

Exec Summary – 0845 Enhancements to Demand Side Response (DSR) Arrangements including a D-5 Product

Agenda Item	Key Messages
Purpose of the modification	<p>Following feedback received via the UNC0835R Request Workgroup, National Gas Transmission (NGT) have proposed this modification to further enable Consumers to participate in DSR and enhance some of the reforms introduced by UNC0822:</p> <p>The modification will:</p> <ul style="list-style-type: none">• Amend the determination of a Consumer’s demand reduction when DSR is called from a “reduce by” to a “reduce to” regime• Allow Consumers to limit the number of days on which they can be asked to reduce their consumption• Clarify the obligations on Users in the event of a DSR Option being exercised• Provide greater levels of flexibility / optionality for Consumers within the annual tender process for DSR Options• Enable NGT to procure DSR Options which can be exercised at D-5 <p>This modification aims to further enhance the existing DSR products, facilitate greater participation in DSR and increase the volumes which can be offered to NGT in the event of the DSR market opening, therefore, limiting the severity, likelihood and duration of an emergency.</p>
Impacted parties	<p>High: Large industrial and commercial consumers, Shippers, Suppliers, NGT, Distribution Network Operators, On-the-Day Commodity Market (OCM) Market Operator and CDSP</p> <p>Low: Independent Gas Transporters (IGTs)</p>
How does this modification achieve its purpose and the relevant objectives?	<p>Relevant Objectives:</p> <p>A) “efficient and economic operation of the pipe-line system” is furthered by this modification as it encourages Consumers to voluntarily curtail their consumption which could mitigate the progression to a Gas Deficit Emergency (GDE) and Firm Load Shedding which would cause significant disruption to Consumers and other market participants.</p> <p>B) “co-ordinated, efficient and economic operation of (i) the combined pipeline system and/or (ii) the pipeline system of one more other relevant gas transporters” is also furthered because it can help to mitigate the progression to an Emergency and prevent disruption to the industry and Consumers in respect of all pressure tiers</p>
Consumer benefit	<p>This modification seeks to remove some of the barriers to participation identified by Consumers. It also has the potential to:</p> <ul style="list-style-type: none">• Improve safety and reliability of the network by improving the pre-emergency tools NGT can utilise, therefore, has the ability to reduce the severity, likelihood and duration of a emergency• Deliver lower bills when compared to those if a GDE did occur.• Deliver improved quality of service by limiting the likelihood of a GDE being declared and protecting consumers• Provide benefits for society as a whole by contributing positively to both gas and electricity supply security.
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