the arrangements in any particular case to reflect the circumstances and be dictated by the parties concerned. From our perspective as the IGT, if a consumer wishes to change Shipper/Supplier, they are free to do so at any time. This would be a commercial decision based on negotiation and agreement, with no need to codify the process. This is how the change of Shipper occurs for biomethane entry - unlike exit, the UNC is silent on the change of Shipper process.

Xoserve advised the Workgroup that they have discussed CSL01 with the Proposer following the February meeting and that as part of these conversations, the scope of this change was discussed. Xoserve advised that the consumers being referenced within the Modification are expected to be commercial customers rather than domestic customers and suggested that this be noted. The Proposer clarified that the setup of a standalone biomethane network would only make sense for commercial customer connections. However, the proposal itself does not look to exclude any type of customer from connecting to a standalone biomethane network.

The Proposer referenced the [Xoserve presentation](#) at the February 2026 meeting, noting that they were surprised to see the late paper given the discussions already taking place with Xoserve. Xoserve, confirmed that, as part of IGT UNC Workstream meetings, they are often expected to feed into the discussions and ensure that any support or change needed from the CDSP is clearly set out and considered. They added that the presentation was provided to aid in the discussions on the day and to support what would have otherwise been a verbal update. Xoserve thanked the Proposer for their continued engagement outside of the Workgroup meetings.

Xoserve provided an additional verbal update to the Workgroup following offline discussions with the Proposer. They confirmed that this Modification will not result in Central System impacts.

NESO asked for clarification regarding the confusion at the last meeting. Xoserve advised that they provided details of possible scenarios for standalone biomethane networks to aid in wider discussions on the impacts of the Modification and to help determine and agree what scenarios may/may not be applicable under this Modification. Xoserve confirmed that they have had detailed discussions with the Proposer outside of Workgroup meetings and obtained the necessary clarity needed to determine that there are no impacts to Central Systems.

The Workgroup revisited, for completeness, the scenarios initial raised by Xoserve as follows:

1. No entry to the Total System.
2. Entry ONLY to Total System. Not consumer.

3. Entry ONLY to Total System and offtake of biomethane by End Consumer.
4. Bi-directional flow of gas with Network Entry Points and Network Exit Points.

The Proposer advised that Scenario 1 is the only scenario that they see as being applicable to this Modification. They added that Scenario 3 is theoretical and would be impracticable in practice. Furthermore, Scenarios 2 and 4 are not relevant to this Modification and are already being done under Code.

The Workgroup considered the points raised and had no further comments or concerns with regards to the scenarios above.

Licence changes and derogations

Ofgem gave an update to the Workgroup on the questions posed to them regarding the matter of Licences changes and Derogations.

Ofgem provided some general guidance, noting that where there is a Licence requirement to abide by a Network Code, it is preferable for there to be a Code approach to that. They also noted that, regarding Derogations and Sandboxes, that these tend to apply to temporary solutions.

Ofgem confirmed that, in this specific instance, they understand the rationale for the Code specific change approach, rather than a Licence change approach, recognising that Licence changes can be a time-consuming process. In the short term, Ofgem are not opposed to a Network Code change in this instance.

They considered a scenario by which CSL01 is sent to Ofgem for decision and it is approved, adding that whilst it may not be ideal to have a Licence that references a Code that is disappplied, there is a logic to the route for change in this instance.

Ofgem noted that there are also benefits to a Network Code Modification approach as it opens the change up to industry for discussion and allows for feedback to be obtained from parties on the approach.

Ofgem advised that they are happy for CSL01 to continue as an IGT UNC Individual Network Code Modification. Though, they do recognise that, down the line, a review of Licence arrangements may be needed to ensure there is no unintended misalignment.

The workgroup noted the response from Ofgem and had no further comments or concerns regarding the matter of Licence changes or derogations.

Panel discussions (April 2026)

The Panel considered the solution and raised no comments or concerns.

Panel decision (May 2026)

The Panel, having considered the consultation responses, reviewed the solution and raised no comments or concerns and agreed that no further work was required.

