

## SEFE Energy Representation Draft Modification Report

### Modification OUNC 0844: Enabling Direct Contractual Arrangements with Consumers for Demand Side Response

1. **Consultation close out date:** 13<sup>th</sup> July 2023
2. **Respond to:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)
3. **Organisation:**  
SEFE Energy  
5<sup>th</sup> Floor  
8 First Street  
Manchester  
M15 4RP
4. **Representative:**  
Steve Mulinganie  
Regulation Manager  
[stevemulinganie@sefe-energy.com](mailto:stevemulinganie@sefe-energy.com)  
0799 097 2568
5. **Date of Representation:** 13<sup>th</sup> July 2023
6. **Do you support or oppose Implementation:**  
We **Support** implementation of this Modification
7. **Please summarise (in 1 paragraph) the key reason(s) for your position:**  
We support implementation because by enabling Customers to be able contract directly with National Gas for Demand Side Response services, whilst retaining the capability for Customers to be able to contract via the Shipper, we provide added flexibility and choice for Customers.
8. **Are there any new or additional Issues for the Modification Report:**  
**No**
9. **Self-Governance Statement Do you agree with the status?**  
**Not Applicable**

## 10. Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

We **agree** with the proposer that this modification is positive in respect of Relevant Objective(s)

(a) “efficient and economic operation of the pipe-line system” is furthered by this Modification, which is designed to encourage voluntary DSR and thus mitigate the risk of a supply shortage escalating to declaration of a GDE. Should a GDE be declared then compulsory firm load shedding would result in disruption and inefficiency in the operation and use of the network as some parties that would wish to be taking gas would be prevented from doing so.

(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 by this Modification, also due to its mitigation of a GDE being declared. If such an event occurred, in addition to firm load shedding on the NTS, Gas Distribution Networks may be given instructions to implement the shedding of firm loads within their networks resulting in disruption and inefficiency at LDZ level too.

## 11. Consumer Benefits:

*Do you have any comments on the Consumer Benefits?*

**We have no additional comments**

## 12. Impacts & Costs:

*What analysis, development and on-going costs would you face if this modification was implemented?*

We **have not** identified any significant costs associated with the implementation of this modification

## 13. Implementation:

*What lead times would you wish to see prior to this modification being implemented, and why?*

**ASAP**

## 14. Legal Text:

*Are you satisfied that the legal text will deliver the intent of the modification?*

We **have not** reviewed the legal text but note the workgroups comments

*Workgroup Participants considered the text in consolidated and stand-alone form on 5 June following amendments by NGT and Workgroup Participants concluded that the points raised had been addressed and no further points were raised.*

## 15. Modification Panel Questions:

*Do you have any comments on any questions raised by the Modification Panel?*

**No comments**

## 16. Performance Assurance Considerations:

*Do you have any comments?*

**Not Applicable**

## 17. Is there anything further you wish to be taken into account?

*Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.*

**Yes**

### **Overview of the difference between Customer Direct and Shipper Direct**

It would be helpful if we could get a summary and/or table showing differences in process for Shipper Direct and Customer Direct and maybe an operational workshop?

### **National Gas contacting relevant Shippers**

Both Customer and Shipper representatives at the Workgroups expressed concerns over the proposal to not notify the Shipper in the event that a Customer Direct Demand Side Response option is exercised. We therefore propose in the event that this modification is directed for implementation to bring forward a Modification, at the earliest opportunity, to require National Gas to notify the relevant Shipper

The proposed amendment to the legal text is set out below:

*7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it ~~will not~~ inform the Registered User of the Supply Meter Point of the exercise.*

### **Terms and Conditions**

We also note that, unlike the Legal Text for Uniform Network Code, the proposed Terms and Conditions between the Customer and National Gas have not been subject to any review by the Work Group which included Customer representation.

In relation to the Terms and Conditions we note the following: -

1. We would question if a Customer should be subject to (b) and (c) below

- 3.2 In complying with the DSR Option the Consumer shall not knowingly or recklessly pursue any course of conduct (either alone or with some other person) which is likely to prejudice:
- (a) the safe and efficient operation, from day to day, by NGT of the NTS;
  - (b) the safe, economic and efficient balancing by NGT of the NTS; or
  - (c) the due functioning of the arrangements provided for in the UNC.

## 17. Continued

2. Should 4.2 include provision for where these arrangements no longer apply e.g. termination etc.
3. Is the use of facsimile still relevant?
4. Under Confidentiality we would need to ensure that Customers can advise both existing and potential Shippers and Suppliers of the existence of DSR arrangements does the current wording provide for this?