
Uniform Network Code ("UNC") 0891: 'Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (reintroduced by UNC0859 and introduced by UNC0814)' (hereafter "UNC0891")

Decision:	The Authority ¹ directs this modification to be made ²
Target audience:	UNC Panel, Parties to the UNC and other interested parties
Date of publication:	19 February 2025
Implementation date:	To be confirmed by the code administrator

Background

Two bi-directional gas interconnectors connect the National Transmission System ("NTS") in Great Britain ("GB") to mainland Europe. The Balgzand to Bacton Line ("BBL") connects GB to the Netherlands and is operated by BBL Company ("BBLC"). The Interconnector pipeline connects GB to Belgium and is operated by Interconnector Limited ("INT"). Both interconnectors connect to the NTS at the Bacton Interconnection Point ("Bacton"). BBLC and INT are certified Transmission System Operators ("TSO") and hold Gas Interconnector licenses.

Currently, National Gas ("NG", the Proposer) provides BBLC with an assured exit pressure of 45-55 bar at Bacton and a maximum NTS exit point offtake rate ("MNEPOR") of 184,780,632 kWh/d. This is set out in an Interconnector Agreement ("IA") between BBLC and NG.

NG has previously raised the enabling modifications UNC0814 'Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector' ("UNC0814") on 22 July 2022³ and UNC0859 'Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (as introduced by UNC0814)' ("UNC0859") on 9 October 2023.⁴ Both of these modifications proposed to allow temporary

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 <https://www.gasgovernance.co.uk/0814>

⁴ <https://www.gasgovernance.co.uk/0859>

updates to the IA between NG and BBLC to increase the MNEPOR from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) and to give BBLC the option to request access to an enhanced pressure service (“EPS”) when exporting gas at Bacton. NG intended that these temporary solutions would allow it to gather data under real flow conditions, and that the data would inform longer-term thinking that would contribute towards an enduring solution. On 6 March 2023, we approved UNC0814⁵, and on 5 March 2024, we approved UNC0859.⁶

Following the implementation of UNC0814, BBLC did not request access to an EPS during the period of the temporary solution due to market conditions. Following the implementation of UNC0859, BBLC requested and was granted access to an EPS on three gas days during the week commencing 8 July 2024. INT did not request access to an EPS on these days. On 1 January 2025, BBLC’s contractual arrangements reverted, meaning that BBLC’s maximum export capability is currently 184,780,632 kWh/d (7,699,193 kWh/h).

Following our decision on UNC0859, we wrote to NG requesting that it report to Ofgem by 17 January 2025 on any use of the EPS, data collected, and on how the information gathered had informed their thinking towards an enduring solution. NG issued a report on 17 January 2025, which included data on calculated velocities and flows for the three days when BBLC received an EPS in 2024.

The modification proposal

On 6 August 2024, NG raised UNC0891.⁷ This third enabling modification proposes to allow a temporary update to the IA between NG and BBLC to introduce the same increase to the MNEPOR from 184,780,632 kWh/d (7,699,193kWh/h) to 252,000,000 kWh/d (10,500,000 kWh/h) and access to an EPS for a time limited period, as was approved by UNC0814 and UNC0859. The proposed changes, if approved, would be temporary and apply from the point a revised NG-BBLC IA and associated Pressure Service Charges Agreement (“PSCA”) come into force up to and including 31 December 2025.

⁵ [UNC814: Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector - Decision | Ofgem](#)

⁶ <https://www.ofgem.gov.uk/decision/unc0859-reintroduction-enhanced-pressure-service-and-increased-mnepor-bbhc-introduced-unc0814>

⁷ <https://www.gasgovernance.co.uk/0891>

NG states that this temporary solution is necessary to allow it to gather operational data on BBLC accessing an EPS, which would then inform a future decision on the provision of an enduring EPS at Bacton to BBLC. NG states that following the implementation of UNC0859, market conditions meant that BBLC only used the EPS on three gas days, and as a result NG and BBLC did not have the opportunity to collect sufficient data to assess any impact of use of the EPS by BBLC on the NTS.

During the UNC Panel and workshop discussions, as was the case during the discussions for UNC0814 and UNC0859, industry stakeholders raised concerns about the risk of higher pressures and exit flows leading to gas containing contaminants being delivered to the Interconnector pipeline and the impacts that this could have on INT's ability to convey gas.⁸ To ensure due diligence when making our decision on this proposal, Ofgem requested further relevant information from key stakeholders on this matter, including the Proposer. The final submission in response to our request was received by Ofgem on 25th November 2024.

