

Suggested changes to the DSR Survey

National Grid received a request from the DSR workgroup to send out a copy of the draft DSR survey so that the questions and format could be reviewed and commented on prior to the next meeting. National Grid received two responses to the survey; these responses included suggested revisions to current questions included and also for additional questions to be added. These can be seen below;

NG - How useful have you found the discussions on DSR development

- Very useful
- Useful
- Not a good use of my time
- N/A

Suggestion – Remove this question, if NG would like feedback it should be done outside of this questionnaire

NG - In the event that the gas market was under stress and wholesale prices were rising significantly, would you voluntarily reduce your demand?

- Yes
- No

Suggestion - In the event that the gas market was under stress and wholesale prices were rising significantly, would you be willing to voluntarily reduce your demand?

- Yes
- No

NG - If yes to question 3, would you reduce your demand through formal arrangements with your shipper/supplier, or would this be on a more ad-hoc basis?

- Formal Arrangement
- Ad-hoc basis

Suggestion- If yes to question 3, would you reduce your demand through commercial arrangements with your shipper / supplier, only through this DSR service when a gas deficit warning is issued or would this be on a more unilateral basis?

- Commercial I arrangement with Shipper / Supplier
- DSR arrangement called by National Grid after GDW
- Unilateral basis

NG - Approximately what proportion of your load would you be willing to offer in DSR?

- 0%
- 1-10%
- 11-40%
- 41-75%
- >76%

NG - Would this proportion be in;

- A single tranche
- Multiple tranches

Suggestion - A key potential benefit of a DSR mechanism would be helping consumers to reduce their demand in tranches, rather than in a simplistic on/off fashion. This is in recognition of the fact that many industries consume gas for a range of different processes and that maintaining continuous gas supplies is more critical for some processes than others. Again, any reduction in demand would be in return for a payment.

For example, a consumer may have:

- Process A = 0.2GWh of daily consumption, relatively dispensable and easy to turn off.
- Process B = 0.15GWh of daily consumption, more costly to turn off than process B
- Process C = 0.05GWh of daily consumption, critical load that is very risky to turn off

This consumer may therefore decide to

- offer to turn-down process A in return for a certain pence / therm payment
- offer to turn down process B in return for a higher pence / therm payment
- not offer to turn-down process C because it is too risky to do so and because it would not meet the 0.1GWh minimum daily turn down requirement

Bearing the above in mind, the following questions seek to understand the volumes of voluntary turn-down you may be able to offer. For simplicity we have included questions covering the provision of DSR in up to three tranches. There is still scope for consumers to offer more than three tranches and you may indicate your willingness to do this with question 20.

Finally, we would emphasise that the questions in this part of the survey are focussed on your *ability* to provide turn down and the kinds of *volumes* this could entail. At no point do the questions ask for information on the *costs* you would incur when turning down, or the *payments* you would want to receive. Also, as noted earlier your responses to this survey will be treated as confidential.

Q - Would you be willing to offer at least one tranche (“tranche 1”) to turn down gas demand in return for a DSR payment? Please remember this tranche must be equivalent to *at least* 0.1GWh per day.

- Yes
- No (If no please proceed to question 21)

Q - If you answered yes to question 8, how quickly could you reduce tranche 1 of your daily gas demand?

- Instantly
- Under 1 hour
- 1-2 hours
- 2-4 hours

- 4-6 hours
- >6 hours

Q - What is the **maximum** length of time you would be willing to reduce your gas demand for tranche 1 [in return for DSR payments]?

- A few hours, but less than a day
- A full day
- A number of days, but less than a week
- A full week
- More than a week

Q - What is the **minimum** length of time you would be willing to reduce your gas demand for tranche 1 [in return for DSR payment]?

- A few hours, but less than a day
- A full day
- A number of days, but less than a week
- A full week
- More than a week

Questions then repeated for tranches 2 & 3

NG - If you were offered a suitable annual “option fee” for being a “first call” provider of DSR services what impact would such an annual payment have on the volume of demand reduction you would be able to offer into the DSR mechanism?

- No impact
- Would mean we would move from not being able to offer DSR to being in a position to make an offer
- Increase volume offered by up to 25%
- Increase volume offered by between 25% and 50%
- Increase Volume offered by between 51% and 100%
- Increase volume offered by more than 100%

Suggestion - If you were offered a suitable annual “option fee” for being a “first call” provider of DSR services what impact would such an annual payment have on the volume of demand reduction you would be able to offer into the DSR mechanism?

- No impact
- Would mean we would move from not being able to offer DSR to being in a position to make an offer
- Increase volume offered