

SEFE Energy Representation Draft Modification Report

Modification UNC 0866S: Amendments to Demand Side Response (DSR) Arrangements

- 1. Consultation close out date:** 3rd May 2024
- 2. Respond to:** enquiries@gasgovernance.co.uk
- 3. Organisation:** SEFE Energy
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- 4. Representative:** Steve Mulinganie
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- 5. Date of Representation:** 3rd May 2024
- 6. Do you support or oppose Implementation:**
We **Support** implementation of the Modification
- 7. Please summarise (in 1 paragraph) the key reason(s) for your position:**
We welcome the changes being made that seek to broaden participation in the DSR scheme. We also note the collaborative approach taken by National Gas in developing the proposals.
- 8. Are there any new or additional Issues for the Modification Report:**
No
- 9. Self-Governance Statement Do you agree with the status?**
No

Whilst we support the proposal and note the time pressures in moving forward with implementation ahead of this year's tender, we do not believe the proposal to be in scope of Self Governance. Nor do we believe that the time constraint alone is justification for treating this modification as Self Governance.

We note the Panel has acted prudently to enable the Modification to return to Panel in a timely fashion leaving sufficient time for Authority direction.

Ofgem wished to note that if the Modification is returned to the Panel for May 2024, and it is changed to Authority Direction, they can attempt to make the decision in time for 2024 implementation.

In particular we highlight the approach by the Authority in its decision to revoke the Self Governance status of Modification 0852 - Shipper notification in relation to option exercise for Customer Demand Side Response. As both Modifications are current and deal with DSR we would reasonably compare the scope of 0852 with 0866 and in doing so it is clear that 0866 is far more material. It introduces scope changes which should increase the number of DSR participants and therefore this may increase the burden on NGT's role as the Network Emergency Coordinator where its control room may be operationally occupied in preventing a potential Gas Deficit Emergency. It also materially changes the way that National Gas will assess the merits of bids.

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) & (b)

11. 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

12. Implementation:

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

Should the Modification be subject to **Authority** Direction NGT has suggested that a **decision on this Modification would be required by 20 June 2024**, in time for inclusion in the tender which will be published in Summer 2024.

13. Legal Text:

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

We **have not** reviewed the Legal Text provided.

14. 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

Modification 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?

See comments in 9 above

We would note that no evidence of materiality was presented to support the removal of the self-governance status of Modification 0852

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?

See comments in 9 above

We would note that no evidence of materiality was presented to support the removal of the self-governance status of Modification 0852

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?

See comments in 9 above

We would note that no evidence of materiality was presented to support the removal of the self-governance status of Modification 0852

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?

See comments in 9 above

We would note that no evidence of materiality was presented to support the removal of the self-governance status of Modification 0852