

Ofgem Open letter: Change to the Gas Day

Energy UK is the Trade Association for the energy industry. Energy UK has over 70 companies as members that together cover the broad range of energy providers and suppliers and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26million homes and last year invested over £10billion in the British economy.

Energy UK welcomes the opportunity to provide comments on the impact of changing the gas day as requested in Ofgem's open letter of 12 March 2013.

Energy UK recognises that it will be necessary to change the gas day here in the UK to align with a standard gas day across EU Member States as part of the implementation of the Balancing Code or Capacity Allocation Management (CAM) Code whichever is the earliest. Our current understanding is that this could be February 15 for the Balancing Code or November 15 for the CAM Code if an extension of 12 months is sought and approved for Balancing Code implementation. Our Members would like to see a date for the gas day changeover being determined as soon as possible since this will help to focus attention on the issue within their organisations and assist with planning the steps necessary leading up to the changeover day.

The changes to industry process, systems and contracts will be wide ranging stretching from offshore to customer meter. Whether the impact is small or large, the impact on each element of the supply chain will need to be considered along with interactions with other processes and other time specific elements of the CAM and Balancing Codes. For example does the change in the gas day simply mean that all other gas day related processes move by one hour aswell? Or are there other options which may make implementation more straightforward and cost effective? Is the potential impact different for different parties of these decisions? How will these decisions be made and communicated to industry?

Energy UK is aware that National Grid has begun its own assessment of the potential impacts and has recently reported these to the February and April 13 Transmission Workgroup meetings, this open approach is appreciated. We share National Grid's initial view:

"Our initial high level analysis shows that the Gas Day change will require a co-ordinated industry review as there is a high level of complexity."

We therefore welcome Ofgem's early consideration of the implementation issues arising from the change to the gas day and call for a more wide ranging co-ordinated industry review with a bespoke forum to take this issue forward. This should identify all interactions and impacts, including those which may affect parties outside the gas industry and then bring forward well developed proposals for consultation with affected parties on specific issues.

In case of any query Julie Cox would be happy to discuss any of the points raised.

Note: This response represents a broad consensus of members' views, and we would point out that National Grid was not a contributor to this response.

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