6 Impacts & Other Considerations

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

No

Workgroup discussions (March 2026)

The Workgroup considered impacts to SCRs and other significant industry change projects and unanimously agreed that there were no impacts.

Panel discussions (April 2026)

The Panel considered impacts to SCRs and other significant industry change projects and unanimously agreed that there were no impacts.

Panel decision (May 2026)

The Panel, having considered the consultation responses, considered the impacts to SCRs and other significant industry change projects and unanimously agreed that there were no impacts.

Consumer Impacts

What is the current consumer experience?

As no standalone IGT networks exist, there is no existing consumer experience

What would the new consumer experience be?

Implementation would allow a small number of consumers to be supplied through a standalone network, giving them access to the most economic and efficient solution in their particular circumstances, supporting efforts to achieve net zero through increased biomethane production displacing the use of fossil fuels.

Impact of the change on Consumer Benefit Areas

Area	Identified Impact
Improved safety and reliability	None
Lower bills than would otherwise be the case No impact on existing gas consumers but potential for reduced bills for customers connected to standalone networks in future	Positive/None
Reduced environmental damage Additional biomethane production reduces environmental damage	Positive
Improved quality of service	None
Benefits for society as a whole Benefits through progress towards net zero	Positive

Workgroup discussions (March 2026)

The Workgroup considered the Proposer's views with regards to consumer impacts. The Proposer clarified that there would be no impact on existing gas consumers but there could be reduced bills for consumers connected to standalone biomethane networks in future.

An IGT asked, given that this Modification seeks to disallow the application of the IGT UNC on standalone networks, how it could be impacting consumers under Code. Another IGT agreed with this view. NESO asked how benefits can be assessed if we are unsure what the service is going to be for the end consumer (e.g. with regards to switching).

The Proposer advised that an end consumer seeking to get gas from an AD plant on a standalone network will only pursue this if it will be of benefit to them.

The Workgroup agreed with the impacts and benefits as set out by the Proposer.

Panel discussions (April 2026)

The Panel considered the Proposer and Workgroup views and agreed unanimously with the impacts and benefits as set out above.

Panel decision (May 2026)

The Panel, having considered the consultation responses, unanimously agreed with the impacts and benefits as set out above.

Cross-Code impacts

None

Workgroup discussions (March 2026)

The Workgroup considered whether there were any cross-Code impacts and agreed that there are no impacts to the UNC or any other industry Codes.

Panel discussions (April 2026)

The Panel considered Proposer and Workgroup views and agreed unanimously that there were no cross-Code impacts to the UNC or any other industry Codes.

Panel decision (May 2026)

The Panel, having considered the consultation responses, unanimously agreed that there were no cross-Code impacts to the UNC or any other industry Codes.

Environmental impacts

Standalone networks will support increased biomethane production, supporting net zero by displacing fossil fuel usage.

Workgroup discussions (March 2026)

The Workgroup considered the Proposer's views on environmental impacts. The Proposer confirmed that they see this Modification having a positive impact on the environment.

The Chair noted previous discussions regarding flaring and whether there was a possibility for that to take place. The Proposer advised that there is always a risk of flaring being required. The chances of flaring

associated with a standalone biomethane network connected to an AD plant is much the same as any other network. The reasons for flaring would also be the same.

NESO advised that they agreed with the Proposer's view that this Modification will have a positive impact on the environment and a good starting point for future innovations to be modelled off it.

The Workgroup considered the views put forward and unanimously agreed with the Proposer that this Modification will have positive impact on the environment.

Panel discussions (April 2026)

The Panel considered Proposer and Workgroup views and agreed unanimously with the impacts as set out above.

Panel decision (May 2026)

The Panel, having considered the consultation responses, unanimously agreed with the impacts as set out above.

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	None
(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	Positive
(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

Proposer rationale

Disapplying the IGT UNC from standalone networks avoids the costs of modifying the Code to accommodate standalone networks. By ensuring all costs are retained within the standalone network, meaning there can be no impact on users of the wider GB gas grid, costs are appropriately targeted. Minimising costs and targeting them to the appropriate parties is consistent with promoting competition and efficiently implementing the Code.

