

Modification proposal:	<p>Uniform Network Code (UNC) - Market Participant MDD Migration to UNC Governance from the SPAA (UNC682)</p> <p>Independent Gas Transporter UNC - Market Participant MDD Migration to UNC Governance from the SPAA (iGTUNC124)</p> <p>Supply Point Administration Agreement Change Proposal (CP) - Market Participant MDD Migration to UNC Governance (SCP467)</p>		
Decision:	The Authority ¹ directs these modifications be made ²		
Target audience:	UNC Panel, iGT UNC Panel, SPAA Executive Committee, Parties to the UNC, iGT UNC, SPAA and other interested parties		
Date of publication:	22 August 2019	Implementation date:	TBC and expected to be 28 February 2020. Note that implementation must be aligned between SPAA, UNC and iGT UNC

Background

The efficient running of the gas energy industry requires accurate and unambiguous management of Market Participant Identities (including organisation name and short code) for all Market Participants. This function is currently described in SPAA Schedule 18.³

As part of Ofgem’s Switching Programme and work to develop the new Retail Energy Code (REC), it is proposed to close down the SPAA (and the Master Registration Agreement)⁴, and move the contents into other governance bodies. In relation to SPAA’s Market Participant Market Domain Data (MDD) role, we proposed that this should move to the UNC.

To facilitate these changes a Joint MDD Migration Working Group was established and consisted of SPAA, UNC and other interested parties.

The modification proposals

Following discussion and agreement between SPAA and UNC parties at the Joint MDD Migration workgroup SCP467 and UNC682 were raised by EON (the Proposer). SCP467 seeks to remove MDD management for Market Participant Identities from SPAA governance and UNC682 Modification seeks to introduce these activities into the UNC.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ Current version of SPAA can be found here: <https://www.spaa.co.uk/SitePages/SPAA-documents.aspx>

⁴ Details on proposed code consolidation can be found here: <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-and-retail-code-consolidation-proposed-changes-licences-and-industry-codes>

IGTUNC124 seeks to implement consequential changes in the IGT UNC and ancillary documents arising from the migration of the Market Participant MDD process to the UNC.

UNC Panel, IGT UNC and SPAA Change Board⁵ recommendation

At its meeting of 18 July 2019, the UNC Panel voted unanimously that UNC682 better facilitated the UNC relevant objectives.

At its meeting of 19 July 2019, the iGT UNC Panel voted unanimously that iGTUNC124 better facilitated the iGT UNC relevant objectives.

At its meeting of 14 May 2019, the SPAA Change Board voted unanimously that SCP467 better facilitated the SPAA relevant objectives.

Our decision

We have considered the issues raised by UNC682, iGTUNC124 and SCP467 and the Final Modification Reports (FMRs) dated 18 July 2019, 19 July 2019 and 21 May 2019 respectively. We have considered and taken into account the responses to the industry consultation(s) on the modification proposals which are attached to the FMRs.⁶ We have concluded that:

- implementation of the modification proposals will better facilitate the achievement of the relevant objectives of the UNC, iGT UNC and SPAA; and
- directing that the modifications be made is consistent with our principal objective and statutory duties.⁷

Reasons for our decision

We note that views on these proposals were overwhelmingly supportive. For UNC682, six of the seven responses supported this modification, with one offering qualified support while all four respondents to iGTUNC124 supported the proposal. For SCP467, all ten parties that voted supported the proposal.

We agree with the UNC Panel and iGT UNC Panel who considered that this proposal should be considered against relevant objective f). We also think that relevant objective d) should be considered. We agree with the SPAA Change Board who considered that this proposal should be considered against relevant objectives b) and c). We consider these modifications have a neutral impact on the other relevant objectives.

UNC and iGT UNC relevant objective d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

⁵ The UNC Panel is established and constituted from time to time pursuant to and in accordance with the UNC Modification Rules. The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules. The SPAA Change Board is established and constituted pursuant to and in accordance with the SPAA.

⁶ UNC modification proposals, modification reports and representations can be viewed on the Joint Office of Gas Transporters website at www.gasgovernance.co.uk, the equivalent documents relating to the IGT UNC at www.igt-unc.co.uk and relating to SPAA at www.spaa.co.uk

⁷ The Authority's statutory duties are wider than matters which the Panel must take into consideration; they are detailed mainly in the Gas Act 1986 as amended.

SPAA relevant objective b) Furtherance of effective competition between Gas Suppliers and between relevant agents.

We consider that the proposal promotes effective competition insofar as it continues to provide an effective mechanism for the governance and provision of Market Participant Identities. This supports effective market operation for suppliers, shippers, Gas Transporters, agents and other market participants. The proposal is also consistent with the proposed drafting of the new Retail Energy Code. The Retail Energy Code will govern a new centralised switching service that will allow consumers to switch suppliers faster and more reliably.

UNC and iGT UNC relevant objective f) Promotion of efficiency in the implementation and administration of the Code.

SPAA relevant objective c) Promotion of efficiency in the implementation and administration of the supply point administration arrangements.

We consider that the proposal promotes efficiency in the implementation and administration of the relevant codes. It supports the envisaged rationalisation of the code landscape with the creation of the Retail Energy Code and the closing down of the SPAA planned for 2021. It will provide the continued ability to identify parties and create a process for the effective management of Market Participant Identities by moving these arrangements under the governance of the UNC and making consequential changes to the IGT UNC.

Decision notice

In accordance with Standard Special Condition A11 of the Gas Transporters licence, the Authority hereby directs that modification proposal UNC682: *'Market Participant MDD Migration to UNC Governance from the SPAA'* be made.

In accordance with Standard Condition 9 of the Gas Transporter Licence, the Authority directs that modification proposal IGTUNC124: *'Market Participant MDD Migration to UNC Governance from the SPAA'* be made.

In accordance with Standard Licence Condition (SLC) 30 of the Gas Supplier licence, the Authority hereby approves modification proposal SCP467: *'Market Participant MDD Migration to UNC Governance'*.

Rachel Clark
Programme Director, Consumers and Markets

Signed on behalf of the Authority and authorised for that purpose