
Uniform Network Code (UNC) Derogation D0002: Derogation from UNC TPD V5 (Protected Information) to allow the provision of data to hydrogen producers linked to East Coast Hydrogen FEED study.

Decision: The Authority¹ directs this Derogation to be implemented²

Target audience: UNC Panel, Parties to the UNC and other interested parties

Date of publication: 12 February 2026

Implementation date: To be determined.

Background

On 4 July 2025, Northern Gas Networks (NGN) raised UNC Derogation D0002: Derogation from UNC TPD V5 (Protected Information) to allow the provision of data to hydrogen producers linked to East Coast Hydrogen (ECH) Front-End Engineering Design (FEED) study. Following discussion by UNC Panel and formal Consultation, a Final Derogation Report (FDR) was submitted to Ofgem on 18 September 2025, along with the Panel recommendation to approve.

This Derogation seeks to remove restrictions on Gas Distribution Networks' (GDNs) ability to provide access to certain data items in order to facilitate the development of demand forecast models for hydrogen producers.

The Derogation proposal

This Derogation proposal would temporarily disapply sections of UNC TPD Section V5: Information & Confidentiality, specifically paragraphs 5.1.1, 5.1.2 of section 5.1 – Transporter Obligations and 5.3.1 (a), and 5.3.2 (b) & (c)(i) of section 5.3 – Protected Information.

Currently, these obligations require a licensed Gas Transporter to ensure that "Protected Information", as defined in section 5.3.1, is not provided to or used by any party other than those defined in section 5.1.1. The data that NGN are proposing to provide falls under the

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.

definition of “Protected Information”, and the intended recipients (ie, hydrogen producers) are not covered by paragraph 5.1.1. Therefore, a derogation is required to facilitate the sharing of this data.

The above sections of the UNC would only be derogated where the provision of data is required for the use of modelling as part of the ECH FEED study, and where a Non-Disclosure Agreement (NDA) between the GDNs and the recipient of the data is in place. The proposer has stated that the NDA would require the data to be destroyed upon completion of the modelling by the data recipient, with confirmation to be provided by NGN to the UNC Panel. The derogation would cease to be available upon completion of the modelling phase of the study, or by 31 December 2027.

UNC Panel³ recommendation

At the UNC Panel meeting on 18 September 2025, panel recommended the derogation be approved, with 8 out of 14 members voting in support.

The Panel also voted unanimously in favour of the condition that reporting on:

- The number of sites giving individual consent to the provision of information; and
- The level of aggregation applied where individual consent has not been obtained.

must be provided on an interim basis, with regular progress updates provided to the Panel, along with any issues arising from implementation of the derogation and associated processes.

The Panel did not highlight any additional material impacts on consumers, competition or any other parties, and had no safety concerns.

Our decision

We have considered the issues raised by the derogation proposal and the Final Derogation Report (FDR) dated 18 September 2025. We have considered and taken account of the

³ The UNC Panel is established and constituted from time to time pursuant to and in accordance with the UNC Modification Rules.

responses to the industry consultation(s) on the derogation proposal which are attached to the FDR.⁴ We have concluded that:

- The derogation proposal fulfils the requirements imposed under General Terms – Section B7 (Derogations) of the UNC, and the Derogation Guidance Document; and
- The derogation is consistent with our principal objective and statutory duties.⁵

We are therefore approving implementation of the derogation.

Reasons for our decision

Section 7 of the UNC Derogation Guidance Document outlines a range of Supporting Documentation required for a UNC Derogation request. Specifically, the proposer must provide: “An assessment by the applicant that demonstrates that there are:

- No significant risks associated with the derogation to the applying party, other relevant UNC parties or connected suppliers or end customers.
- No avoidable adverse impacts (immediately or in the longer term) on the applying party, other relevant UNC parties or connected suppliers or end customers.
- No additional measures that could be taken to further mitigate the impact of the derogation on the applying party, other relevant UNC parties or connected suppliers or end customers for the derogation’s duration. (Or where there are additional measures, justification as to why they are not being used).
- No outstanding objections from other parties who are materially affected by the derogation.
- No competitive advantages for the applying party, arising from the derogation that cannot be addressed, that are not offset by a suitable mechanism.
- No other reasonable options to address the non-compliance (that have not been considered).”

We agree that the proposal fits within the criteria of an approved UNC Derogation Use Case.⁶ Specifically, we agree that the provision of demand data to hydrogen producers will allow for the development of more strategically valuable production facilities and will reduce the risk of

⁴ UNC derogation proposals, derogation reports, and representations can be viewed on the Joint Office of Gas Transporters website at [Joint Office of Gas Transporters](#)

⁵ The Authority’s statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986 as amended.

⁶ Derogation Use Case A, which is described in the UNC Derogation Guidance as “Net Zero Innovation”.

misalignment between demand and supply for hydrogen. Due to this, we consider the proposed derogation to be in line with use case 14b(i) – Net Zero Innovation.

We do recognise that support for this derogation is not unanimous, with all 6 Shipper Voting Members of the UNC Panel opposing the derogation. We also note the opposing consultation response submitted by one stakeholder. The opposition is largely based on the argument that there is an existing route for third-party data sharing, the Data Permissions Matrix (DPM) process, which some panel members consider to be suitable for the purpose of supporting modelling for the ECH FEED study.

We would generally encourage the consideration and use of existing processes where available. However, in this case, given the lack of additional impact or risk to consumers or the industry, the 'non-BAU' nature of the data sharing practices proposed, and the potential delays involved with opting for the DPM route, we are minded to approve implementation of the derogation.

Given that this is only the second UNC derogation, and the first involving the sharing of protected data, we recognise and are encouraged to see the degree of scrutiny provided by panel and the wider industry. We recognise the amendments made by the Proposer to ensure the derogation is more robust and consider the additional reporting measures to sufficiently address previous concerns raised.

Decision notice

In accordance with UNC General Terms - Section B7, the Authority has decided that the derogation proposal UNC D0002: 'Derogation from UNC TPD V5 (Protected Information) to allow the provision of data to hydrogen producers linked to East Coast Hydrogen FEED study' should be implemented.

Implementation should begin from the publication date of this decision and end no later than 31 December 2027.

William Duff

Head of Gas and Hydrogen Systems Markets and Operations

Signed on behalf of the Authority and authorised for that purpose.