Workgroup discussions (March 2026)

The Workgroup considered the Proposer's rationale against Objectives (D) and (F).

An IGT advised that they agreed with the views of the Proposer's and noted that disapplying Code to standalone networks minimises impacts on existing Code parties and Code arrangements.

The Workgroup agreed with the Proposer that this Modification will have a positive impact on Objectives (D) and (F) for the reasons set out above.

Panel discussions (April 2026)

The Panel considered views expressed against the Objectives by the Proposer and the Workgroup. A Panel member considered whether the rationale against Objectives (D) could be expanded on with regards to competition. The Proposer reiterated the views as expressed above with regards to competition.

The Panel unanimously agree that this Modification will have a positive impact on Objectives (D) and (F) for the reasons set out above.

Panel decision (May 2026)

The Panel, having considered the consultation responses, unanimously agreed that this Modification will have a positive impact on Objectives (D) and (F) for the reasons set out above.

8 Implementation

With no systems or process changes required, implementation can be immediate once the proposal is accepted.

Workgroup discussions (March 2026)

The Workgroup considered the potential options for implementation. The Code Administrator suggested an implementation approach of 1 Working Day following the closure of the 15 Working Day Appeal Window.

The Workgroup agreed unanimously with the suggested implementation approach.

Panel discussions (April 2026)

The Panel agreed unanimously with the proposed implementation approach of 1 Working Day following the closure of the 15 Working Day Appeal Window.

Panel decision (May 2026)

The Panel, having considered the consultation responses, unanimously agreed with the proposed implementation approach as set out above.

9 Legal Text

Proposed legal text

Add new paragraph 3 to Schedule 1 of the [CSL Network Code](#) as follows:

1. *References in this Schedule and the Appendix hereto to a "Part" are unless provided otherwise to a Part of the IGT UNC.*
2. *For the purposes of the Code "Capacity Variable Component" shall mean in respect of a Customer Charge, the component (if any) thereof the amount of which is determined by reference to the amount of Offtake Capacity allocated to a Pipeline User pursuant to Part B.*
3. *For any standalone network (Pipeline(s) that are not associated with a Connected System Exit Point, as defined in the Uniform Network Code, since they are not supplied with gas via an IGT Pipeline nor GT Network), the whole of the IGT UNC is to be disapplied. For the avoidance of doubt, all statutory obligations will apply to these networks and the arrangements put in place for each standalone network will necessarily reflect this.*

Workgroup discussions (March 2026)

The Workgroup considered the Proposer's suggested legal text changes to the CSL INC as set out above. The Workgroup had no comments on the legal text and unanimously agreed that it delivers the intent of the Modification.

Panel discussions and Workgroup send back (March 2026)

The Panel considered the Workgroup Report and draft legal text changes at its meeting on 27th March 2026.

A Panel Member noted the use of *standalone network* within the legal text asked if this was a term defined with the IGT UNC or the CSL INC.

The Proposer clarified that a standalone network is defined in this Modification as a network that is not connected to a system exit point, meaning there is no Connected System Exit Point (CSEP) associated with it.

The Code Administrator added that a standalone network is not formally defined under either Code. They noted the proposer definition of a standalone network and added that it is also referred to within the Workgroup Report as a network that is not connected to, or injecting into, the GB gas network. They also made reference to additional materials linked within the Workgroup Report for context.

The Panel considered whether a change to the legal text was needed, with three Panel members agreeing that it would be helpful to clarify the status of the term *standalone network* within the legal text and make it a defined term. It was suggested that a reference to there being no connection or injection into the GB gas network could be added.

The Code Administrator suggested an approach to Panel, in that the term could be capitalised, bolded and put in quotations. Then, the definition could be amended to include an appropriate reference to GB gas grid and remain within brackets as it is now. They advised that this approach is common within the IGT UNC.

