

Corona Energy June 2021 Industry Newsletter

Welcome to the Corona Energy Industry Newsletter.

At Corona Energy we believe in putting the Customer first, that's why we use our position as the third largest Non-Domestic Gas Supplier in the UK Market to voice your needs, views and concerns at key regulatory meetings, from lobbying Ofgem, The Department for Business, Energy and Industrial Strategy (BEIS) and other regulatory bodies and industry parties to ensure you are represented and treated fairly.

As part of our service to you, this monthly newsletter will keep you informed of the latest developments in the world of energy regulation in a way that is informative, easy to read and useful to you: our Customers.

Monthly Roundup

What has been going on in the last few weeks?

- **Consultation Issued to Roll Over Existing AUGÉ UIG Allocation Tables:** UNC Modification 0758 'Temporary Extension of the AUG Statement Creation Process' seeks to roll over the 2019/2020 UIG allocation tables for the 2020/2021 year. This follows a contentious period where the new Allocation of Unidentified Gas Expert (AUGÉ), the independent party who utilises an in-depth methodology to allocate UIG costs across the industry, has been challenged on this methodology. The modification was not supported by the UNC Modification Panel, and has now been sent to Ofgem for their decision.
- **Microbusiness Strategic Review:** Ofgem have issued their Statutory Consultation for the Microbusiness Strategic Review, with a number of proposals removed from the scope following feedback from their previous Policy Consultation. This Statutory Consultation focuses on the introduction of an Alternative Dispute Resolution (ADR) process for Broker related complaints and a Contractual Cooling-Off Period, the removal of the requirement for Microbusinesses to submit a termination notice, a 14-day cooling off period for Microbusiness Contracts and the provision of a Principle Terms document which includes Broker cost disclosure. The closing date for this consultation is 09 July 2021, and we will keep our customers updated with the progress.

What is a 'Shipper Agreed Read'?

You may have heard the term 'Shipper Agreed Read' or 'SAR' being used when discussing your gas meter with your Supplier. Although 'SAR' has a number of different definitions, including one under GDPR, in the world of your gas supply it has a very specific meaning:

- **A Shipper Agreed Read or 'SAR'** means that during a Change of Supplier event (when you switch from one Supplier to another), the closing read from your old Supplier (or Shipper) does not match up to the opening read from your new Supplier (or Shipper). A SAR is a governed process where the two Suppliers discuss the matter between themselves and agree on a single reading to use in a timely manner.

What does this mean?

The SAR process probably won't impact you or your supply on a day-to-day basis, however sometimes it may cause a slight delay to your change of supplier process or a delay in receiving your final bill from your old Supplier. This may be a minor inconvenience, but the SAR process is important to ensure that your final bill from your old Supplier is as accurate as possible, and that the switch to your new Supplier is as smooth as possible.

Energy Regulation Horizon for 2021

As you're probably aware already, 2021 is set to be another year of major reform in the world of energy. What should you be focussed on? Below we've compiled the Top 5 to Watch this year.

1. Market-Wide Half Hourly Settlement

This industry project run by Elexon and Ofgem seeks to utilise the output of smart metering, namely half-hourly consumption data, to input more accurate data into Settlements and reducing the reliance on forecasting, with an estimated benefit of £1.5-£4.5bn. Implementation of Market-Wide Half Hourly Settlement is expected in late 2024.

2. Code Governance Reform

The framework of the UK's Energy rulebooks, called Industry Codes, is going through huge reform at the moment with the development of the Retail Energy Code (REC). The REC seeks to take complex industry processes from various industry codes (The Master Registration Agreement, The Supply Point

Administration Agreement, The Uniform Network Code, The Distribution Connection Use of System Agreement just to name a few) and bring them together into a single, dual fuel code to make a cleaner more transparent repository of these key processes. In this reform it is likely that Supplier obligations may change and this might have an impact on our Customers. We we'll keep you informed if this is the case.

3. Ofgem's Targeted Charging Review (TCR)

Ofgem are currently undertaking a Targeted Charging Review looking at how Networks apply their charging methodologies. This mostly deals with the complex world of Network charging arrangements which are passed through to consumers via their Supplier. Tariffs and groupings have now been finalised by the networks, but the implementation date for these changes has now been pushed back to 2022.

4. Demand and Microgeneration Management

Demand Side Response (DSR) and peer-to-peer trading basically means that we're heading towards a world where you can purchase your energy from your peers. These peers are those people in your local area of the grid who are generating – for example with a small turbine or solar panels. We're a way off this yet with the existing networks and associated regulations needing to catch up with new innovations, but this opens up many opportunities. If you're interested in DSR, why not check out our article on Battery Storage and the future of the network on our website? Or come and talk to us about the possibilities: we'd love to hear from you.

About the Writer

This newsletter was written by Dan Fittock, Corona Energy's Regulation and Compliance Manager. If you have any questions about the content of this newsletter you can contact Dan at dan.fittock@coronaenergy.co.uk.

Disclaimer: The information provided in this newsletter is intended to be a general guide and should not be taken to be legal and/or regulatory advice. At no time will Corona Energy actually or be deemed to be providing advice and no actions taken by Corona Energy shall constitute advice to take any particular action or non-action. Whilst every effort is made to provide accurate and complete information in this newsletter, Corona Energy cannot guarantee that there will not be any errors. Corona Energy makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of the contents of the newsletters and expressly disclaims liability for errors and omissions in the contents of this newsletter. Neither Corona Energy, nor its employees and contractors make any warranty, expressed or implied or statutory, including but not limited to the warranties of non-infringement of third party rights, title, and the warranties of merchantability and fitness for a particular purpose with respect to content available from the newsletters. Neither does



Corona Energy assume any legal liability for any direct, indirect or any other loss or damage of any kind for the accuracy, completeness, or usefulness of any information, product, or process disclosed herein, and do not represent that use of such information, product, or process would not infringe on privately owned rights.

Copyright Statement: All content within the Corona Energy newsletter are the property of Corona Energy unless otherwise stated. All rights reserved. No part of the newsletters may be reproduced, transmitted or copied in any form or by any means without the prior written consent of Corona Energy.