UNC Panel⁹ recommendation

At the UNC Panel meeting on 19 September 2024, a majority of the UNC Panel considered that UNC0891 would better facilitate Relevant Objective ("RO") (d) and therefore recommended its approval, with nine in favour out of a possible 14. Five members abstained.

Our decision

We have considered the issues raised by UNC0891 and the Final Modification Report ("FMR") dated 19 September 2024. We have considered and taken into account the responses to the industry consultation on the modification proposal which are attached to the FMR,¹⁰ further information provided to us by key stakeholders as part of our due diligence, as well as information in NG's 17 January 2025 report on the use of the EPS at Bacton under UNC0859.

⁸ "Gas containing contaminants" in this document refers to gas delivered to Bacton that contains liquids or solids. In the FMR, Panel members and UNC consultation respondents have used the phrases "non GSMR gas" and "off specification gas" when referencing the same phenomena.

⁹ The UNC Panel is established and constituted from time to time pursuant to and in accordance with the UNC Modification Rules.

¹⁰ UNC modification proposals, modification reports and representations can be viewed on the Joint Office of Gas Transporters website at www.gasgovernance.co.uk

We have also given consideration as to whether UNC0891 may have a material effect on security of supply. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the UNC;¹¹ and
- directing that the modification be made is consistent with our principal objective and statutory duties.¹²

Reasons for our decision

We consider this modification proposal will better facilitate UNC RO (d) and has a neutral impact on the other ROs.

(a) the efficient and economic operation of the pipe-line system to which this licence relates

Both the Proposer and Panel view this modification as having no impact on RO (a).

One consultation respondent identified the proposal as having a positive impact on RO (a), stating that the proposal would enable BBLC to increase the transportation capacity that it offers to its Shippers, increasing the provision of export capability available to the GB market and utilisation of the NTS. This respondent estimated that this would increase transportation revenue for NG, which in turn could result in lower costs for GB consumers.

One consultation respondent views UNC0891 as having a negative impact on RO (a). The respondent, INT, referred to its previous UNC0814 and UNC0859 consultation responses, which raised concerns about the presence of contaminants within the NTS at Bacton and stated that the proposed solution could increase the risk of gas containing contaminants being delivered to the Interconnector pipeline by allowing increased pressures and exit flows at Bacton. INT stated in their consultation response that following incidents of contaminants

¹¹ As set out in Standard Special Condition A11(1) of the Gas Transporters Licence, available at: <https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions>

¹² 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.

being delivered from the NTS into their pipeline in 2022 and 2023, there had been further incidents of contaminants being delivered in August 2024. INT said that this August 2024 incident had required them to make a decision to constrain the volume of capacity offered to the market on multiple days.

Regarding the matter of contaminants in the NTS at Bacton, we have carefully considered the information provided in the FMR, during Panel discussions and in the consultation responses. We have also carefully considered further information submitted by key stakeholders as part of our due diligence on the issue, including information from INT and NG on operational arrangements at Bacton during Summer 2024, when INT state that contaminants were received in their filters. Finally, we have considered data from NG on flow-based velocity within relevant Bacton pipelines on days when BBLC and INT accessed an EPS in 2024. With consideration to the information we have reviewed, we consider on balance the risk is not sufficient to negate the benefits of BBLC having temporary access to an EPS. As such, our view on the issue has not changed since our decisions on UNC0814 and UNC0859.

Within the FMR and during Panel discussions, NG stated that it manages the presence of contaminants at Bacton as a business-as-usual ("BAU") operational matter through routine maintenance and filtration. It stated that it will continue to carry out relevant checks and only approve requests for an EPS when it is appropriate in order to protect the NTS, its customers, and GB consumers. As stated in our decisions on UNC0814 and UNC0859, if a situation were to arise where granting access to an EPS could jeopardise the safety of the NTS, we expect NG to act accordingly and curtail services as deemed necessary to safeguard all customers and the NTS.

Based on the above, we consider that this modification would have no impact on RO (a).

(c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence

Neither the Proposer nor the Panel identified RO (c) as being impacted by this modification.

One consultation respondent identified that the proposal would have a negative impact on RO (c). INT, the respondent, stated in their response that the Proposer and Ofgem should take

the necessary steps to ensure the provision of Gas Safety Management Regulation ("GSMR") compliant gas on the NTS and to connected system operators. In previous consultation responses to UNC0814 and UNC0859, the respondent has stated that the proposed solution would not be in line with this if NG do not first address issues surrounding contaminants within the NTS at Bacton.

