

Representation – Draft Modification Report UNC 0852

Shipper notification in relation to option exercise for Customer Demand Side Response

Responses invited by: **5pm on 22 February 2024**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Kirsty Dudley
Organisation:	E.ON
Date of Representation:	16/02/2024
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: *Please summarise the key reason(s) for your support or opposition.*

We are supportive of the introduction of a notification as it addresses the gap we highlighted in our response to modification 0844.

The introduction of a notification is a benefit to the process as it enables Shippers to react quicker to the information received, rather than it coming from the end consumer (which may not be timely). Where a Shipper works on behalf of another Supplier then there are extra communication steps which could mean that the updates are delayed. The delay in update timings may not impact end consumer billing but it may miss the timings required to adjust nominations to grid or to any counterparties involved.

The DSR process needs to be built on a solid foundation, which includes awareness of participation for parties who have processes they need to follow to support the overall DSR delivery. Many parties including ourselves, have 24/7 supporting FTE who can act on these notifications far faster than those received via convoluted updates mechanisms.

Impacts and Costs: *Please provide a view on the impacts and costs you would face.*

Low administrative costs to process the notifications received, we just need to ensure they are sent to the key contacts to avoid delays in processing.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Immediately post implementation (subject to provision of our best contact information).

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No comments.

Ofgem Questions: *Ofgem and Panel have requested that the following questions be addressed.*

Q1: If appropriate for your business, please explain what arrangements are already in place for large consumers to report any emerging issues (such as unplanned shutdowns) to shippers. Following this, please explain what barriers are in place to prevent similar arrangements being used for Demand Side Response communications.

A1: Our organisation would be notified of events such as shutdowns, mainly from the end user, which we don't believe to be the most robust of communication approaches. This modification is just targeting the DSR process, and we are not requesting for it to be any broader, however, the clunky nature of the current process is why we are asking for something more robust to be introduced.

Where Shippers work with multiple Suppliers the process to be updated via the end consumer is not a direct process, and even where it is a Shipper also completing the role of Supplier, the end consumer may be contracted to notify us, but it doesn't mean in practice that it actually happens in a timely fashion.

There are contractual remedies and recourse, however for the number of customers which are part of this scope, it feels an unnecessary administration reliance which could be easily bridged with a suitable notification being issued to a dedicated Shipper contact.

Q2: The panel have also asked you to please provide your views and reasons on the appropriate governance for this Modification - Self-governance or Authority Direction.

A2: As this is the introduction of a notification, we do not deem this as a material process change and would be happy for it to progress via Self-Governance routes, however, should other parties believe this is a material impact to their processes we wouldn't object to it going to the Authority for decision.

Q3: Please provide additional evidence in respect of the materiality of this Modification, i.e. Shippers, Suppliers and Customers as to why National Gas Transmission should be required to provide this service over and above normal BAU activities that apply to a Customer's normal contractual interaction with its Supplier and/or Shipper, and from National Gas as to why providing this service may have a material impact on the operations of the Control Room.

A3: As outlined in our 0844 response the omission of this process step leaves the Shipper blind to any arrangements made directly with the end consumer (especially if the Shipper works on behalf of other Suppliers), this can impact the purchasing position and could lead to unexpected scheduling charges for the consumer. Although relevant contractual provisions have been put in place the introduction of a notification ensures that the agreements are communicated to ALL interested parties.

We believe due to the number of sites which are anticipated to be part of the scope it is a manageable exercise and can be added into the process with limited extra effort e.g.

sending an email to the Shipper SPoC (as a default) or designated contact.

This could even evolve to be an automated notification should the originating party wish to do so.

Error or Omissions: Are there any errors or omissions in this Modification Report that you think should be taken into account? *Please include details of any impacts/costs to your organisation that are directly related to this.*

No comments.

Additional analysis: *Please provide below any analysis or information to support your representation.*

No comments.