The Panel agreed unanimously with the approach and that the Modification should be sent back to the Workgroup to discuss the suggested changes to the legal text. The Code Administrator shared the below suggested changes with the Proposer for consideration ahead of the next Workgroup Meeting:

3. For any “**Sstandalone Nnetwork**” (Pipeline(s) that are not associated with a Connected System Exit Point, as defined in the Uniform Network Code, and since they are not supplied with gas via an IGT Pipeline nor GT Network, and do not inject gas into, or connect to, the Total System as defined in the Uniform Network Code), the whole of the IGT UNC is to be disapplied. For the avoidance of doubt, all statutory obligations will apply to these networks and the arrangements put in place for each standalone network will necessarily reflect this.

The Panel reviewed the Workgroup Report in full and had no other comments or points to raise with the Workgroup.

Proposer and Workgroup consideration of suggested changes (April 2026)

The Code Administrator took the Workgroup through the Panel's comments on the CLS01 legal text as well as their suggested amendments.

The Proposer advised that they have reviewed the suggested changes and Panel comments internally. They have concluded that defining the term ‘standalone network’ within the CSL01 INC would not be appropriate as there are no other CSL INC defined terms within the INC. They added that the definition of standalone network is already defined within the CSL01 legal text. However, it is not formatted in the same way it would be in the IGT UNC or the UNC. They also advised that the changes suggested to the definition itself with regards to references to Total System connection/gas injection would not be fit for purpose. This is because it would be a connection to the Total System in so much as you can use gas within the United Kingdom and have it be counted for emission trading schemes. Therefore, to avoid questions on when a standalone network is considered to be connected and when it is not, we used the CSEP to draw the line and avoid future confusion.

An IGT member noted the Proposer's views and advised that the rationale behind the Panel's suggestions was to ensure that there was no ambiguity nor room for scope creep. Panel members were more comfortable with pinning the definition down and making it more clearly defined.

The Proposer understood the rationale and advised that they felt the current definition clearly defines what a standalone network was in that the standalone network will be provided with its own gas and therefore there will be no CSEP involved. They noted the suggestions regarding the Total System again and provided examples of how it adds further complexity and ambiguity. They noted that if you have a standalone network connected to property with an AD plant and it pumps gas directly into a boiler, then arguably it is completely disconnected. However, if you have the same situation but the gas is pumped into a service pipe downstream of the meter and then into meter, there is a question as to whether this is considered connected to the Total System as the service pipe is connected to the meter which is connected to the Total System. As it is currently possible to have the latter at a commercial site, expanding the definition to include the Total System connection/injection, introduces further ambiguity. So, leaving the definition as it currently ensures that the line is drawn at whether there is a CSEP and the questions around what is and is not considered a connection to the Total System are removed.

The IGT noted the Proposer's views and suggested the Workgroup review the definition and what was suggested by Panel and agree whether they feel there needs to be a defined term for standalone network and how it should be defined. The Proposer directed the Workgroup to their proposed definition and raised a concern about giving the impression that if standalone network is capped and bolded, it might imply that the term is defined within the IGT UNC or the UNC as the only capped terms within the INC are those defined within those two Codes.

An IGT recognised the Proposer's comments with regards to there not being other defined terms within their INC, however, as they are looking to disapply IGT UNC provisions, they feel it should be clear what a standalone network is and what they are disapplying IGT UNC provisions against. The Proposer

reiterated their definition of standalone network and their concerns advising that they do not want to that give the impression of a term being defined within the IGT UNC or UNC or make the term inconsistent with the formatting and approach within their own INC.

The IGT Member advised that the suggestions by Panel were just that, and if the Proposer wishes to not make the changes they are within their right to do so. The Proposer confirmed that they do not wish to make any changes to their legal text. The Proposer asked Workgroup Members if they have any concerns with regards to their decision. There were no comments raised by the Workgroup on the Proposer's choice not to amend their legal text.