As stated above, the Proposer has provided assurances that NG manages the issue of contaminants as a BAU operational matter and has also noted that this modification concerns a contractual change in the IA between NG and BBLC. We note concerns from INT about the matter of contaminants within the NTS at Bacton, which we have addressed above. We note that NG, under the terms of its licence, must not jeopardise the safe and efficient operation of the NTS.¹³ We expect NG to continue to carefully consider requests for access to an EPS, taking into account operational information available to it. We view the modification as having no impact on RO (c).

(d) so far as is consistent with sub-paragraphs (a) to (c) the 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

The Proposer is of the view that UNC0891 would have a positive impact on RO (d). They state that implementation of this modification would enable greater levels of competition between Shippers and increase competition for capacity. The Proposer stated that this competition has the potential to drive down costs for consumers and would create a level playing field between BBLC and INT. One consultation respondent and some Panel members also stated these benefits and viewed this proposal as having a positive impact against RO (d). The respondent stated that this would increase the export capability for the GB market and Panel members stated that the implementation of this modification has potential to improve the level of service offered and increase flexibility for Shippers.

¹³ Standard Special Condition A17: General obligations in respect of gas transporters' pipe-line systems.

One consultation respondent identified the proposal as having a negative impact on RO (d), stating that increased pressure and flows at Bacton could increase the risk of contaminants being delivered to Shippers using the Interconnector pipeline. The respondent, INT, stated that they had reduced capacity for multiple days in August because of their concerns about the delivery of gas containing contaminants into their pipeline. The respondent stated that this modification would increase the disruption risk rather than further facilitating cross-border flows.

We view the Proposal as having a positive effect on RO (d). As we have set out above, we have carefully considered information provided by key stakeholders on the Bacton contamination matter, and we are of the view that on balance the risk is insufficient to outweigh the benefits of this proposal. We agree with the Proposer, one consultation respondent, and some Panel members that the modification would benefit competition. As we stated in our decision on UNC0814 and UNC0859, giving BBLC access to this service would create a level playing field between BBLC and INT. This modification has the potential to increase competition between Shippers, who will have access to more capacity and flexibility, which can positively impact GB consumers through lower bills than would otherwise be the case.

(e) so far as is consistent with sub-paragraphs (a) to (d), the 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

The Proposer considered that the implementation of UNC0891 would have no impact on RO (e).

One consultation respondent noted that the proposal would have a positive impact on RO (e), stating that BBLC's capability to export gas to Europe would increase. The respondent stated that this would enhance the ability of GB gas suppliers to access European gas storage facilities and increase the options for maintaining security of supply to GB consumers. We are of the view that this modification would have no impact on RO (e). This modification expands the available capacity at Bacton for the export of gas to continental Europe but does not entail an expansion in capacity into GB.

(g) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

The Proposer did not identify any impact on RO (g). One consultation respondent argued that this RO would be negatively impacted through an increased risk of contaminants entering the Interconnector pipeline that would increase the risk of disruption rather than facilitate cross-border flows.

As above, the Proposer states that the management of contaminants is a BAU issue. NG noted that the use of an EPS by any party would be at its discretion, and that NG takes into consideration operational factors when reviewing requests to utilise the service. We note NG assurances to continue to exercise its right to review and accept or reject EPS requests made by BBLC or INT at Bacton. We note NG's licence requirements in relation to operating an efficient and economic pipeline. After reviewing the consultation responses and the analysis that we collected as part of our due diligence, we view this Proposal as having no impact on RO (g).

Our principal objective and statutory duties

The Authority's principal objective is to protect the interests of existing and future consumers, which includes promoting effective competition and the security of supply of gas to them. As was set out in our decision letters for UNC0814 and UNC0859, granting BBLC access to an EPS that INT have existing access to will create a level playing field between both TSOs. This will ensure fair and equal treatment of both Interconnectors as well as facilitating a level playing field between them and their users, which will promote competition. We consider that the modification does not materially increase the risk to security of supply, for the reasons explained in our assessment of RO (a).

For these reasons, we consider that approving UNC0891 is consistent with our principal objective to protect the interest of GB consumers by promoting effective competition.

Data collection

Following this decision, as we did after our decision on UNC0859, we intend to contact NG to request that it report to Ofgem on requests made by BBLC and INT for an EPS, the use of the EPS, and on data collected regarding contaminants and velocities. We will also ask NG to report to us on how the information gathered informs their thinking towards an enduring solution.

Decision notice

In accordance with Standard Special Condition A11 of the Gas Transporters licence, the Authority hereby directs that modification proposal UNC0891: *'Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (reintroduced by UNC0859 and introduced by UNC0814)'* should be made.

Helen Seaton

Head of Gas Security and Flexibility

Signed on behalf of the Authority and authorised for that purpose