

Exec Summary – 0844 Enabling Direct Contractual Arrangements with Consumers for Demand Side Response

Agenda Item	Key Messages
Purpose of the modification	<p>Following feedback received via the UNC0835r Request workstream, National Gas Transmission (NGT) have proposed this modification to expand the scope of DSR arrangements to allow direct contracting between NGT and individual Consumers for voluntary demand reduction.</p> <p>This modification's aim is to further enhance the existing DSR products, facilitate greater participation and increase the volume which can be offered to NGT in the event of the DSR market opening by enabling NGT and Consumers to enter into contractual relationships for voluntary demand curtailment. If these contracts are exercised, it has the ability to limit the severity, likelihood and duration of an emergency.</p>
Impacted parties	<p>High: Large industrial and commercial consumers, Shippers, Suppliers, NGT, Distribution Network Operators, On-the-Day Commodity Market (OCM) Market Operator and CDSP</p> <p>Low: Independent Gas Transporters (IGTs)</p>
How does this modification achieve its purpose and the relevant objectives?	<p>Relevant Objectives:</p> <p>A) “efficient and economic operation of the pipe-line system” is furthered by this modification as it encourages Consumers to voluntarily curtail their consumption which could mitigate the progression to a Gas Deficit Emergency (GDE) and Firm Load Shedding which would cause significant disruption to Consumers and other market participants.</p> <p>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 because it can help to mitigate the progression to an Emergency and prevent disruption to the industry and Consumers in respect of all pressure tiers</p>
Consumer benefit	<p>This modification has the potential to:</p> <ul style="list-style-type: none">• Improve safety and reliability of the network by improving the pre-emergency tools NGT can utilise, therefore, has the ability to reduce the severity, likelihood and duration of an emergency• Deliver lower bills when compared to those if a GDE did occur.• Deliver improved quality of service by limiting the likelihood of a GDE being declared and protecting consumers• Provide benefits for society as a whole by contributing positively to both gas and electricity supply security.
Contact for more information	<p>Phil Hobbins philip.hobbins@nationalgas.com / +44 (0)7966 865623 and Matt Newman matthew.newman2@nationalgas.com / +44 (0)7548773619</p>