The Chair advised that parties accede to the INCs and it is the INCs that require them to adhere to the IGT UNC. They noted that as a result, INCs are a sub-document and linked to the IGT UNC. They posed an additional question to the Proposer regarding whether it would be clear to a Shipper what a standalone network is based on the legal text. The Proposer advised that there will be so few Supply Points that the Supply Points will know the detail. They also confirmed that there will be nothing in Gemini for these Supply Points and so there will be no connection to the UNC or IGT UNC.

The Chair asked members if there were any final comments. There were no comments on the Modification raised by Workgroup.

Panel discussions (April 2026)

The Code Administrator provided an update on CSL01 and advised that the Workgroup and the Proposer considered the suggested changes proposed by the Panel at its March 2026 meeting. They confirmed that the Proposer decided not to make any changes at this time and that the Workgroup had no comments or concerns following discussion at the meeting.

A Panel Member asked to see the Proposer's definition again, which was pulled up for all members to see. The Member noted the concerns raised at the last meeting and confirmed that they are happy with the term and the definition as set out in the Draft Modification Report and for CSL01 to proceed as is. They added that, for the avoidance of doubt, they feel that defining standalone network in the main body of the IGT UNC could avoid any future misinterpretation, because at the moment, it is just in an INC. However, they are happy with the legal text for this Modification as it stands.

The Proposer questioned the effectiveness of adding this term into the IGT UNC as standalone network will be taken outside the remit of this Code for their customers should CSL01 be approved. The Panel Member reiterated the concerns raised and advised that another IGT could look to have a standalone network in the future and may want the IGT UNC to apply. They noted that having a definition in the IGT UNC would be useful.

Another Member asked the Code Administrator for their view on the CSL01 legal text and adding a definition for standalone network into the IGT UNC. The Chair advised that they do not feel that the changes proposed by the Panel to the INC or the introduction of a defined term for standalone network in the IGT UNC are necessary at this point in time. The Chair further clarified the INC and IGT UNC document hierarchy. Noting that all IGTs are required to adhere to the IGT UNC via their Licence and Shippers are required to do so via the INCs they are signed up to.

The Chair added that it is possible in future for another IGT to have a slightly different definition of a standalone network and so having a term in the IGT UNC could help with that in the future. However, Panel members agreed that should this happen, a defined term can be added to the IGT UNC via a Modification at that point in time.

Panel Members had no further comments or concerns on the legal text.

Panel decision (May 2026)

The Code Administrator provided an overview of the legal text, and a summary of the discussions that have taken place to date to determine whether the legal text delivers the intent of the solution. The Chair then asked Panel members if they agreed that the legal text delivered the intent of the solution.

One Panel Member advised that they had on previous occasions indicated that, in their view, adding a definition for “standalone network” into the IGT UNC would be sensible. In their view, such an addition would prevent possible misuse of the Code in the future by actors who may wish to circumvent Code governance by introducing changes into their individual Codes only. However, this Panel Member indicated that they accept that this issue has been discussed and resolved, and considers the issue resolved in respect of this Modification and therefore supports the legal text.

Another Panel Member indicated that they share the same view, supporting this Modification’s legal text with that same caveat. Lastly, another Panel Member indicated that their position has changed from their view at the previous Panel, and that they now support the Modifications’ legal text, where they did not before. They indicated that this was due to the amount of work undertaken by members of the IGT UNC Workgroup.

As a result, the Panel, having considered the consultation responses, unanimously agreed that the legal text delivers the intent of the solution.

10 Consultation

Panel invited representations from interested parties by 19th May 2026. The summary of responses in this section is for reference on a reasonable endeavour's basis only. We recommend that all representations are read in full when considering this Final Modification Report. All responses are published alongside this report.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
BUUK	Support	D - positive F - positive	- Supports the Modification being implemented. - Agree that the Modification should be treated as an Authority Direction Modification Proposal. - Agree that there is a positive impact to Objective (D) and (F). - No new issue raised - No impacts, costs or implementation lead time indicated. - No issues raised against the legal text.
CSL	Support	D - positive F - positive	- Supports the Modification being implemented. - Agree that the Modification should be treated as an Authority Direction Modification Proposal. - Agree that there is a positive impact to Objective (D) and (F). - No new issue raised - No impacts, costs or implementation lead time indicated. - No issues raised against the legal text.
NESO	Neutral	D - neutral F - neutral	- Neutral regarding whether this Modification should be implemented. - Agree that the Modification should be treated as an Authority Direction Modification Proposal. - Believe that CSL01 is neutral against Objectives (D) and (F). - No new issues raised. - No impacts, costs or implementation lead time indicated. - No issues raised against the legal text.

