

Representation – Draft Modification Report UNC 0866S Amendments to Demand Side Response (DSR) Arrangements

Responses invited by: 5pm on 03 May 2024

To: enquiries@gasgovernance.co.uk

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

Representative:	Shiv Singh
Organisation:	Cadent
Date of Representation:	3 rd May 2024
Support or oppose implementation?	Support
Relevant Objective:	a) Positive b) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

As existing DSR arrangements have resulted in relatively low levels of volume upon which to call when needed, this proposal intends to expand upon the consumer base eligible to participate and therefore, increase contracted volumes. This has the potential to further mitigate against the situation escalating towards a gas deficit emergency and therefore, protect consumers from a loss of supply.

Governance Statement: *Please provide your views on the self-governance statement or reasons why Authority Direction should apply.*

We agree that the proposal should remain as Self Governance.

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

n/a

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

Implementation should be as soon as possible, governance allowing.

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

Yes.

Panel Questions: *Panel Members have requested that the following questions are addressed.*

Panel identified four aspects which may affect the suitability for self-governance:

Q1. In light of the proposed change in treatment to the bid-stack (BR 4), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

It is likely that, given the target market being Class 2, the volumes put forward by either Consumers or Users may not be significant in quantity to be considered material. Using past DN Interruption Tenders as an example, the level of take-up would suggest considerable engagement is required to realise levels that would have a material impact.

Q2. Given the extension to Class 2 (BR 17), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

The requirement to extend to Class 2 in itself demonstrates the challenge in realising acceptable levels of DSR. With smaller sites being targeted, it may be that significant quantities of offers are required to have a material impact. I therefore, consider this suitable for Self-Governance.

Q3. Given the change in credit support (see BR 18), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

As above, by widening the reach to include the smaller sites with lower turnover in comparison to some of the larger sites in the pool, they may struggle to satisfy credit requirements and therefore opt to receive fees after the Winter period. This would again, suggest a non-material impact and support Self-Governance.

Q4. In light of the approach taken to Modification 0852, do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

I do not consider the approach to UNC0852 to be of relevance to the materiality of this proposal and therefore, consider Self-Governance suitable.

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.

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

None.