

Corona Energy August 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?

Gas and Electricity

- **Hub Energy SoLR:** We sadly saw a Supplier fold this month, with Hub Energy entering the Supplier of Last Resort (SoLR) process. The SoLR process ensures that if a Supplier exits the market, their customers continue to receive their gas and electricity supply until Ofgem find a new Supplier to take on the customers. In the case of Hub Energy, E.On were appointed as the Supplier of Last Resort and are in the process of taking on Hub Energy's customers.
- **BEIS Call for Evidence on Third-Party Intermediaries in the Retail Energy Market:** Following the Energy White Paper issued by the government, BEIS has issued a call for evidence on Third Party Intermediaries (TPIs) and how they operate, including asking questions regarding transparency, contracting and sales activities, customer service, dispute resolution and other key areas. The consultation closes on 06 December 2021 and further details can be found [here](#).

Gas

- **Derogation Concept for the Uniform Network Code (UNC):** The UNC Panel have issued *UNC0760 – Introducing the Concept of a Derogation Framework into the Uniform Network Code (UNC)* for consultation. This modification seeks to bring the UNC in line with other industry codes by introducing the concept of derogation into the UNC. This concept would allow for UNC parties freedom to not be required to meet UNC obligations for a set period of time, during which they would be able to innovate and trial new projects. It is suggested that these

derogations would be evidence based, time bound and require regular reporting to the UNC Panel.

Electricity

- **BEIS Review on 'Greenwashing' of Electricity Tariffs:** In mid-August, BEIS launched a consultation on so-called 'greenwashing', which involves the purchasing and use of Renewable Energy Guarantees of Origin (REGO) certificates to essentially 'convert' or 'wash' non-renewable energy as renewable. With this consultation BEIS seek to understand the 'greenwashing' trend and introduce a more transparent and accurate approach to renewable energy in future – dovetailing with the UK's Net Zero aspirations. Further details can be found [here](#).

What is the Uniform Network Code?

You may have heard the term 'Uniform Network Code' or 'UNC' being used in discussions around the industry, as well as in our very own newsletter! Although we have broken this down somewhat in our Energy Regulation Horizon, we thought we would give a little more detail:

- The **Uniform Network Code** or '**UNC**' is the name of an industry code (or 'rulebook') that has been in place since 2005. The UNC covers process and legal arrangements between Gas Shippers (who are responsible for moving gas around the UK market) and Gas Transporters (who are responsible for the ownership, maintenance and running of the gas pipelines).
- The UNC is currently run by an organisation called the Joint Office of Gas Transporters, who are appointed to run the code on behalf of the four major UK gas transporters

What does this mean?

The UNC is unlikely to impact our customers on a day-to-day basis, as it is your Shipper that will have to ensure that they are compliant with the processes held within the UNC. It is, however, useful to understand the importance of the UNC when it comes to meter readings. You will have likely seen meter read requests from all energy Suppliers, and the focus that these Suppliers place on receiving these reads (either via Advanced Metering, Smart Metering or manual submission). This is because meter readings aren't only used to ensure that you receive an accurate bill, but they are also used to ensure that there is

enough gas within the UK's gas system to meet both demand and safety requirements in a process called Gas Settlements.

If you have any questions around meter readings, your metering setup or Smart or Advanced Metering which allows for the automatic collection of meter reads – please get in touch with us.

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

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