Summary of responses

There was a total of 3 responses received to the consultation, two respondents were IGTs and one was NESO.

The Code Administrator recommends that all consultation responses are looked at individually. All responses to the CSL01 consultation can be found [here](#).

Governance

All respondents to the consultation agreed that CLS01 should be an Authority Direction Modification Proposal. A summary of their rationale is set out below:

- One respondent (IGT) confirmed that they agree with the Proposer and indicative Ofgem view that the Modification should proceed to the Authority.
- One respondent (IGT) provided no rationale.
- One respondent (NESO) advised that as the proposal disapplies the IGT UNC for a defined class of networks and is the first of its kind, Authority oversight is appropriate.

Support for implementation

Two respondents (both IGTs) support the implementation of the Modification. A summary of their rationale is set out below:

- One respondent (IGT) advised that the intent is to amend CSL's INC to disapply the IGT UNC for their Standalone Networks. Disapplying the IGT UNC avoids complexity and obligations for networks that do not interact with existing IGT arrangements, and the GB Gas Grid as a whole. The proposed approach ensures the IGT UNC continues to apply only where it is relevant and effective.
- One respondent (IGT) has identified several instances where the most economic and efficient approach for new gas supplies is to transport gas through a standalone network, providing examples in their consultation response. Since bespoke transportation arrangements are required, reflecting the specific circumstances of each standalone network, providing for these networks to be outside the IGT UNC is a pragmatic and logical approach. The innovative approach of gas supply to a standalone network can support the development of additional local gas network infrastructure whilst promoting the principle of using local solutions to assist in decarbonising traditionally hard-to-abate industrial sectors, in line with Ofgem's SIF challenges.

One respondent (NESO) was neutral with regards to the Modification being implemented. A summary of their rationale is set out below:

- By disapplying IGT UNC provisions that were designed for connected, system-wide networks, the Modification removes unnecessary regulatory barriers and allows bespoke arrangements that better reflect the physical and commercial realities of Standalone Networks. However, as these network arrangements will not be contained in a Network Code, we are unable to assess the impacts to consumer protections, charging, safety, settlement or switching arrangements. We therefore do not consider this solution to be scalable beyond the initial project CNG have presented.

Relevant Objectives

Summary of views against Objectives				
Obj.	Positive	Negative	Neutral	Overall View
A	-	-	-	-
B	-	-	-	-
C	-	-	-	-
D	2	-	1	Majority view is positive
E	-	-	-	-
F	2	-	1	Majority view is positive
G	-	-	-	-

A summary of respondent's views against the Objectives is below. We encourage readers to review all rationale provided in individual consultation responses.

- **Objective (D)**

- **Positive:** The disapplication of the IGT UNC means that the impact of CSL01 Standalone Networks minimises impacts on existing Code parties and Code arrangements, thus proving positive in relation to Objective (D), and (F).
- **Positive:** Implementation would have a marginal positive impact on Objective (D). Several cases have been identified where a standalone network may be developed and result in an increase in the supply of gas within GB. Increasing supply is consistent with securing effective competition. In addition, effective competition is secured by ensuring costs are targeted to those who cause costs to arise. Managing standalone networks outside the Code ensures any costs remain within that standalone network, targeted on those who should bear the costs and is consistent with promoting Objective (D).
- **Neutral:** CSL01 supports effective competition by enabling bespoke arrangements for Standalone Networks that reflect their unique physical and commercial characteristics, without imposing system-wide rules designed for connected networks. By confining costs, risks and operational arrangements to the parties directly involved, the Modification avoids distortions that could otherwise impact competition in the wider GB gas market. However, in the respect of Shipper arrangements it would put them at a disadvantage as there would be a need to have bespoke arrangements and workarounds to enable them to manage these sites which would otherwise be handled by central systems.

