

Representation - Draft Modification Report UNC 0856

Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)

Responses invited by: 5pm on 04 December 2023

To: enquiries@gasgovernance.co.uk

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

Representative:	Julie Cox
Organisation:	Energy UK
Date of Representation:	4 th December 2023
Support or oppose implementation?	Qualified Support
Relevant Objective:	<p>a) Positive</p> <p>b) Positive</p> <p>f) None</p>
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Reducing gas usage is not only important for system stability in times of a gas deficit emergency, which this trial seeks to test, but also more generally to help Britain decarbonise and achieve Net Zero. This trial, therefore, is an important first step in testing customer demand side response in this area.

Energy UK offers qualified support for this proposal since trials are a useful way of learning prior to developing an enduring proposal or deciding not to pursue such a change.

We do however have concerns in asking NDM customers, particularly domestic customers including the vulnerable to reduce gas usage at time of system stress which are likely to be cold days. The ask of customers is very different to that in the electricity market, which seeks to delay use of energy intensive appliances for a short time. This approach would seek to reduce gas use across a whole gas day, hence reducing levels of comfort in homes, albeit with compensation.

It will also be important to consider what steps customers take to keep warm. If electric heating is used there could be a risk of a net increase in energy use across the gas and electricity systems. Noting that any increase in electricity demand, will likely be met by gas generation which would further contribute to system stress not reduce it.

We note that the modification requires consultation on a specification document and an Ofgem decision. We expect the issue above to be explicitly considered in the specification document, including customer safeguards and what data collection to enable full assessment of the trial. Also, whether and how the NDM demand attribution processes will be amended to account for DSR volumes.

The proposal is marginally positive for relevant objectives (a) and (b) in so far as it enables learning about the NDM DSR product. At this time, it is a stretch to consider the role of this product in averting or limiting a gas deficit emergency.

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

If trials are to proceed this winter, then a decision is needed as soon as practical, however given the very significant amount of work needed with shippers, suppliers and customers to ensure adequate protections are in place, a more considered approach for winter 2024 may be more reasonable.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

As a trade association none.

Shippers and Suppliers will face marketing, development, operational and administrative costs in participating in the trial.

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

Not reviewed

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

Not aware of any

Please provide below any additional analysis or information to support your representation

Nothing further to add