- **Objective (F)**

- **Positive:** The disapplication of the IGT UNC means that the impact of CSL01 Standalone Networks minimises impacts on existing Code parties and Code arrangements, thus proving positive in relation to Objective (D), and (F).
- **Positive:** Standalone networks rely solely on gas that is injected to that network. There is no supply from the GB gas grid. Fundamental assumptions that underpin industry Codes do not apply to these networks. To modify the industry Codes to accommodate all envisaged configurations of standalone networks would be a large and disproportionate task. Avoiding this disproportionate cost and use of industry resources is consistent with promotion of Objective (F).

- Neutral: the Modification promotes efficient Code administration by disapplying complex IGT UNC provisions that are not fit for purpose for Standalone Networks. However, by completely disapplying the Code it leaves gaps in the processing of these sites that would otherwise be supported by regulatory arrangements or appropriate frameworks. Additionally, with no low-level detail provided on exactly how those processes will be replicated presents a risk to any party involved in those processes.

Legal text

All respondents agreed that the legal text delivers the intent of the Modification. A summary of their rationale is set out below:

- Two respondents (IGT, NESO) did not provide a specific rationale.
- One respondent (IGT) noted that there would be a benefit in defining what a 'Standalone Network' is within the IGT UNC, avoiding any unintended differences in the understanding of 'standalone networks'. However, they indicated that they are happy, that in the absence of a definition in Code, the addition of Clause 3 to Schedule 1 of the CSL Network Code, clarifies what a standalone network is, in relation to how CSL intend to operate their networks with no connection to the GB gas grid.

Implementation approach

Two respondents agreed with the proposed implementation approach. A summary of their rationale is set out below:

- One respondent (IGT) advised that no lead time is required but requested implementation by September 2026 as a standalone network is being developed with a view to gas flow starting in Autumn 2026.
- One respondent (IGT) advised that they need no lead time for this Modification as it does not alter the IGT UNC or impact their INCs.

One respondent (NESO) did not provide a view as they are not an impacted party to this Modification and have no comments on implementation.

Impacts and costs

All respondents indicated that there would be no direct costs or impacts associated with the implementation of this Modification. However, one respondent (IGT), who happens to be the Proposer, indicated that they will need to develop bespoke transportation arrangements for each standalone network that they develop but the costs will be a small part of the broader project cost.

Panel discussions and conclusions (May 2026)

The Code Administrator provided Panel members with a summary of the Consultation responses, and invited comments and views from members on the Consultation. One Panel member indicated that they supported the views expressed in the Consultation, raising one caveat. They indicated that, in their view, the approach taken by this Modification in which bespoke arrangements are captured in individual IGT Codes rather than the IGT UNC Code may be used in the future by Parties who wish to circumvent Code governance arrangements. The Panel member indicated that they did not feel that this was the case for this Modification, CSL01, but identified a risk that this model of change may be used in such a way in the future and recommended that the Code Administrator keep this under consideration.

Other than this point, however, Panel members voiced unanimous support in respect of the views captured in the Consultation.

11 Recommendations

Panel determinations

The Panel considered the CSL01 FMR and unanimously agreed:

- that CSL01 does not have an impact on any SCRs or other industry projects;
- that CSL01 is an Authority Direction Modification Proposal;
- that Impacts and costs set out in the report are accurate and appropriate, and they had nothing new to add;
- that CSL01 will have a positive impact on Objectives (D) and (F);
- that CSL01 should be treated as Standard Priority;
- with the proposed implementation approach; and
- that the legal text delivers the intention of the solution.

The Panel unanimously agreed to recommend:

- that CSL01 should be implemented

Further discussion with regards to Panel decisions can be found in the relevant sections of this FMR.